

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-35522

BANC OF CALIFORNIA, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State of Incorporation)

04-3639825
(I.R.S. Employer Identification No.)

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

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

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

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

Common Stock, par value \$0.01 per share Depository Shares, each representing a 1/40th interest in a share of 7.75% fixed rate reset non-cumulative perpetual preferred stock, Series F <i>(Title of Each Class)</i>	BANC BANC/PF <i>(Trading Symbol)</i>	New York Stock Exchange New York Stock Exchange <i>(Name of Exchange on Which Registered)</i>
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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

- | | |
|---|--|
| <input checked="" type="checkbox"/> Large accelerated filer | <input type="checkbox"/> Accelerated filer |
| <input type="checkbox"/> Non-accelerated filer | <input type="checkbox"/> Smaller reporting company |
| | <input type="checkbox"/> Emerging growth company |

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

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

As of July 31, 2025, there were 147,301,051 shares of the registrant's voting common stock outstanding, excluding 83,781 shares of unvested restricted stock, and there were 477,321 shares of the registrant's class B non-voting common stock outstanding.

BANC OF CALIFORNIA, INC.
JUNE 30, 2025 QUARTERLY REPORT ON FORM 10-Q
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PART I. FINANCIAL INFORMATION

Glossary of Acronyms, Abbreviations, and Terms

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

ACL	Allowance for Credit Losses	FRBSF	Federal Reserve Bank of San Francisco
AFS	Available-for-Sale	HFS	Held for Sale
AFX	American Financial Exchange	HLBV	Hypothetical Liquidation at Book Value
ALLL	Allowance for Loan and Lease Losses	HOA	Homeowners Association
ALM	Asset Liability Management	HTM	Held-to-Maturity
ASC	Accounting Standards Codification	ICS	IntraFi Cash Service
ASU	Accounting Standards Update	IRR	Interest Rate Risk
Basel III	A comprehensive capital framework and rules for U.S. banking organizations approved by the FRB and the FDIC in 2013	LIHTC	Low Income Housing Tax Credit
BOLI	Bank Owned Life Insurance	LOCOM	Lower of Cost or Market
CDI	Core Deposit Intangible Assets	MBS	Mortgage-Backed Securities
CECL	Current Expected Credit Loss	NAV	Net Asset Value
CET1	Common Equity Tier 1	NII	Net Interest Income
Civic	Civic Financial Services, LLC (a company acquired on February 1, 2021)	NVCE	Non-Voting Common Stock Equivalents
CMBS	Commercial Mortgage-Backed Securities	OREO	Other Real Estate Owned
CMOs	Collateralized Mortgage Obligations	PCD	Purchased Credit Deteriorated
CODM	Chief Operating Decision Maker	PSUs	Performance Stock Units
COVID-19	Coronavirus Disease	ROU	Right-of-use
CRA	Community Reinvestment Act	RSUs	Restricted Stock Units
CRI	Customer Relationship Intangible Assets	S&P	Standard & Poor's
DFPI	California Department of Financial Protection and Innovation	SBA	Small Business Administration
DTAs	Deferred Tax Assets	SBIC	Small Business Investment Company
ECR	Earnings Credit Rate	SEC	Securities and Exchange Commission
EVE	Economic Value of Equity	SOFR	Secured Overnight Financing Rate
FDIC	Federal Deposit Insurance Corporation	TRSAAs	Time-Based Restricted Stock Awards
FHLB	Federal Home Loan Bank of San Francisco	U.S. GAAP	U.S. Generally Accepted Accounting Principles
FRB	Board of Governors of the Federal Reserve System		

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

**BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS**

	June 30, 2025	December 31, 2024
(Unaudited)		
<i>(Dollars in thousands, except par value amounts)</i>		
ASSETS:		
Cash and due from banks	\$ 222,210	\$ 192,006
Interest-earning deposits in financial institutions	2,131,342	2,310,206
Total cash, cash equivalents, and restricted cash	2,353,552	2,502,212
Securities available-for-sale, at fair value, net of allowance for credit losses (amortized cost of \$2,480,037 and \$2,526,644, respectively)(ACL of \$775 and \$0, respectively)	2,246,174	2,246,839
Securities held-to-maturity, at amortized cost, net of allowance for credit losses (fair value of \$2,195,476 and \$2,156,694, respectively)(ACL of \$695 and \$1,500, respectively)	2,316,725	2,306,149
FRB and FHLB stock, at cost	162,243	147,773
Total investment securities	4,725,142	4,700,761
Loans held for sale	465,571	26,331
Loans and leases held for investment	24,245,893	23,781,663
Allowance for loan and lease losses	(229,344)	(239,360)
Total loans and leases held for investment, net	24,016,549	23,542,303
Equipment leased to others under operating leases	288,692	307,188
Premises and equipment, net	138,032	142,546
Bank owned life insurance	346,142	339,517
Goodwill	214,521	214,521
Intangible assets, net	118,930	132,944
Deferred tax asset, net	691,535	720,587
Other assets	891,787	913,954
Total assets	\$ 34,250,453	\$ 33,542,864
LIABILITIES:		
Noninterest-bearing deposits	\$ 7,441,116	\$ 7,719,913
Interest-bearing deposits	20,087,317	19,471,996
Total deposits	27,528,433	27,191,909
Borrowings (including \$117,180 and \$118,838 at fair value, respectively)	1,917,180	1,391,814
Subordinated debt	949,213	941,923
Accrued interest payable and other liabilities	428,784	517,269
Total liabilities	30,823,610	30,042,915
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock	498,516	498,516
Common stock (\$0.01 par value, 147,379,216 shares issued and 147,295,435 outstanding at June 30, 2025; 158,557,735 shares issued and 158,346,529 outstanding at December 31 2024)	1,474	1,586
Class B non-voting common stock (\$0.01 par value, 477,321 shares issued at June 30, 2025 and 477,321 shares issued at December 31, 2024)	5	5
Non-voting common stock equivalents (\$0.01 par value, 9,790,600 shares issued at June 30, 2025 and 9,790,600 shares issued at December 31, 2024)		98
Additional paid-in capital	3,609,109	3,785,725
Retained deficit	(369,142)	(431,201)
Accumulated other comprehensive loss, net	(313,217)	(354,780)
Total stockholders' equity	3,426,843	3,499,949
Total liabilities and stockholders' equity	\$ 34,250,453	\$ 33,542,864

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended			Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(Unaudited)				
	(In thousands, except per share amounts)				
Interest income:					
Loans and leases	\$ 362,303	\$ 346,103	\$ 388,853	\$ 708,406	\$ 774,318
Investment securities	37,616	37,862	33,836	75,478	68,139
Deposits in financial institutions	20,590	22,690	39,900	43,280	98,836
Total interest income	420,509	406,655	462,589	827,164	941,293
Interest expense:					
Deposits	144,940	140,530	186,106	285,470	380,913
Borrowings	20,021	18,421	30,311	38,442	68,435
Subordinated debt	15,332	15,340	16,684	30,672	33,355
Total interest expense	180,293	174,291	233,101	354,584	482,703
Net interest income	240,216	232,364	229,488	472,580	458,590
Provision for credit losses	39,100	9,300	11,000	48,400	21,000
Net interest income after provision for credit losses	201,116	223,064	218,488	424,180	437,590
Noninterest income:					
Leased equipment income	10,231	10,784	11,487	21,015	23,203
Commissions and fees	9,641	9,958	8,629	19,599	16,771
Service charges on deposit accounts	4,456	4,543	4,540	8,999	9,245
Gain on sale of loans and leases	30	211	1,135	241	687
Dividends and (losses) gains on equity investments	(114)	2,323	1,166	2,209	4,234
Warrant income (loss)	1,227	(295)	(324)	932	(146)
LOCOM HFS adjustment	(9)	—	(38)	(9)	292
Other income	7,171	6,126	3,197	13,297	9,322
Total noninterest income	32,633	33,650	29,792	66,283	63,608
Noninterest expense:					
Compensation	88,362	86,417	85,914	174,779	178,150
Customer related expense	26,577	27,751	32,405	54,328	63,324
Occupancy	15,473	15,010	17,455	30,483	35,423
Information technology and data processing	13,073	15,099	15,459	28,172	30,877
Insurance and assessments	9,403	7,283	26,431	16,686	46,892
Intangible asset amortization	7,159	7,160	8,484	14,319	16,888
Leased equipment depreciation	6,700	6,741	7,511	13,441	15,031
Other professional services	6,406	4,513	5,183	10,919	10,258
Loan expense	4,050	2,930	4,332	6,980	8,823
Acquisition, integration and reorganization costs	—	—	(12,650)	—	(12,650)
Other expense	8,666	10,749	13,119	19,415	21,145
Total noninterest expense	185,869	183,653	203,643	369,522	414,161
Earnings before income taxes	47,880	73,061	44,637	120,941	87,037
Income tax expense	19,495	19,493	14,304	38,988	25,852
Net earnings	28,385	53,568	30,333	81,953	61,185
Preferred stock dividends	9,947	9,947	9,947	19,894	19,894
Net earnings available to common and equivalent stockholders	\$ 18,438	\$ 43,621	\$ 20,386	\$ 62,059	\$ 41,291

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended			Six Months Ended			
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024		
	(Unaudited)						
	<i>(In thousands, except per share amounts)</i>						
Earnings per share:							
Basic	\$ 0.12	\$ 0.26	\$ 0.12	\$ 0.38	\$ 0.25		
Diluted	\$ 0.12	\$ 0.26	\$ 0.12	\$ 0.38	\$ 0.25		

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended			Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(Unaudited) (In thousands)				
Net earnings	\$ 28,385	\$ 53,568	\$ 30,333	\$ 81,953	\$ 61,185
Other comprehensive income, net of tax:					
Unrealized net holding gains (losses) on securities available-for-sale arising during the period	8,247	38,470	729	46,717	(17,479)
Income tax (expense) benefit related to unrealized net holding gains (losses) arising during the period	(2,351)	(10,952)	(207)	(13,303)	4,960
Unrealized net holding gains (losses) on securities available-for-sale, net of tax	5,896	27,518	522	33,414	(12,519)
Amortization of unrealized net loss on securities transferred from available-for-sale to held-to-maturity	8,344	8,342	8,106	16,686	16,216
Income tax expense related to amortization of unrealized net loss on securities transferred from available-for-sale to held-to-maturity	(2,353)	(2,378)	(2,300)	(4,731)	(4,602)
Amortization of unrealized net loss on securities transferred from available-for-sale to held-to-maturity, net of tax	5,991	5,964	5,806	11,955	11,614
Change in fair value of credit-linked notes	(517)	146	636	(371)	(615)
Income tax benefit (expense) related to change in fair value of credit-linked notes	180	(42)	(149)	138	206
Change in fair value of credit-linked notes, net of tax	(337)	104	487	(233)	(409)
Unrealized (loss) gain on cash flow hedges arising during the period	(1,952)	(2,973)	1,283	(4,925)	6,708
Income tax benefit (expense) related to unrealized gain on cash flow hedges arising during the period	505	847	(321)	1,352	(1,939)
Unrealized (loss) gain on cash flow hedges, net of tax	(1,447)	(2,126)	962	(3,573)	4,769
Other comprehensive income, net of tax	10,103	31,460	7,777	41,563	3,455
Comprehensive income	\$ 38,488	\$ 85,028	\$ 38,110	\$ 123,516	\$ 64,640

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

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

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

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

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Six Months Ended June 30, 2024							
	Preferred Stock	Common Stock		Non- Voting Common Stock Equivalents	Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss, Net	Total
		Voting	Class B Non- Voting					
	<i>(Unaudited)</i> <i>(In thousands, except per share amount)</i>							
Balance, December 31, 2023	\$ 498,516	\$ 1,577	\$ 5	\$ 108	\$ 3,840,974	\$ (518,301)	\$ (432,114)	\$ 3,390,765
Net earnings	—	—	—	—	—	30,852	—	30,852
Other comprehensive loss, net of tax	—	—	—	—	—	—	(4,322)	(4,322)
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	(1)	—	—	4,657	—	—	4,656
Conversion of non-voting common stock equivalents to voting common stock	—	7	—	(7)	—	—	—	—
Restricted stock surrendered	—	—	—	—	(1,238)	—	—	(1,238)
Shares repurchased under Dividend Reinvestment Plan	—	—	—	—	70	—	—	70
Cash dividends paid:								
Preferred stock, \$0.4845/share	—	—	—	—	—	(9,947)	—	(9,947)
Common stock, \$0.10/share	—	—	—	—	(16,686)	—	—	(16,686)
Balance, March 31, 2024	<u>\$ 498,516</u>	<u>\$ 1,583</u>	<u>\$ 5</u>	<u>\$ 101</u>	<u>\$ 3,827,777</u>	<u>\$ (497,396)</u>	<u>\$ (436,436)</u>	<u>\$ 3,394,150</u>
Net earnings	—	—	—	—	—	30,333	—	30,333
Other comprehensive income, net of tax	—	—	—	—	—	—	7,777	7,777
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	—	—	—	3,912	—	—	3,912
Restricted stock surrendered	—	—	—	—	(1,154)	—	—	(1,154)
Shares repurchased under Dividend Reinvestment Plan	—	—	—	—	78	—	—	78
Cash dividends paid:								
Preferred stock, \$0.4845/share	—	—	—	—	—	(9,947)	—	(9,947)
Common stock, \$0.10/share	—	—	—	—	(17,301)	—	—	(17,301)
Balance, June 30, 2024	<u>\$ 498,516</u>	<u>\$ 1,583</u>	<u>\$ 5</u>	<u>\$ 101</u>	<u>\$ 3,813,312</u>	<u>\$ (477,010)</u>	<u>\$ (428,659)</u>	<u>\$ 3,407,848</u>

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Six Months Ended June 30, 2024			
	Preferred Stock	Common Stock		Non-Voting Common Stock Equivalents
		Voting	Class B Non-Voting	
		<i>(Unaudited)</i>		
		<i>(In ones)</i>		
Number of shares, December 31, 2023	513,250	157,651,752	477,321	10,829,990
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	67,209	—	—
Restricted stock surrendered	—	(17,364)	—	—
Shares purchased under Dividend Reinvestment Plan	—	4,721	—	—
Conversion of non-voting common stock equivalents to voting common stock	—	684,390	—	(684,390)
Number of shares, March 31, 2024	<u>513,250</u>	<u>158,390,708</u>	<u>477,321</u>	<u>10,145,600</u>
Restricted stock awarded and earned stock compensation, net of shares forfeited	—	(66,623)	—	—
Restricted stock surrendered	—	(77,549)	—	—
Shares purchased under Dividend Reinvestment Plan	—	6,255	—	—
Number of shares, June 30, 2024	<u><u>513,250</u></u>	<u><u>158,252,791</u></u>	<u><u>477,321</u></u>	<u><u>10,145,600</u></u>

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2025	2024
	(Unaudited) (In thousands)	
Cash flows from operating activities:		
Net earnings	\$ 81,953	\$ 61,185
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	25,369	27,687
Amortization of net premiums on investment securities	10,034	12,496
Accretion of net purchased loan discounts and deferred loan fees	(42,852)	(63,017)
Amortization of intangible assets	14,319	16,888
Amortization of operating lease ROU assets	11,750	17,842
Provision for credit losses	48,400	21,000
Gain on sale of foreclosed assets	(115)	(568)
Provision for losses on foreclosed assets	633	813
Gain on sale of loans and leases	(241)	(687)
Gain on sale of premises and equipment	—	81
Gain on BOLI death benefit	—	(52)
Unrealized loss on derivatives, foreign currencies, and credit-linked notes, net	271	3,169
LOCOM HFS adjustment	9	(292)
Earned stock compensation	11,932	8,568
Decrease in other assets	28,605	82,733
Decrease in accrued interest payable and other liabilities	(112,231)	(237,139)
Net cash provided by (used in) operating activities	<u>77,836</u>	<u>(49,293)</u>
Cash flows from investing activities:		
Net increase in loans and leases	(949,050)	(101,402)
Proceeds from sales of loans and leases	32,421	530,292
Proceeds from maturities and paydowns of securities available-for-sale	209,739	84,629
Purchases of securities available-for-sale	(166,865)	(5,558)
Proceeds from maturities and paydowns of securities held-to-maturity	614	586
Purchases of FHLB and FRB stock	(16,256)	(7,816)
Redemptions of FHLB and FRB stock	1,786	1,782
Proceeds from sales of foreclosed assets	7,068	8,622
Purchases of premises and equipment	(2,794)	(6,639)
Proceeds from sales of premises and equipment	—	2
Proceeds from BOLI death benefit	—	1,519
Net decrease (increase) in equipment leased to others under operating leases	5,055	(6,674)
Net cash (used in) provided by investing activities	<u>(878,282)</u>	<u>499,343</u>
Cash flows from financing activities:		
Net (decrease) increase in noninterest-bearing deposits	(278,797)	50,753
Net increase (decrease) in interest-bearing deposits	615,321	(1,648,072)
Repayments of borrowings	(176,184)	(2,075,372)
Proceeds from borrowings	700,000	600,000
Common shares repurchased under Stock Repurchase Program	(151,845)	—
Common shares purchased under Dividend Reinvestment Plan	144	148
Restricted stock surrendered	(3,387)	(2,392)
Preferred stock dividends paid	(19,894)	(19,894)
Common stock dividends paid	(33,572)	(33,987)
Net cash provided by (used in) by financing activities	<u>651,786</u>	<u>(3,128,816)</u>
Net decrease in cash, cash equivalents, and restricted cash	(148,660)	(2,678,766)
Cash, cash equivalents, and restricted cash, beginning of period	<u>2,502,212</u>	<u>5,377,576</u>
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 2,353,552</u>	<u>\$ 2,698,810</u>

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2025	2024
	(Unaudited) <i>(In thousands)</i>	
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 373,260	\$ 607,769
Cash received for income taxes	(8,164)	(7,175)
Loans transferred to foreclosed assets	5,673	14,776
Transfers from loans held for investment to loans held for sale	441,248	1,915,180
Transfers to loans held for investment from loans held for sale	—	1,179

See Notes to Condensed Consolidated Financial Statements.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Significant Accounting Policies

Our accounting policies are described in Note 1. *Nature of Operations and Summary of Significant Accounting Policies*, of our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the SEC ("Form 10-K").

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*." The standard, among other changes, improves annual income tax disclosures by requiring disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The enhanced income tax disclosure requirements apply on a prospective basis to annual financial statements for periods beginning after December 15, 2024. However, retrospective application in all prior periods presented is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, "*Disaggregation of Income Statement Expenses*." The standard, among other changes, requires additional disclosure of the nature of expenses included in the income statement in response to longstanding requests from investors for more information about an entity's expenses. The new standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The prescribed categories include, among other things, employee compensation, depreciation, and intangible asset amortization. In addition, companies will need to provide qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. In January 2025, the FASB also issued ASU 2025-01, "*Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures-Clarifying the Effective Date*," which amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. The enhanced income statement expense disclosure requirements apply on a prospective basis. However, retrospective application in all prior periods presented is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

In May 2025, the FASB issued ASU 2025-03, "*Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity.*" The new standard amends the guidance for identifying the accounting acquirer of a variable-interest entity ("VIE") in ASC 805, *Business Combinations*. Prior to the amendments, the guidance in ASC 805 stipulated that the primary beneficiary of a VIE acquired in a business combination would always be the accounting acquirer. The amendments revise this guidance to require entities to consider the factors in ASC 805-10-55-12 through 55-15 when determining the accounting acquirer in a business combinations that meets both of the following conditions: (1) the transaction is effected primarily by exchanging equity interests; and (2) the legal acquiree is a VIE that meets the definition of a business. This guidance is effective for fiscal years beginning after December 15, 2026 with early adoption permitted. The amendments are required to be applied prospectively to any acquisition transaction that occurs after the initial application date. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures.

Basis of Presentation

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

The interim condensed consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Form 10-K.

Use of Estimates

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

NOTE 2. RESTRICTED CASH

The Company is required to maintain reserve balances with the FRBSF. Such reserve requirements are based on a percentage of deposit liabilities and may be satisfied by cash on hand. There were no average reserves required to be held at the FRBSF for the six months ended June 30, 2025 and 2024. The following restricted cash balances are included in "Interest-earning deposits in financial institutions" on the condensed consolidated balance sheets. As of June 30, 2025 and December 31, 2024, we pledged cash collateral for our derivative contracts of \$11.6 million and \$5.3 million. In connection with the issuance of the credit-linked notes on September 29, 2022, we established a correspondent bank account at a third party financial institution as the collateral account for the credit-linked notes. The repayment of principal on the credit-linked notes is secured by this collateral account, which had a balance of \$117.4 million at June 30, 2025 and \$119.6 million at December 31, 2024. Starting in the second quarter of 2023, we began to pledge cash to secure the standby letters of credit that we have issued on behalf of our customers. As of June 30, 2025 and December 31, 2024, the balance of such restricted cash totaled \$39.7 million and \$59.3 million.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 3. INVESTMENT SECURITIES

Securities Available-for-Sale

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

Security Type	June 30, 2025					
	Amortized Cost	Allowance for Credit Losses	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	<i>(In thousands)</i>					
Agency residential MBS	\$ 1,013,078	\$ —	\$ 1,013,078	\$ —	\$ (163,213)	\$ 849,865
Agency commercial MBS	62,140	—	62,140	35	(1,303)	60,872
Agency residential CMOs	552,274	—	552,274	3,400	(17,605)	538,069
Municipal securities	602	—	602	—	—	602
Corporate debt securities	286,560	(775)	285,785	373	(23,020)	263,138
Private label residential CMOs	307,335	—	307,335	121	(31,000)	276,456
Collateralized loan obligations	227,910	—	227,910	520	(183)	228,247
Private label commercial MBS	11,569	—	11,569	—	(945)	10,624
Asset-backed securities	14,446	—	14,446	—	(44)	14,402
SBA securities	4,123	—	4,123	—	(224)	3,899
Total ⁽¹⁾	\$ 2,480,037	\$ (775)	\$ 2,479,262	\$ 4,449	\$ (237,537)	\$ 2,246,174

(1) Excludes accrued interest receivable of \$11.1 million at June 30, 2025 which is recorded in "Other assets" on the condensed consolidated balance sheets.

Security Type	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	<i>(In thousands)</i>			
Agency residential MBS	\$ 1,051,601	\$ —	\$ (189,761)	\$ 861,840
Agency commercial MBS	52,610	—	(1,046)	51,564
Agency residential CMOs	467,319	223	(20,911)	446,631
Municipal securities	602	—	(8)	594
Corporate debt securities	289,098	—	(31,386)	257,712
Private label residential CMOs	352,615	7	(35,712)	316,910
Collateralized loan obligations	278,976	469	(29)	279,416
Private label commercial MBS	13,585	—	(1,213)	12,372
Asset-backed securities	15,674	—	(74)	15,600
SBA securities	4,564	—	(364)	4,200
Total ⁽¹⁾	\$ 2,526,644	\$ 699	\$ (280,504)	\$ 2,246,839

(1) Excludes accrued interest receivable of \$12.6 million at December 31, 2024 which is recorded in "Other assets" on the condensed consolidated balance sheets.

As of June 30, 2025, AFS securities with a fair value of \$3.9 million were pledged as collateral solely for public deposits.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Realized Gains and Losses on Securities Available-for-Sale

The were no sales of AFS securities for the three months and six months ended June 30, 2025 and 2024.

Unrealized Losses on Securities Available-for-Sale

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

Security Type	June 30, 2025					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	<i>(In thousands)</i>					
Agency residential MBS	\$ —	\$ —	\$ 849,865	\$ (163,213)	\$ 849,865	\$ (163,213)
Agency commercial MBS	31,214	(51)	10,863	(1,252)	42,077	(1,303)
Agency residential CMOs	8,568	(9)	102,714	(17,596)	111,282	(17,605)
Corporate debt securities	3,736	(14)	243,805	(23,006)	247,541	(23,020)
Private label residential CMOs	77,300	(92)	127,704	(30,908)	205,004	(31,000)
Collateralized loan obligations	38,590	(183)	—	—	38,590	(183)
Private label commercial MBS	—	—	10,624	(945)	10,624	(945)
Asset-backed securities	—	—	14,402	(44)	14,402	(44)
SBA securities	—	—	3,899	(224)	3,899	(224)
Total	<u>\$ 159,408</u>	<u>\$ (349)</u>	<u>\$ 1,363,876</u>	<u>\$ (237,188)</u>	<u>\$ 1,523,284</u>	<u>\$ (237,537)</u>

Security Type	December 31, 2024					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	<i>(In thousands)</i>					
Agency residential MBS	\$ —	\$ —	\$ 861,840	\$ (189,761)	\$ 861,840	\$ (189,761)
Agency commercial MBS	40,291	(87)	11,273	(959)	51,564	(1,046)
Agency residential CMOs	273,347	(1,994)	104,757	(18,917)	378,104	(20,911)
Municipal securities	—	—	594	(8)	594	(8)
Corporate debt securities	15,968	(32)	241,744	(31,354)	257,712	(31,386)
Private label residential CMOs	180,915	(1,031)	129,178	(34,681)	310,093	(35,712)
Collateralized loan obligations	38,771	(29)	—	—	38,771	(29)
Private label commercial MBS	—	—	12,372	(1,213)	12,372	(1,213)
Asset-backed securities	15,600	(74)	—	—	15,600	(74)
SBA securities	—	—	4,200	(364)	4,200	(364)
Total	<u>\$ 564,892</u>	<u>\$ (3,247)</u>	<u>\$ 1,365,958</u>	<u>\$ (277,257)</u>	<u>\$ 1,930,850</u>	<u>\$ (280,504)</u>

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

The securities that were in an unrealized loss position at June 30, 2025, were considered impaired and required further review to determine if the unrealized losses were credit-related. As of June 30, 2025, the Company had recorded an allowance for credit losses on securities available-for-sale of \$0.8 million on one corporate debt security. Except for the one corporate debt security noted, we concluded the unrealized losses were a result of the level of market interest rates relative to the types of securities and pricing changes caused by shifting supply and demand dynamics and not a result of downgraded credit ratings or other indicators of deterioration of the underlying issuers' ability to repay. We also considered the seniority of the tranches and U.S. government agency guarantees, if any, to assess whether an unrealized loss was credit-related. Further, we do not currently intend to sell any of the securities in an unrealized loss position and it is not more likely than not the Company will be required to sell these securities before their anticipated recovery. As such, we recognized the unrealized losses in "Accumulated other comprehensive loss, net" of "Stockholders' equity" on the condensed consolidated balance sheets.

Contractual Maturities of Securities Available-for-Sale

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

Security Type	June 30, 2025					Total
	Due Within One Year	Due After One Year Through Five Years	Due After Five Years Through Ten Years	Due After Ten Years		
<i>(In thousands)</i>						
Amortized Cost:						
Agency residential MBS	\$ —	\$ —	\$ —	\$ 1,013,078		\$ 1,013,078
Agency commercial MBS	—	40,031	9,994	12,115		62,140
Agency residential CMOs	—	—	14,353	537,921		552,274
Municipal securities	—	602	—	—		602
Corporate debt securities	—	15,753	270,807	—		286,560
Private label residential CMOs	—	—	—	307,335		307,335
Collateralized loan obligations	—	9,936	111,413	106,561		227,910
Private label commercial MBS	—	—	514	11,055		11,569
Asset-backed securities	—	—	—	14,446		14,446
SBA securities	—	—	4,123	—		4,123
Total	<u>\$ —</u>	<u>\$ 66,322</u>	<u>\$ 411,204</u>	<u>\$ 2,002,511</u>		<u>\$ 2,480,037</u>

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Security Type	June 30, 2025				Total
	Due Within One Year	Due After One Year Through Five Years	Due After Five Years Through Ten Years	Due After Ten Years	
<i>(In thousands)</i>					
Fair Value:					
Agency residential MBS	\$ —	\$ —	\$ —	\$ 849,865	\$ 849,865
Agency commercial MBS	—	40,051	9,958	10,863	60,872
Agency residential CMOs	—	—	14,382	523,687	538,069
Municipal securities	—	602	—	—	602
Corporate debt securities	—	15,092	248,046	—	263,138
Private label residential CMOs	—	—	—	276,456	276,456
Collateralized loan obligations	—	9,932	111,389	106,926	228,247
Private label commercial MBS	—	—	506	10,118	10,624
Asset-backed securities	—	—	—	14,402	14,402
SBA securities	—	—	3,899	—	3,899
Total	\$ —	\$ 65,677	\$ 388,180	\$ 1,792,317	\$ 2,246,174

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

Securities Held-to-Maturity

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

Security Type	June 30, 2025					
	Amortized Cost	Allowance for Credit Losses	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<i>(In thousands)</i>						
Municipal securities	\$ 1,253,568	\$ (20)	\$ 1,253,548	\$ 312	\$ (62,253)	\$ 1,191,607
Agency commercial MBS	443,875	—	443,875	—	(23,511)	420,364
Private label commercial MBS	357,825	—	357,825	—	(14,850)	342,975
U.S. Treasury securities	191,487	—	191,487	—	(9,854)	181,633
Corporate debt securities	70,665	(675)	69,990	—	(11,093)	58,897
Total ⁽¹⁾	\$ 2,317,420	\$ (695)	\$ 2,316,725	\$ 312	\$ (121,561)	\$ 2,195,476

(1) Excludes accrued interest receivable of \$13.4 million at June 30, 2025 which is recorded in "Other assets" on the condensed consolidated balance sheets.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

December 31, 2024

<u>Security Type</u>	<u>Amortized Cost</u>	<u>Allowance for Credit Losses</u>	<u>Net Carrying Amount</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
<i>(In thousands)</i>						
Municipal securities	\$ 1,251,364	\$ (140)	\$ 1,251,224	\$ 35	\$ (54,799)	\$ 1,196,460
Agency commercial MBS	440,476	—	440,476	—	(37,840)	402,636
Private label commercial MBS	355,342	—	355,342	—	(26,226)	329,116
U.S. Treasury securities	189,985	—	189,985	—	(16,702)	173,283
Corporate debt securities	70,482	(1,360)	69,122	—	(13,923)	55,199
Total ⁽¹⁾	<u>\$ 2,307,649</u>	<u>\$ (1,500)</u>	<u>\$ 2,306,149</u>	<u>\$ 35</u>	<u>\$ (149,490)</u>	<u>\$ 2,156,694</u>

(1) Excludes accrued interest receivable of \$13.4 million at December 31, 2024 which is recorded in "Other assets" on the condensed consolidated balance sheets.

As of June 30, 2025, HTM securities with an amortized cost of \$2.2 billion and a fair value of \$2.1 billion were pledged as collateral primarily for the FRB secured line of credit and public deposits.

Allowance for Credit Losses on Securities Held-to-Maturity

Credit losses on HTM securities are recorded at the time of purchase, acquisition, or when the Company designates securities as held-to-maturity. Credit losses on HTM securities are representative of current expected credit losses that may be incurred over the life of the investment. Accrued interest receivable on HTM securities, which is included in "Other assets" on the condensed consolidated balance sheets, is excluded from the estimate of expected credit losses. HTM U.S. treasury securities and agency-backed MBS securities are considered to have no risk of loss as they are either explicitly or implicitly guaranteed by the U.S. government. The change in fair value in the HTM private label CMBS portfolio is solely driven by changes in interest rates. The Company has no knowledge of any underlying credit issues and the cash flows underlying the debt securities have not changed and are not expected to be impacted by changes in interest rates and, thus, there is no related ACL for this portfolio. The underlying bonds in the Company's HTM municipal securities and HTM corporate debt securities portfolios are evaluated for credit losses in conjunction with management's estimate of the ACL based primarily on credit ratings, and as of June 30, 2025, the Company had recorded an allowance for credit losses on securities held-to-maturity of \$0.7 million.

Securities Held-to-Maturity by Credit Quality Indicator

The Company uses S&P, Moody's, Fitch, Kroll, and Egan Jones ratings as the credit quality indicators for its HTM securities. The following tables present our HTM securities portfolio at amortized cost by the lowest available credit rating as of the dates indicated:

<u>Security Type</u>	<u>June 30, 2025</u>							<u>Total</u>
	<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>AA-</u>	<u>A</u>	<u>BBB</u>	<u>NR</u>	
<i>(In thousands)</i>								
Amortized Cost:								
Municipal securities	\$ 566,732	\$ 363,671	\$ 230,548	\$ 73,189	\$ 1,660	\$ —	\$ 17,768	\$ 1,253,568
Agency commercial MBS	—	443,875	—	—	—	—	—	443,875
Private label commercial MBS	357,825	—	—	—	—	—	—	357,825
U.S. Treasury securities	—	191,487	—	—	—	—	—	191,487
Corporate debt securities	—	—	—	—	—	44,576	26,089	70,665
Total	<u>\$ 924,557</u>	<u>\$ 999,033</u>	<u>\$ 230,548</u>	<u>\$ 73,189</u>	<u>\$ 1,660</u>	<u>\$ 44,576</u>	<u>\$ 43,857</u>	<u>\$ 2,317,420</u>

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Security Type	December 31, 2024							
	AAA	AA+	AA	AA-	A	BBB	NR	Total
<i>(In thousands)</i>								
Amortized Cost:								
Municipal securities	\$ 571,347	\$ 369,072	\$ 218,581	\$ 72,952	\$ 1,667	\$ —	\$ 17,745	\$ 1,251,364
Agency commercial MBS	—	440,476	—	—	—	—	—	440,476
Private label commercial MBS	355,342	—	—	—	—	—	—	355,342
U.S. Treasury securities	—	189,985	—	—	—	—	—	189,985
Corporate debt securities	—	—	—	—	—	44,507	25,975	70,482
Total	\$ 926,689	\$ 999,533	\$ 218,581	\$ 72,952	\$ 1,667	\$ 44,507	\$ 43,720	\$ 2,307,649

Contractual Maturities of Securities Held-to-Maturity

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

Security Type	June 30, 2025					Total
	Due Within One Year	Due After One Year Through Five Years	Due After Five Years Through Ten Years	Due After Ten Years		
<i>(In thousands)</i>						
Amortized Cost:						
Municipal securities	\$ —	\$ 48,787	\$ 454,601	\$ 750,180	\$ —	\$ 1,253,568
Agency commercial MBS	—	43,665	400,210	—	—	443,875
Private label commercial MBS	—	—	37,071	320,754	—	357,825
U.S. Treasury securities	—	—	191,487	—	—	191,487
Corporate debt securities	—	—	10,131	60,534	—	70,665
Total	\$ —	\$ 92,452	\$ 1,093,500	\$ 1,131,468	\$ —	\$ 2,317,420

Security Type	June 30, 2025					Total
	Due Within One Year	Due After One Year Through Five Years	Due After Five Years Through Ten Years	Due After Ten Years		
<i>(In thousands)</i>						
Fair Value:						
Municipal securities	\$ —	\$ 48,487	\$ 442,198	\$ 700,922	\$ —	\$ 1,191,607
Agency commercial MBS	—	41,893	378,471	—	—	420,364
Private label commercial MBS	—	—	35,771	307,204	—	342,975
U.S. Treasury securities	—	—	181,633	—	—	181,633
Corporate debt securities	—	—	9,913	48,984	—	58,897
Total	\$ —	\$ 90,380	\$ 1,047,986	\$ 1,057,110	\$ —	\$ 2,195,476

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
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Interest Income on Investment Securities

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	<i>(In thousands)</i>			
Taxable interest	\$ 30,766	\$ 27,064	\$ 62,213	\$ 54,665
Non-taxable interest	4,547	4,746	9,064	9,466
Dividend income	2,303	2,026	4,201	4,008
Total interest income on investment securities	<u>\$ 37,616</u>	<u>\$ 33,836</u>	<u>\$ 75,478</u>	<u>\$ 68,139</u>

NOTE 4. LOANS AND LEASES HELD FOR INVESTMENT

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

The following table summarizes the composition of our loans and leases held for investment as of the dates indicated:

	June 30, 2025	December 31, 2024
	<i>(In thousands)</i>	
Real estate mortgage	\$ 13,945,463	\$ 13,605,595
Real estate construction and land ⁽¹⁾	2,312,808	3,187,146
Commercial	7,768,546	6,788,923
Consumer	381,343	402,254
Total gross loans and leases held for investment	<u>24,408,160</u>	<u>23,983,918</u>
Unearned discounts, net ⁽²⁾	(129,867)	(175,713)
Deferred fees, net	(32,400)	(26,542)
Total loans and leases held for investment	<u>24,245,893</u>	<u>23,781,663</u>
Allowance for loan and lease losses	(229,344)	(239,360)
Total loans and leases held for investment, net ⁽³⁾	<u>\$ 24,016,549</u>	<u>\$ 23,542,303</u>

(1) Includes land and acquisition and development loans of \$200.6 million and \$223.9 million at June 30, 2025 and December 31, 2024.

(2) Represents net acquisition discounts of \$198.5 million and purchase premiums of \$68.6 million at June 30, 2025, and net acquisition discounts of \$235.2 million and purchase premiums of \$59.5 million at December 31, 2024.

(3) Excludes accrued interest receivable of \$100.7 million and \$96.8 million at June 30, 2025 and December 31, 2024, respectively, which is recorded in "Other assets" on the condensed consolidated balance sheets.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
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The following tables present an aging analysis of our loans and leases held for investment by loan portfolio segment and class as of the dates indicated:

June 30, 2025						
	30 - 89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total	
<i>(In thousands)</i>						
Real estate mortgage:						
Commercial	\$ 5,748	\$ 46,461	\$ 52,209	\$ 4,317,192	\$ 4,369,401	
Multi-family	—	21,734	21,734	6,259,057	6,280,791	
Other residential	45,034	26,021	71,055	3,086,561	3,157,616	
Total real estate mortgage	50,782	94,216	144,998	13,662,810	13,807,808	
Real estate construction and land:						
Commercial	—	—	—	381,449	381,449	
Residential	—	—	—	1,920,642	1,920,642	
Total real estate construction and land	—	—	—	2,302,091	2,302,091	
Commercial:						
Asset-based	171	—	171	2,462,180	2,462,351	
Venture capital	—	—	—	2,002,601	2,002,601	
Other commercial	726	744	1,470	3,286,835	3,288,305	
Total commercial	897	744	1,641	7,751,616	7,753,257	
Consumer	2,221	606	2,827	379,910	382,737	
Total	\$ 53,900	\$ 95,566	\$ 149,466	\$ 24,096,427	\$ 24,245,893	
December 31, 2024						
	30 - 89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total	
<i>(In thousands)</i>						
Real estate mortgage:						
Commercial	\$ 27,700	\$ 22,561	\$ 50,261	\$ 4,528,511	\$ 4,578,772	
Multi-family	10,346	21,860	32,206	6,009,507	6,041,713	
Other residential	39,873	36,976	76,849	2,730,325	2,807,174	
Total real estate mortgage	77,919	81,397	159,316	13,268,343	13,427,659	
Real estate construction and land:						
Commercial	—	—	—	799,131	799,131	
Residential	—	—	—	2,373,162	2,373,162	
Total real estate construction and land	—	—	—	3,172,293	3,172,293	
Commercial:						
Asset-based	1,795	—	1,795	2,086,174	2,087,969	
Venture capital	5,534	—	5,534	1,532,242	1,537,776	
Other commercial	3,295	6,956	10,251	3,142,833	3,153,084	
Total commercial	10,624	6,956	17,580	6,761,249	6,778,829	
Consumer	2,804	493	3,297	399,585	402,882	
Total	\$ 91,347	\$ 88,846	\$ 180,193	\$ 23,601,470	\$ 23,781,663	

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It is our policy to discontinue accruing interest when principal or interest payments are past due 90 days or more (unless the loan is both well secured and in the process of collection) or when, in the opinion of management, there is a reasonable doubt as to the collectability of a loan or lease in the normal course of business. Interest income on nonaccrual loans is recognized only to the extent cash is received and the principal balance of the loan is deemed collectable.

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

	June 30, 2025			December 31, 2024		
	Nonaccrual	Performing	Total	Nonaccrual	Performing	Total
<i>(In thousands)</i>						
Real estate mortgage:						
Commercial	\$ 98,112	\$ 4,271,289	\$ 4,369,401	\$ 97,655	\$ 4,481,117	\$ 4,578,772
Multi-family	22,594	6,258,197	6,280,791	22,763	6,018,950	6,041,713
Other residential	39,396	3,118,220	3,157,616	46,788	2,760,386	2,807,174
Total real estate mortgage	<u>160,102</u>	<u>13,647,706</u>	<u>13,807,808</u>	<u>167,206</u>	<u>13,260,453</u>	<u>13,427,659</u>
Real estate construction and land:						
Commercial	—	381,449	381,449	—	799,131	799,131
Residential	—	1,920,642	1,920,642	—	2,373,162	2,373,162
Total real estate construction and land	<u>—</u>	<u>2,302,091</u>	<u>2,302,091</u>	<u>—</u>	<u>3,172,293</u>	<u>3,172,293</u>
Commercial:						
Asset-based	1,731	2,460,620	2,462,351	1,940	2,086,029	2,087,969
Venture capital	—	2,002,601	2,002,601	6,291	1,531,485	1,537,776
Other commercial	4,967	3,283,338	3,288,305	13,544	3,139,540	3,153,084
Total commercial	<u>6,698</u>	<u>7,746,559</u>	<u>7,753,257</u>	<u>21,775</u>	<u>6,757,054</u>	<u>6,778,829</u>
Consumer	716	382,021	382,737	624	402,258	402,882
Total	<u>\$ 167,516</u>	<u>\$ 24,078,377</u>	<u>\$ 24,245,893</u>	<u>\$ 189,605</u>	<u>\$ 23,592,058</u>	<u>\$ 23,781,663</u>

At June 30, 2025, nonaccrual loans and leases included \$95.6 million of loans and leases 90 or more days past due, \$13.0 million of loans and leases 30 to 89 days past due, and \$58.9 million of loans and leases current with respect to contractual payments that were placed on nonaccrual status based on management's judgment regarding their collectability. At December 31, 2024, nonaccrual loans and leases included \$88.8 million of loans and leases 90 or more days past due, \$40.6 million of loans and leases 30 to 89 days past due, and \$60.2 million of current loans and leases that were placed on nonaccrual status based on management's judgment regarding their collectability.

As of June 30, 2025, our three largest loan relationships on nonaccrual status had an aggregate carrying value of \$65.7 million and represented 39% of total nonaccrual loans and leases.

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

		June 30, 2025			
		Classified	Special Mention	Pass	Total
		<i>(In thousands)</i>			
Real estate mortgage:					
Commercial	\$	217,527	\$ 203,295	\$ 3,948,579	\$ 4,369,401
Multi-family		189,963	188,564	5,902,264	6,280,791
Other residential		39,411	1,258	3,116,947	3,157,616
Total real estate mortgage		446,901	393,117	12,967,790	13,807,808
Real estate construction and land:					
Commercial		69,324	29,501	282,624	381,449
Residential		3,124	—	1,917,518	1,920,642
Total real estate construction and land		72,448	29,501	2,200,142	2,302,091
Commercial:					
Asset-based		33,771	43,518	2,385,062	2,462,351
Venture capital		87,196	152,466	1,762,939	2,002,601
Other commercial		15,172	37,901	3,235,232	3,288,305
Total commercial		136,139	233,885	7,383,233	7,753,257
Consumer		1,068	5,065	376,604	382,737
Total	\$	656,556	\$ 661,568	\$ 22,927,769	\$ 24,245,893

		December 31, 2024			
		Classified	Special Mention	Pass	Total
		<i>(In thousands)</i>			
Real estate mortgage:					
Commercial	\$	301,278	\$ 348,014	\$ 3,929,480	\$ 4,578,772
Multi-family		113,164	202,690	5,725,859	6,041,713
Other residential		47,993	14,351	2,744,830	2,807,174
Total real estate mortgage		462,435	565,055	12,400,169	13,427,659
Real estate construction and land:					
Commercial		—	148,024	651,107	799,131
Residential		—	203,220	2,169,942	2,373,162
Total real estate construction and land		—	351,244	2,821,049	3,172,293
Commercial:					
Asset-based		5,003	9,547	2,073,419	2,087,969
Venture capital		75,406	125,320	1,337,050	1,537,776
Other commercial		19,949	38,741	3,094,394	3,153,084
Total commercial		100,358	173,608	6,504,863	6,778,829
Consumer		709	7,408	394,765	402,882
Total	\$	563,502	\$ 1,097,315	\$ 22,120,846	\$ 23,781,663

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

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

	June 30, 2025	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025	June 30, 2024	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	Nonaccrual Recorded Investment	Interest Income Recognized	Interest Income Recognized	Nonaccrual Recorded Investment	Interest Income Recognized	Interest Income Recognized
	<i>(In thousands)</i>					
With An Allowance Recorded:						
Real estate mortgage:						
Commercial	\$ 173	\$ —	\$ —	\$ 210	\$ —	\$ —
Multi-family	—	—	—	—	—	—
Other residential	64	—	—	283	—	—
Real estate construction and land:						
Commercial	—	—	—	—	—	—
Residential	—	—	—	—	—	—
Commercial:						
Asset-based	950	—	—	—	—	—
Venture capital	—	—	—	—	—	—
Other commercial	2,832	—	—	1,714	—	—
Consumer	716	—	—	800	—	—
With No Related Allowance Recorded:						
Real estate mortgage:						
Commercial	\$ 97,939	\$ 4	\$ 7	\$ 62,288	\$ 4	\$ 8
Multi-family	22,594	—	—	934	—	—
Other residential	39,332	—	—	31,549	—	—
Real estate construction and land:						
Commercial	—	—	—	—	—	—
Residential	—	—	—	—	—	—
Commercial:						
Asset-based	781	—	—	8,081	—	—
Venture capital	—	—	—	—	—	—
Other commercial	2,135	1	1	11,211	45	45
Consumer	—	—	—	—	—	—
Total Loans and Leases With and Without an Allowance Recorded:						
Real estate mortgage	\$ 160,102	\$ 4	\$ 7	\$ 95,264	\$ 4	\$ 8
Real estate construction and land	—	—	—	—	—	—
Commercial	6,698	1	1	21,006	45	45
Consumer	716	—	—	800	—	—
Total	\$ 167,516	\$ 5	\$ 8	\$ 117,070	\$ 49	\$ 53

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

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

Amortized Cost Basis ⁽¹⁾ June 30, 2025	Term Loans by Origination Year						Revolving Loans	Revolving Converted to Term Loans	Total
	2025	2024	2023	2022	2021	Prior			
<i>(In thousands)</i>									
Real Estate Mortgage:									
Commercial									
Internal risk rating:									
1-2 High pass	\$ —	\$ 200	\$ —	\$ 32,617	\$ 28,293	\$ 108,906	\$ —	\$ —	\$ 170,016
3-4.5 Pass	243,427	191,522	125,694	794,481	651,306	1,700,177	66,541	5,415	3,778,563
5 Special mention	—	—	23,962	35,947	28,964	91,402	—	23,020	203,295
6-8 Classified	—	13,949	4,285	50,467	57,170	91,656	—	—	217,527
Total	\$ 243,427	\$ 205,671	\$ 153,941	\$ 913,512	\$ 765,733	\$ 1,992,141	\$ 66,541	\$ 28,435	\$ 4,369,401
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ 51	\$ 680	\$ 19	\$ 16,650	\$ —	\$ —	\$ 17,400
Real Estate Mortgage:									
Multi-family									
Internal risk rating:									
1-2 High pass	\$ —	\$ —	\$ —	\$ 65,371	\$ 180,174	\$ 182,548	\$ —	\$ —	\$ 428,093
3-4.5 Pass	271,503	219,213	56,201	2,152,229	1,145,606	1,619,819	9,600	—	5,474,171
5 Special mention	—	—	3,815	132,463	32,408	5,478	—	14,400	188,564
6-8 Classified	—	—	—	64,974	56,052	68,937	—	—	189,963
Total	\$ 271,503	\$ 219,213	\$ 60,016	\$ 2,415,037	\$ 1,414,240	\$ 1,876,782	\$ 9,600	\$ 14,400	\$ 6,280,791
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,275	\$ —	\$ —	\$ 3,275
Real Estate Mortgage:									
Other residential									
Internal risk rating:									
1-2 High pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,497	\$ 60	\$ 2,557
3-4.5 Pass	451,406	31,398	23,336	308,461	2,107,603	93,353	98,774	59	3,114,390
5 Special mention	—	—	—	988	—	270	—	—	1,258
6-8 Classified	—	—	1,073	14,545	22,924	805	64	—	39,411
Total	\$ 451,406	\$ 31,398	\$ 24,409	\$ 323,994	\$ 2,130,527	\$ 94,428	\$ 101,335	\$ 119	\$ 3,157,616
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ 7	\$ 1,022	\$ 165	\$ —	\$ —	\$ —	\$ 1,194

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
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Amortized Cost Basis ⁽¹⁾	Term Loans by Origination Year						Revolving	Revolving	Converted	Total
<u>June 30, 2025</u>	2025	2024	2023	2022	2021	Prior	Loans	Loans	Loans	Total
	<i>(In thousands)</i>									
Real Estate Construction and Land: Commercial										
Internal risk rating:										
1-2 High pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
3-4.5 Pass	3,426	41,871	69,753	100,832	38,987	27,755	—	—	—	282,624
5 Special mention	—	—	—	—	29,501	—	—	—	—	29,501
6-8 Classified	—	—	—	—	69,324	—	—	—	—	69,324
Total	<u>\$ 3,426</u>	<u>\$ 41,871</u>	<u>\$ 69,753</u>	<u>\$ 100,832</u>	<u>\$ 137,812</u>	<u>\$ 27,755</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 381,449</u>
Current YTD period:										
Gross charge-offs	\$ —	\$ —	\$ —	\$ 20,196	\$ 1,340	\$ —	\$ —	\$ —	\$ —	\$ 21,536
Real Estate Construction and Land: Residential										
Internal risk rating:										
1-2 High pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
3-4.5 Pass	46,134	129,680	212,386	945,402	421,267	83,869	78,780	—	—	1,917,518
5 Special mention	—	—	—	—	—	—	—	—	—	—
6-8 Classified	—	—	—	—	3,124	—	—	—	—	3,124
Total	<u>\$ 46,134</u>	<u>\$ 129,680</u>	<u>\$ 212,386</u>	<u>\$ 945,402</u>	<u>\$ 424,391</u>	<u>\$ 83,869</u>	<u>\$ 78,780</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,920,642</u>
Current YTD period:										
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial: Asset-Based										
Internal risk rating:										
1-2 High pass	\$ —	\$ 34,565	\$ 34,599	\$ 135,688	\$ 198,115	\$ 212,936	\$ 192,974	\$ —	\$ —	\$ 808,877
3-4.5 Pass	96,748	46,419	77,203	160,839	77,146	10,333	1,041,828	65,669	—	1,576,185
5 Special mention	—	—	—	—	—	—	5,541	37,977	—	43,518
6-8 Classified	—	—	194	6,517	—	—	25,334	1,726	—	33,771
Total	<u>\$ 96,748</u>	<u>\$ 80,984</u>	<u>\$ 111,996</u>	<u>\$ 303,044</u>	<u>\$ 275,261</u>	<u>\$ 223,269</u>	<u>\$ 1,265,677</u>	<u>\$ 105,372</u>	<u>\$ —</u>	<u>\$ 2,462,351</u>
Current YTD period:										
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial: Venture Capital										
Internal risk rating:										
1-2 High pass	\$ (136)	\$ (87)	\$ (80)	\$ —	\$ 414	\$ 2,090	\$ 104,358	\$ 22,195	\$ —	\$ 128,754
3-4.5 Pass	33,366	117,226	107,915	18,218	32,930	18,620	1,234,944	70,966	—	1,634,185
5 Special mention	2,492	9,982	20,361	60,547	38,530	—	4,126	16,428	—	152,466
6-8 Classified	—	14,882	13,628	—	5,536	—	53,150	—	—	87,196
Total	<u>\$ 35,722</u>	<u>\$ 142,003</u>	<u>\$ 141,824</u>	<u>\$ 78,765</u>	<u>\$ 77,410</u>	<u>\$ 20,710</u>	<u>\$ 1,396,578</u>	<u>\$ 109,589</u>	<u>\$ —</u>	<u>\$ 2,002,601</u>
Current YTD period:										
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ 5,257	\$ —	\$ —	\$ —	\$ —	\$ 5,257

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
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Amortized Cost Basis ⁽¹⁾ June 30, 2025	Term Loans by Origination Year						Revolving Loans	Revolving Converted to Term Loans	Total
	2025	2024	2023	2022	2021	Prior			
<i>(In thousands)</i>									
Commercial: Other									
Commercial									
Internal risk rating:									
1-2 High pass	\$ 1,629	\$ 976	\$ 210	\$ 20,509	\$ 2,030	\$ (15)	\$ 55,892	\$ —	\$ 81,231
3-4.5 Pass	154,992	54,361	71,391	67,866	179,424	163,003	2,411,816	51,148	3,154,001
5 Special mention	—	3,018	8,591	5,573	9,554	264	10,098	803	37,901
6-8 Classified	—	—	—	3,769	101	2,177	7,248	1,877	15,172
Total	<u>\$ 156,621</u>	<u>\$ 58,355</u>	<u>\$ 80,192</u>	<u>\$ 97,717</u>	<u>\$ 191,109</u>	<u>\$ 165,429</u>	<u>\$ 2,485,054</u>	<u>\$ 53,828</u>	<u>\$ 3,288,305</u>
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ 1,393	\$ 97	\$ 229	\$ 2,005	\$ 9,130	\$ 64	\$ 12,918
Consumer									
Internal risk rating:									
1-2 High pass	\$ —	\$ —	\$ —	\$ 17	\$ 11	\$ —	\$ 705	\$ —	\$ 733
3-4.5 Pass	17,700	29,716	15,396	55,188	162,620	90,441	4,638	172	375,871
5 Special mention	—	—	—	1,165	3,175	725	—	—	5,065
6-8 Classified	—	—	—	439	107	515	—	7	1,068
Total	<u>\$ 17,700</u>	<u>\$ 29,716</u>	<u>\$ 15,396</u>	<u>\$ 56,809</u>	<u>\$ 165,913</u>	<u>\$ 91,681</u>	<u>\$ 5,343</u>	<u>\$ 179</u>	<u>\$ 382,737</u>
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ 296	\$ 854	\$ 768	\$ 1	\$ —	\$ 1,919
Total Loans and Leases									
Internal risk rating:									
1-2 High pass	\$ 1,493	\$ 35,654	\$ 34,729	\$ 254,202	\$ 409,037	\$ 506,465	\$ 356,426	\$ 22,255	\$ 1,620,261
3-4.5 Pass	1,318,702	861,406	759,275	4,603,516	4,816,889	3,807,370	4,946,921	193,429	21,307,508
5 Special mention	2,492	13,000	56,729	236,683	142,132	98,139	19,765	92,628	661,568
6-8 Classified	—	28,831	19,180	140,711	214,338	164,090	85,796	3,610	656,556
Total	<u>\$ 1,322,687</u>	<u>\$ 938,891</u>	<u>\$ 869,913</u>	<u>\$ 5,235,112</u>	<u>\$ 5,582,396</u>	<u>\$ 4,576,064</u>	<u>\$ 5,408,908</u>	<u>\$ 311,922</u>	<u>\$ 24,245,893</u>
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ 1,451	\$ 22,291	\$ 7,864	\$ 22,698	\$ 9,131	\$ 64	\$ 63,499

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Amortized Cost Basis ⁽¹⁾ December 31, 2024	Term Loans by Origination Year					Prior	Revolving Loans	Revolving Converted to Term Loans	Total
	2024	2023	2022	2021	2020				
<i>(In thousands)</i>									
Real Estate Mortgage:									
Commercial									
Internal risk rating:									
1-2 High pass	\$ 1,694	\$ —	\$ 26,166	\$ 22,821	\$ 8,089	\$ 78,588	\$ 1	\$ —	\$ 137,359
3-4.5 Pass	232,808	132,389	800,877	682,806	450,822	1,407,314	56,481	28,624	3,792,121
5 Special mention	—	23,844	123,589	24,364	—	176,217	—	—	348,014
6-8 Classified	13,587	1,765	27,579	68,488	20,853	169,006	—	—	301,278
Total	<u>\$ 248,089</u>	<u>\$ 157,998</u>	<u>\$ 978,211</u>	<u>\$ 798,479</u>	<u>\$ 479,764</u>	<u>\$ 1,831,125</u>	<u>\$ 56,482</u>	<u>\$ 28,624</u>	<u>\$ 4,578,772</u>
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ 175	\$ 12,217	\$ 9,714	\$ 1,481	\$ —	\$ —	\$ 23,587
Real Estate Mortgage:									
Multi-family									
Internal risk rating:									
1-2 High pass	\$ —	\$ —	\$ 55,847	\$ 214,583	\$ 62,942	\$ 129,163	\$ —	\$ —	\$ 462,535
3-4.5 Pass	223,333	60,137	2,037,864	1,154,452	451,602	1,324,816	11,120	—	5,263,324
5 Special mention	—	—	112,963	35,065	—	40,262	—	14,400	202,690
6-8 Classified	—	—	40,018	33,877	4,751	34,518	—	—	113,164
Total	<u>\$ 223,333</u>	<u>\$ 60,137</u>	<u>\$ 2,246,692</u>	<u>\$ 1,437,977</u>	<u>\$ 519,295</u>	<u>\$ 1,528,759</u>	<u>\$ 11,120</u>	<u>\$ 14,400</u>	<u>\$ 6,041,713</u>
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Real Estate Mortgage:									
Other residential									
Internal risk rating:									
1-2 High pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,510	\$ —	\$ 3,510
3-4.5 Pass	(562)	31,318	336,719	2,235,006	53,094	43,510	42,158	77	2,741,320
5 Special mention	—	310	8,121	5,644	—	276	—	—	14,351
6-8 Classified	—	3,571	25,616	17,189	—	1,448	169	—	47,993
Total	<u>\$ (562)</u>	<u>\$ 35,199</u>	<u>\$ 370,456</u>	<u>\$ 2,257,839</u>	<u>\$ 53,094</u>	<u>\$ 45,234</u>	<u>\$ 45,837</u>	<u>\$ 77</u>	<u>\$ 2,807,174</u>
Current YTD period:									
Gross charge-offs	\$ —	\$ 3,445	\$ 29,099	\$ 6,394	\$ 350	\$ 67	\$ 175	\$ —	\$ 39,530

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
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Amortized Cost Basis ⁽¹⁾ December 31, 2024	Term Loans by Origination Year						Revolving Loans	Revolving Converted to Term Loans	Total
	2024	2023	2022	2021	2020	Prior			
<i>(In thousands)</i>									
Real Estate Construction and Land: Commercial									
Internal risk rating:									
1-2 High pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
3-4.5 Pass	29,674	47,183	404,732	115,729	45,576	8,213	—	—	651,107
5 Special mention	10,501	—	—	111,933	—	—	25,590	—	148,024
6-8 Classified	—	—	—	—	—	—	—	—	—
Total	\$ 40,175	\$ 47,183	\$ 404,732	\$ 227,662	\$ 45,576	\$ 8,213	\$ 25,590	\$ —	\$ 799,131
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Real Estate Construction and Land: Residential									
Internal risk rating:									
1-2 High pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
3-4.5 Pass	97,488	194,405	1,113,955	436,335	224,511	—	103,248	—	2,169,942
5 Special mention	—	—	143,136	60,084	—	—	—	—	203,220
6-8 Classified	—	—	—	—	—	—	—	—	—
Total	\$ 97,488	\$ 194,405	\$ 1,257,091	\$ 496,419	\$ 224,511	\$ —	\$ 103,248	\$ —	\$ 2,373,162
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial: Asset-Based									
Internal risk rating:									
1-2 High pass	\$ 39,542	\$ 37,081	\$ 163,918	\$ 222,942	\$ 15,730	\$ 251,167	\$ 195,994	\$ —	\$ 926,374
3-4.5 Pass	100,098	88,514	180,433	68,372	9,653	34,331	618,036	47,608	1,147,045
5 Special mention	—	194	5,569	—	—	—	3,784	—	9,547
6-8 Classified	—	—	—	—	—	—	5,003	—	5,003
Total	\$ 139,640	\$ 125,789	\$ 349,920	\$ 291,314	\$ 25,383	\$ 285,498	\$ 822,817	\$ 47,608	\$ 2,087,969
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ 92	\$ —	\$ —	\$ —	\$ 92
Commercial: Venture Capital									
Internal risk rating:									
1-2 High pass	\$ (92)	\$ (100)	\$ —	\$ 414	\$ 2,101	\$ —	\$ 72,745	\$ 23,426	\$ 98,494
3-4.5 Pass	100,854	104,022	79,659	76,224	3,784	17,749	777,199	79,065	1,238,556
5 Special mention	1,396	56,973	(1)	29,973	—	—	36,979	—	125,320
6-8 Classified	14,895	—	12,821	20,182	—	—	27,508	—	75,406
Total	\$ 117,053	\$ 160,895	\$ 92,479	\$ 126,793	\$ 5,885	\$ 17,749	\$ 914,431	\$ 102,491	\$ 1,537,776
Current YTD period:									
Gross charge-offs	\$ —	\$ 2,272	\$ —	\$ 14,000	\$ —	\$ 2	\$ 140	\$ —	\$ 16,414

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Amortized Cost Basis ⁽¹⁾ December 31, 2024	Term Loans by Origination Year						Revolving Loans	Revolving Converted to Term Loans	Total
	2024	2023	2022	2021	2020	Prior			
<i>(In thousands)</i>									
Commercial: Other									
Commercial									
Internal risk rating:									
1-2 High pass	\$ 685	\$ 241	\$ 20,873	\$ 3,360	\$ 10	\$ (83)	\$ 73,596	\$ —	\$ 98,682
3-4.5 Pass	66,097	98,878	117,846	199,252	39,244	160,030	2,252,507	61,858	2,995,712
5 Special mention	6,462	8,912	2,880	144	—	127	20,073	143	38,741
6-8 Classified	—	1,397	1,243	2,365	—	5,836	8,234	874	19,949
Total	\$ 73,244	\$ 109,428	\$ 142,842	\$ 205,121	\$ 39,254	\$ 165,910	\$ 2,354,410	\$ 62,875	\$ 3,153,084
Current YTD period:									
Gross charge-offs	\$ —	\$ —	\$ 1,144	\$ 500	\$ 1,696	\$ 3,159	\$ 2,712	\$ 605	\$ 9,816
Consumer									
Internal risk rating:									
1-2 High pass	\$ —	\$ —	\$ 20	\$ 15	\$ 1	\$ —	\$ 932	\$ —	\$ 968
3-4.5 Pass	31,034	19,181	59,594	176,189	18,658	82,678	6,231	232	393,797
5 Special mention	—	—	1,327	4,179	142	1,760	—	—	7,408
6-8 Classified	—	—	32	283	34	350	—	10	709
Total	\$ 31,034	\$ 19,181	\$ 60,973	\$ 180,666	\$ 18,835	\$ 84,788	\$ 7,163	\$ 242	\$ 402,882
Current YTD period:									
Gross charge-offs	\$ —	\$ 198	\$ 790	\$ 2,733	\$ 352	\$ 1,427	\$ 4	\$ —	\$ 5,504
Total Loans and Leases									
Internal risk rating:									
1-2 High pass	\$ 41,829	\$ 37,222	\$ 266,824	\$ 464,135	\$ 88,873	\$ 458,835	\$ 346,778	\$ 23,426	\$ 1,727,922
3-4.5 Pass	880,824	776,027	5,131,679	5,144,365	1,296,944	3,078,641	3,866,980	217,464	20,392,924
5 Special mention	18,359	90,233	397,584	271,386	142	218,642	86,426	14,543	1,097,315
6-8 Classified	28,482	6,733	107,309	142,384	25,638	211,158	40,914	884	563,502
Total	\$ 969,494	\$ 910,215	\$ 5,903,396	\$ 6,022,270	\$ 1,411,597	\$ 3,967,276	\$ 4,341,098	\$ 256,317	\$ 23,781,663
Current YTD period:									
Gross charge-offs	\$ —	\$ 5,915	\$ 31,208	\$ 35,844	\$ 12,204	\$ 6,136	\$ 3,031	\$ 605	\$ 94,943

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Loan Modifications

The following tables present our loan modifications made to borrowers experiencing financial difficulty by type of modification for the periods indicated with related amortized cost balances as of the dates indicated:

Three Months Ended June 30, 2025											
Loan Modifications											
Balances (Amortized Cost Basis) at											
June 30, 2025											
Term Extension		Payment Delay			Interest Rate Reduction		Combination - Term Extension and Rate Reduction		Total Loan Modifications		
% of Loan Portfolio		% of Loan Portfolio			% of Loan Portfolio		% of Loan Portfolio		% of Loan Portfolio		
Balance	Class	Balance	Class	Balance	Class	Balance	Class	Balance	Class	Balance	Class
<i>(Dollars in thousands)</i>											
Real estate mortgage:											
Commercial	\$ 9,661	0.2 %	\$ 2,078	— %	\$ 2,621	0.1 %	\$ —	— %	\$ 14,360	0.3 %	
Multi-family	42,853	0.7 %	—	— %	—	— %	—	— %	42,853	0.7 %	
Other residential	—	— %	—	— %	—	— %	—	— %	—	— %	
Real estate construction and land:											
Commercial	69,324	18.2 %	—	— %	—	— %	—	— %	69,324	18.2 %	
Residential	—	— %	—	— %	—	— %	—	— %	—	— %	
Commercial:											
Asset-based	25,334	1.0 %	—	— %	—	— %	—	— %	25,334	1.0 %	
Venture capital	—	— %	—	— %	—	— %	—	— %	—	— %	
Other commercial	3,905	0.1 %	—	— %	—	— %	216	— %	4,121	0.1 %	
Consumer	7	— %	—	— %	—	— %	—	— %	7	— %	
Total	\$ 151,084		\$ 2,078		\$ 2,621		\$ 216		\$ 155,999		

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Six Months Ended June 30, 2025
Loan Modifications

Balances (Amortized Cost Basis) at
June 30, 2025

	Term Extension		Payment Delay		Interest Rate Reduction		Combination - Term Extension and Rate Reduction	
	Balance	% of Loan Portfolio Class	Balance	% of Loan Portfolio Class	Balance	% of Loan Portfolio Class	Balance	% of Loan Portfolio Class
<i>(Dollars in thousands)</i>								
Real estate mortgage:								
Commercial	\$ 47,572	1.1 %	\$ 3,657	0.1 %	\$ 2,621	0.1 %	\$ —	— %
Multi-family	67,157	1.1 %	—	— %	—	— %	—	— %
Other residential	971	— %	2,500	0.1 %	—	— %	—	— %
Real estate construction and land:								
Commercial	69,324	18.2 %	—	— %	—	— %	—	— %
Residential	3,124	0.2 %	—	— %	—	— %	—	— %
Commercial:								
Asset-based	25,334	1.0 %	—	— %	—	— %	—	— %
Venture capital	7,395	0.4 %	—	— %	—	— %	—	— %
Other commercial	4,237	0.1 %	—	— %	—	— %	547	— %
Consumer	7	— %	—	— %	—	— %	—	— %
Total	<u>\$ 225,121</u>		<u>\$ 6,157</u>		<u>\$ 2,621</u>		<u>\$ 547</u>	

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Six Months Ended June 30, 2025 Loan Modifications (continued)				
Balances (Amortized Cost Basis) at June 30, 2025				
	Combination - Term Extension, Rate Reduction and Payment Delay		Total Loan Modifications	
	Balance	% of Loan Portfolio Class	Balance	% of Loan Portfolio Class
<i>(Dollars in thousands)</i>				
Real estate mortgage:	\$ —	— %	\$ 53,850	1.2 %
Commercial	—	— %	67,157	1.1 %
Multi-family	—	— %	3,471	0.1 %
Other residential				
Real estate construction and land:				
Commercial	—	— %	69,324	18.2 %
Residential	—	— %	3,124	0.2 %
Commercial:				
Asset-based	—	— %	25,334	1.0 %
Venture capital	—	— %	7,395	0.4 %
Other commercial	146	— %	4,930	0.1 %
Consumer	—	— %	7	— %
Total	<u>\$ 146</u>		<u>\$ 234,592</u>	

Three Months Ended June 30, 2024 Loan Modifications										
Balances (Amortized Cost Basis) at June 30, 2024										
	Term Extension		Payment Delay		Combination - Term Extension and Principal Forgiveness		Combination - Term Extension and Payment Delay		Total Loan Modifications	
	Balance	% of Loan Portfolio Class	Balance	% of Loan Portfolio Class	Balance	% of Loan Portfolio Class	Balance	% of Loan Portfolio Class	Balance	% of Loan Portfolio Class
<i>(Dollars in thousands)</i>										
Real estate mortgage:										
Commercial	\$ 2,695	0.1 %	\$ 14,253	0.3 %	\$ 13,500	0.3 %	\$ —	— %	\$ 30,448	0.6 %
Other residential	3,017	0.1 %	—	— %	—	— %	—	— %	3,017	0.1 %
Commercial:										
Other commercial	2,099	0.1 %	—	— %	—	— %	54	— %	2,153	0.1 %
Consumer	12	— %	—	— %	—	— %	—	— %	12	— %
Total	<u>\$ 7,823</u>		<u>\$ 14,253</u>		<u>\$ 13,500</u>		<u>\$ 54</u>		<u>\$ 35,630</u>	

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Six Months Ended June 30, 2024
Loan Modifications

Balances (Amortized Cost Basis) at June 30, 2024											
Term Extension			Payment Delay			Combination - Term Extension and Principal Forgiveness		Combination - Term Extension and Payment Delay		Total Loan Modifications	
% of Loan Portfolio			% of Loan Portfolio			% of Loan Portfolio		% of Loan Portfolio		% of Loan Portfolio	
Balance	Class	Balance	Class	Balance	Class	Balance	Class	Balance	Class	Balance	Class
<i>(Dollars in thousands)</i>											
Real estate mortgage:											
Commercial	\$ 2,695	0.1 %	\$ 14,253	0.3 %	\$ 13,500	0.3 %	\$ —	— %	\$ 30,448	0.6 %	
Other residential	4,356	0.2 %	—	— %	—	— %	—	— %	4,356	0.2 %	
Commercial:											
Other commercial	2,099	0.1 %	—	— %	—	— %	54	— %	2,153	0.1 %	
Consumer	12	— %	—	— %	—	— %	—	— %	12	— %	
Total	\$ 9,162		\$ 14,253		\$ 13,500		\$ 54		\$ 36,969		

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

Three Months Ended June 30, 2025
Term Extension - Financial Effect

Real estate mortgage:	
Commercial	Extended maturity by a weighted average 10 months.
Multi-family	Extended maturity by a weighted average 6 months.
Real estate construction and land:	
Commercial	Extended maturity by a weighted average 4 months.
Commercial:	
Asset-based	Extended maturity by a weighted average 47 months.
Other commercial	Extended maturity by a weighted average 15 months.
Consumer	Extended maturity by a weighted average 24 months.

Three Months Ended June 30, 2025
Payment Delay - Financial Effect

Real estate mortgage:	
Commercial	Granted payment deferrals for a weighted average of 3 months.

Three Months Ended June 30, 2025
Interest Rate Reduction - Financial Effect

Real estate mortgage:	
Commercial	Reduced interest rates by a weighted average 3.29% for a weighted average period of 14 months.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
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Three Months Ended June 30, 2025
Combination - Term Extension and Rate Reduction - Financial Effect

Commercial:	
Other commercial	Extended maturity by a weighted average 4.5 years and reduced interest rates by a weighted average 1.85%.

Six Months Ended June 30, 2025
Term Extension - Financial Effect

Real estate mortgage:	
Commercial	Extended maturity by a weighted average 13 months.
Multi-family	Extended maturity by a weighted average 6 months.
Other residential	Extended maturity by a weighted average 9 months.
Real estate construction and land:	
Commercial	Extended maturity by a weighted average 4 months.
Residential	Extended maturity by a weighted average 12 months.
Commercial:	
Asset-based	Extended maturity by a weighted average 47 months.
Venture capital	Extended maturity by a weighted average 12 months.
Other commercial	Extended maturity by a weighted average 17 months.
Consumer	Extended maturity by a weighted average 24 months.

Six Months Ended June 30, 2025
Payment Delay - Financial Effect

Real estate mortgage:	
Commercial	Granted payment deferrals for a weighted average of 4 months.
Other residential	Granted payment deferrals for a weighted average of 3 months.

Six Months Ended June 30, 2025
Interest Rate Reduction - Financial Effect

Real estate mortgage:	
Commercial	Reduced interest rates by a weighted average 3.29% for a weighted average period of 14 months.

Six Months Ended June 30, 2025
Combination - Term Extension and Rate Reduction - Financial Effect

Commercial:	
Other commercial	Extended maturity by a weighted average 4.6 years and reduced interest rates by a weighted average 1.91%.

Six Months Ended June 30, 2025
Term Extension, Rate Reduction and Payment Delay - Financial Effect

Commercial:	
Other commercial	Extended maturity by a weighted average 5.1 years, reduced interest rates by a weighted average 5.75%, and granted payment deferrals for a weighted average of 3 months.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Three Months Ended June 30, 2024
Term Extension - Financial Effect

Real estate mortgage:	
Commercial	Extended maturity by a weighted average 14 months.
Other residential	Extended maturity by a weighted average 8 months.
Commercial:	
Other commercial	Extended maturity by a weighted average 11 months.
Consumer	Extended maturity by a weighted average 12 months.

Three Months Ended June 30, 2024
Payment Delay - Financial Effect

Real estate mortgage:	
Commercial	Deferred partial payments by a weighted average 8 months.

Three Months Ended June 30, 2024
Combination - Term Extension and Principal Forgiveness - Financial Effect

Real estate mortgage:	
Commercial	Extended maturity by a weighted average 3 years and granted principal forgiveness totaling \$4.0 million.

Three Months Ended June 30, 2024
Combination - Term Extension and Payment Delay - Financial Effect

Commercial:	
Other commercial	Extended maturity by a weighted average 10 years and granted 4 months of payment deferrals.

Six Months Ended June 30, 2024
Term Extension - Financial Effect

Real estate mortgage:	
Commercial	Extended maturity by a weighted average 14 months.
Other residential	Extended maturity by a weighted average 10 months.
Commercial:	
Other commercial	Extended maturity by a weighted average 11 months.
Consumer	Extended maturity by a weighted average 12 months.

Six Months Ended June 30, 2024
Payment Delay - Financial Effect

Real estate mortgage:	
Commercial	Deferred partial payments by a weighted average 8 months.

Six Months Ended June 30, 2024
Combination - Term Extension and Principal Forgiveness - Financial Effect

Real estate mortgage:	
Commercial	Extended maturity by a weighted average 3 years and granted principal forgiveness totaling \$4.0 million.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Six Months Ended June 30, 2024
Combination - Term Extension and Payment Delay - Financial Effect

Commercial:	
Other commercial	Extended maturity by a weighted average 10 years and granted 4 months of payment deferrals.

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

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

	Payment Status (Amortized Cost Basis) at June 30, 2024			
	Current	30-89 Days Past Due	90 or More Days Past Due	Total
	<i>(In thousands)</i>			
Real estate mortgage:				
Commercial	\$ 30,448	\$ —	\$ —	\$ 30,448
Other residential	3,211	—	3,611	6,822
Commercial:				
Other commercial	3,674	—	—	3,674
Consumer	12	—	—	12
Total	\$ 37,345	\$ —	\$ 3,611	\$ 40,956

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
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The following tables present information on loans that defaulted during the periods indicated, which had been modified during the preceding 12-month period, with related amortized cost balances as of the dates indicated:

	Three Months Ended June 30, 2025 Modified Loans That Subsequently Defaulted	Six Months Ended June 30, 2025 Modified Loans That Subsequently Defaulted
	Amortized Cost Basis at June 30, 2025	Amortized Cost Basis at June 30, 2025
	Payment Delay	Payment Delay
	<i>(In thousands)</i>	
Real estate mortgage:		
Other residential	2,500	2,500
Total	\$ 2,500	\$ 2,500

	Three Months Ended June 30, 2024 Modified Loans That Subsequently Defaulted	Six Months Ended June 30, 2024 Modified Loans That Subsequently Defaulted
	Amortized Cost Basis at June 30, 2024	Amortized Cost Basis at June 30, 2024
	Term Extension	Term Extension
	<i>(In thousands)</i>	
Real estate mortgage:		
Other residential	\$ 2,108	\$ 3,836
Commercial:		
Other commercial	47	47
Total	\$ 2,155	\$ 3,883

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Leases Receivable

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

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
<i>(In thousands)</i>				
Component of leases receivable income:				
Interest income on net investments in leases	\$ 3,690	\$ 4,877	\$ 7,745	\$ 9,612

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

	June 30, 2025	December 31, 2024
<i>(In thousands)</i>		
Net Investment in Direct Financing Leases:		
Lease payments receivable	\$ 156,410	\$ 202,815
Unguaranteed residual assets	20,237	22,489
Deferred costs and other	1,487	1,955
Aggregate net investment in leases	\$ 178,134	\$ 227,259

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

	June 30, 2025
<i>(In thousands)</i>	
Period ending December 31,	
2025	\$ 31,236
2026	54,392
2027	39,446
2028	25,708
2029	18,697
Thereafter	4,240
Total undiscounted cash flows	173,719
Less: Unearned income	(17,309)
Present value of lease payments	\$ 156,410

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Allowance for Loan and Lease Losses

The following tables present a summary of the activity in the ALLL on loans and leases held for investment by loan portfolio segment for the periods indicated:

Three Months Ended June 30, 2025					
	Real Estate Mortgage	Real Estate Construction and Land	Commercial	Consumer	Total
<i>(In thousands)</i>					
Allowance for Loan and Lease Losses:					
Balance, beginning of period	\$ 130,116	\$ 14,125	\$ 75,988	\$ 14,757	\$ 234,986
Charge-offs	(16,080)	(21,536)	(8,593)	(739)	(46,948)
Recoveries	298	—	2,288	140	2,726
Net charge-offs	(15,782)	(21,536)	(6,305)	(599)	(44,222)
Provision	20,611	14,474	3,647	(152)	38,580
Balance, end of period	<u>\$ 134,945</u>	<u>\$ 7,063</u>	<u>\$ 73,330</u>	<u>\$ 14,006</u>	<u>\$ 229,344</u>

Six Months Ended June 30, 2025					
	Real Estate Mortgage	Real Estate Construction and Land	Commercial	Consumer	Total
<i>(In thousands)</i>					
Allowance for Loan and Lease Losses:					
Balance, beginning of period	\$ 145,754	\$ 10,940	\$ 67,833	\$ 14,833	\$ 239,360
Charge-offs	(21,869)	(21,536)	(18,175)	(1,919)	(63,499)
Recoveries	610	—	4,391	202	5,203
Net charge-offs	(21,259)	(21,536)	(13,784)	(1,717)	(58,296)
Provision	10,450	17,659	19,281	890	48,280
Balance, end of period	<u>\$ 134,945</u>	<u>\$ 7,063</u>	<u>\$ 73,330</u>	<u>\$ 14,006</u>	<u>\$ 229,344</u>

Ending Allowance by

Evaluation Methodology:

Individually evaluated	\$ —	\$ —	\$ 267	\$ —	\$ 267
Collectively evaluated	<u>\$ 134,945</u>	<u>\$ 7,063</u>	<u>\$ 73,063</u>	<u>\$ 14,006</u>	<u>\$ 229,077</u>

Ending Loans and Leases by

Evaluation Methodology:

Individually evaluated	\$ 160,087	\$ —	\$ 4,440	\$ —	\$ 164,527
Collectively evaluated	13,647,721	2,302,091	7,748,817	382,737	24,081,366
Ending balance	<u>\$ 13,807,808</u>	<u>\$ 2,302,091</u>	<u>\$ 7,753,257</u>	<u>\$ 382,737</u>	<u>\$ 24,245,893</u>

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Three Months Ended June 30, 2024

	Real Estate Mortgage	Real Estate Construction and Land	Commercial	Consumer	Total
<i>(In thousands)</i>					
Allowance for Loan and Lease Losses:					
Balance, beginning of period	\$ 198,274	\$ 30,011	\$ 47,054	\$ 16,164	\$ 291,503
Charge-offs	(53,881)	—	(3,148)	(1,041)	(58,070)
Recoveries	1,429	—	834	66	2,329
Net charge-offs	(52,452)	—	(2,314)	(975)	(55,741)
Provision	9,438	(4,730)	6,454	838	12,000
Balance, end of period	<u>\$ 155,260</u>	<u>\$ 25,281</u>	<u>\$ 51,194</u>	<u>\$ 16,027</u>	<u>\$ 247,762</u>

Six Months Ended June 30, 2024

	Real Estate Mortgage	Real Estate Construction and Land	Commercial	Consumer	Total
<i>(In thousands)</i>					
Allowance for Loan and Lease Losses:					
Balance, beginning of period	\$ 186,827	\$ 33,830	\$ 45,156	\$ 15,874	\$ 281,687
Charge-offs	(56,358)	—	(3,852)	(2,874)	(63,084)
Recoveries	2,320	—	3,703	136	6,159
Net charge-offs	(54,038)	—	(149)	(2,738)	(56,925)
Provision	22,471	(8,549)	6,187	2,891	23,000
Balance, end of period	<u>\$ 155,260</u>	<u>\$ 25,281</u>	<u>\$ 51,194</u>	<u>\$ 16,027</u>	<u>\$ 247,762</u>

Ending Allowance by

Evaluation Methodology:

Individually evaluated	\$ —	\$ —	\$ —	\$ —	\$ —
Collectively evaluated	<u>\$ 155,260</u>	<u>\$ 25,281</u>	<u>\$ 51,194</u>	<u>\$ 16,027</u>	<u>\$ 247,762</u>

Ending Loans and Leases by

Evaluation Methodology:

Individually evaluated	\$ 95,086	\$ —	\$ 19,292	\$ —	\$ 114,378
Collectively evaluated	13,478,514	3,357,597	5,852,517	425,903	23,114,531
Ending balance	<u>\$ 13,573,600</u>	<u>\$ 3,357,597</u>	<u>\$ 5,871,809</u>	<u>\$ 425,903</u>	<u>\$ 23,228,909</u>

The allowance for loan and lease losses decreased by \$5.6 million in the second quarter of 2025 to \$229.3 million compared to the first quarter due primarily to a \$38.6 million provision, offset by net charge-offs of \$44.2 million. The net charge-offs of \$44.2 million included \$36.9 million of charge-offs relating to a strategic loan sale process commenced in the second quarter in which \$506.7 million of loans were reclassified as held for sale.

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

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

	June 30, 2025			December 31, 2024		
	Real Property	Business Assets	Total	Real Property	Business Assets	Total
	<i>(In thousands)</i>					
Real estate mortgage	\$ 160,087	\$ —	\$ 160,087	\$ 167,060	\$ —	\$ 167,060
Commercial	—	1,893	1,893	—	10,870	10,870
Total	\$ 160,087	\$ 1,893	\$ 161,980	\$ 167,060	\$ 10,870	\$ 177,930

Allowance for Credit Losses

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

The following tables present a summary of the activity in the ALLL and reserve for unfunded loan commitments for the periods indicated:

	Three Months Ended June 30, 2025		
	Allowance for Loan and Lease Losses	Reserve for Unfunded Loan Commitments	Total Allowance for Credit Losses
	<i>(In thousands)</i>		
Balance, beginning of period	\$ 234,986	\$ 29,571	\$ 264,557
Charge-offs	(46,948)	—	(46,948)
Recoveries	2,726	—	2,726
Net charge-offs	(44,222)	—	(44,222)
Provision	38,580	(350)	38,230
Balance, end of period	\$ 229,344	\$ 29,221	\$ 258,565

	Six Months Ended June 30, 2025		
	Allowance for Loan and Lease Losses	Reserve for Unfunded Loan Commitments	Total Allowance for Credit Losses
	<i>(In thousands)</i>		
Balance, beginning of period	\$ 239,360	\$ 29,071	\$ 268,431
Charge-offs	(63,499)	—	(63,499)
Recoveries	5,203	—	5,203
Net charge-offs	(58,296)	—	(58,296)
Provision	48,280	150	48,430
Balance, end of period	\$ 229,344	\$ 29,221	\$ 258,565

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

	Three Months Ended June 30, 2024		
	Allowance for Loan and Lease Losses	Reserve for Unfunded Loan Commitments	Total Allowance for Credit Losses
	<i>(In thousands)</i>		
Balance, beginning of period	\$ 291,503	\$ 28,571	\$ 320,074
Charge-offs	(58,070)	—	(58,070)
Recoveries	2,329	—	2,329
Net charge-offs	(55,741)	—	(55,741)
Provision	12,000	(1,000)	11,000
Balance, end of period	<u>\$ 247,762</u>	<u>\$ 27,571</u>	<u>\$ 275,333</u>

	Six Months Ended June 30, 2024		
	Allowance for Loan and Lease Losses	Reserve for Unfunded Loan Commitments	Total Allowance for Credit Losses
	<i>(In thousands)</i>		
Balance, beginning of period	\$ 281,687	\$ 29,571	\$ 311,258
Charge-offs	(63,084)	—	(63,084)
Recoveries	6,159	—	6,159
Net charge-offs	(56,925)	—	(56,925)
Provision	23,000	(2,000)	21,000
Balance, end of period	<u>\$ 247,762</u>	<u>\$ 27,571</u>	<u>\$ 275,333</u>

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 5. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Goodwill and other intangible assets arise from the acquisition method of accounting for business combinations. Goodwill and other intangible assets generated from business combinations and deemed to have indefinite lives are not subject to amortization and instead are tested for impairment annually at the reporting unit level unless a triggering event occurs thereby requiring an updated assessment. Our regular annual impairment assessment occurs in the fourth quarter.

Goodwill represents the excess of the purchase price over the fair value of the net assets and other identifiable intangible assets acquired. Impairment exists when the carrying value of the goodwill exceeds the fair value of the reporting unit. An impairment loss would be recognized in an amount equal to that excess as a charge to "Noninterest expense" in the condensed consolidated statements of earnings.

The following table presents the carrying amount of goodwill as of the dates indicated:

	Goodwill	
	<i>(In thousands)</i>	
Balance, December 31, 2024	\$	214,521
Balance, June 30, 2025	\$	214,521

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

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	<i>(In thousands)</i>			
Gross carrying amount of CDI and CRI, beginning of period	\$ 178,764	\$ 236,264	\$ 178,764	\$ 236,264
Accumulated Amortization:				
Balance, beginning of period	(52,827)	(79,038)	(45,820)	(70,787)
Amortization expense	(7,007)	(8,332)	(14,014)	(16,583)
Balance, end of period	(59,834)	(87,370)	(59,834)	(87,370)
Net CDI and CRI, end of period	\$ 118,930	\$ 148,894	\$ 118,930	\$ 148,894

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

	June 30, 2025	
	<i>(In thousands)</i>	
Period ending December 31,		
2025	\$	13,643
2026		24,412
2027		21,166
2028		17,920
2029		14,675
Thereafter		27,114
Net CDI and CRI	\$	118,930

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 6. OTHER ASSETS

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

Other Assets	June 30, 2025	December 31, 2024
	<i>(In thousands)</i>	
Investments:		
LIHTC investments	\$ 270,786	\$ 295,964
SBIC investments	115,864	109,636
Alternative energy partnerships (HLBV investments)	17,054	17,472
Other equity and CRA investments	142,750	143,152
Total investments	546,454	566,224
Interest receivable	127,359	125,469
Operating lease ROU assets, net ⁽¹⁾	105,506	100,092
Prepaid expenses	39,280	39,432
Taxes receivable	8,986	18,009
Foreclosed assets, net	7,806	9,734
Equity warrants	3,571	3,763
Other receivables/assets	52,825	51,231
Total other assets	\$ 891,787	\$ 913,954

(1) See Note 7. Leases for further details regarding the operating lease ROU assets.

NOTE 7. LEASES

Operating Leases as a Lessee

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	<i>(In thousands)</i>			
Operating lease expense:				
Fixed costs	\$ 7,327	\$ 8,927	\$ 14,296	\$ 18,362
Variable costs	124	100	236	148
Short-term lease costs	210	74	445	140
Sublease income	(1,156)	(1,321)	(2,288)	(2,517)
Net lease expense	\$ 6,505	\$ 7,780	\$ 12,689	\$ 16,133

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

	Six Months Ended June 30,	
	2025	2024
	<i>(In thousands)</i>	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 16,273	\$ 16,926
ROU assets obtained in exchange for lease obligations:		
Operating leases	\$ 18,671	\$ 2,527

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

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

	June 30, 2025	December 31, 2024
<i>(Dollars in thousands)</i>		
Operating leases:		
Operating lease right-of-use assets, net	\$ 105,506	\$ 100,092
Operating lease liabilities	\$ 128,340	\$ 124,355
Weighted average remaining lease term (in years)	5.9	5.9
Weighted average discount rate	3.66 %	3.53 %

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

	June 30, 2025 <i>(In thousands)</i>
Period ending December 31,	
2025	\$ 15,668
2026	30,880
2027	24,426
2028	20,247
2029	16,036
Thereafter	36,527
Total operating lease liabilities	143,784
Less: Imputed interest	(15,444)
Present value of operating lease liabilities	\$ 128,340

Operating Leases as a Lessor

We provide equipment financing to our customers through operating leases where we facilitate the purchase of equipment leased to our customers. The equipment is shown on the condensed consolidated balance sheets as "Equipment leased to others under operating leases" and is depreciated to its estimated residual value at the end of the lease term, shown as "Leased equipment depreciation" in the condensed consolidated statements of earnings, according to our fixed asset accounting policy. We receive periodic rental income payments under the leases, which are recorded as "Leased equipment income" in the condensed consolidated statements of earnings. The equipment is tested periodically for impairment. No impairment was recorded on "Equipment leased to others under operating leases" during the six months ended June 30, 2025 and 2024.

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

	June 30, 2025 <i>(In thousands)</i>
Period ending December 31,	
2025	\$ 17,727
2026	34,344
2027	27,968
2028	24,925
2029	23,418
Thereafter	45,229
Total undiscounted cash flows	\$ 173,611

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 8. BORROWINGS AND SUBORDINATED DEBT

Borrowings

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

	June 30, 2025		December 31, 2024	
	Balance	Weighted Average Rate	Balance	Weighted Average Rate
	<i>(Dollars in thousands)</i>			
FHLB secured advances	\$ 1,700,000	3.98 %	\$ 1,100,000	3.93 %
Credit-linked notes	117,180	15.07 %	118,838	15.29 %
AFX short-term borrowings	100,000	4.46 %	—	— %
Senior Notes	—	— %	174,000	5.25 %
Total borrowings	1,917,180	4.68 %	1,392,838	5.06 %
Acquisition discount on Senior Notes	—		(1,024)	
Total borrowings, net ⁽¹⁾	\$ 1,917,180		\$ 1,391,814	

(1) All borrowings were held at the Bank level with the exception of the Senior Notes. The Senior Notes were repaid in full in April 2025.

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

FHLB Secured Line of Credit. The Bank had secured financing capacity with the FHLB as of June 30, 2025 of \$7.1 billion, collateralized by a blanket lien on \$10.6 billion of qualifying loans and \$19.4 million of securities. As of June 30, 2025, there were \$568.7 million in letters of credit pledged and \$1.7 billion outstanding. As of December 31, 2024, there were \$527.9 million in letters of credit pledged and a \$1.1 billion balance outstanding.

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

	June 30, 2025		
	Balance	Rate	Maturity Date
	<i>(Dollars in thousands)</i>		
Term advance	200,000	4.55 %	08/04/2025
Term advance	150,000	4.59 %	06/26/2026
Term advance	100,000	3.79 %	02/01/2027
Term advance	100,000	3.79 %	03/01/2027
Term advance	100,000	3.78 %	04/01/2027
Term advance	150,000	4.63 %	05/28/2027
Term advance	150,000	4.63 %	06/03/2027
Term advance	150,000	4.39 %	06/03/2027
Term advance	100,000	3.88 %	06/24/2027
Callable term advance	500,000	3.18 %	09/18/2034
Total FHLB secured advances	\$ 1,700,000	3.98 %	

FRBSF Secured Line of Credit. The Bank has a secured line of credit with the FRBSF. As of June 30, 2025, the Bank had secured borrowing capacity of \$5.7 billion collateralized by liens covering \$5.3 billion of qualifying loans and \$1.5 billion of securities. As of June 30, 2025 and December 31, 2024, there was no balance outstanding.

Senior Notes. The Senior Notes were unsecured debt obligations and ranked equally with our other unsecured unsubordinated obligations. We made interest payments on the Senior Notes semi-annually in arrears. On April 4, 2025, the Company repaid the Senior Notes in full that were scheduled to mature on April 15, 2025.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
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Holding Company Line of Credit Arrangement. On December 23, 2024, Banc of California, Inc. entered into an unsecured revolving line of credit agreement as a borrower for \$50.0 million. On March 17, 2025, the Company executed an amendment to the credit agreement which increased the Company's unsecured revolving line of credit to \$100.0 million. The rate is based on 1-month SOFR plus a spread of 2.25% basis points. As of June 30, 2025 and December 31, 2024, there was no balance outstanding.

Credit-Linked Notes. On September 29, 2022, legacy Pacific Western Bank completed a credit-linked notes transaction. The notes were issued in five classes, each with an interest rate of SOFR plus a spread that ranges from 8.00% to 13.25%, with a weighted average spread of 10.76% at June 30, 2025. The notes are linked to the credit risk of an approximately \$2.3 billion reference pool of previously purchased single-family residential mortgage loans at June 30, 2025. The notes are due June 27, 2052. Principal payments on the notes are based only on principal that is actually collected on these loans. The notes are reported at fair value of \$117.2 million at June 30, 2025. See Note 2. *Restricted Cash* for information regarding the collateral for the notes and Note 11. *Fair Value Option* for additional information.

Federal Funds Arrangements with Commercial Banks. As of June 30, 2025, the Bank had unsecured lines of credit of \$265.0 million in the aggregate with several commercial banks for the purchase of overnight funds, subject to availability of funds. These lines are renewable annually and have no unused commitment fees. As of June 30, 2025 and December 31, 2024, there were no balances outstanding. The Bank is a member of the AFX, through which it may either borrow or lend funds on an overnight or short-term basis with a group of pre-approved commercial banks. The availability of funds changes daily. As of June 30, 2025 there was a \$100.0 million balance outstanding. At December 31, 2024 there was no balance outstanding.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Subordinated Debt

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

Series	June 30, 2025		December 31, 2024		Date Issued	Maturity Date	Rate Index (Quarterly Reset)
	Balance	Rate ⁽¹⁾	Balance	Rate ⁽¹⁾			
<i>(Dollars in thousands)</i>							
Subordinated notes, net ⁽²⁾⁽⁷⁾	\$ 381,459	3.25 %	\$ 381,185	3.25 %	04/30/2021	05/01/2031	Fixed rate ⁽³⁾
Subordinated notes	75,000	4.375 %	75,000	4.375 %	10/30/2020	10/30/2030	Fixed rate ⁽⁶⁾
Trust V	10,310	7.67 %	10,310	7.71 %	08/15/2003	09/17/2033	3-month Term SOFR + 3.10
Trust VI	10,310	7.63 %	10,310	7.67 %	09/03/2003	09/15/2033	3-month Term SOFR + 3.05
Trust CII	5,155	7.52 %	5,155	7.56 %	09/17/2003	09/17/2033	3-month Term SOFR + 2.95
Trust VII	61,856	7.29 %	61,856	7.60 %	02/05/2004	04/23/2034	3-month Term SOFR + 2.75
Trust CIII	20,619	6.27 %	20,619	6.31 %	08/15/2005	09/15/2035	3-month Term SOFR + 1.69
Trust FCCI	16,495	6.18 %	16,495	6.22 %	01/25/2007	03/15/2037	3-month Term SOFR + 1.60
Trust FCBI	10,310	6.13 %	10,310	6.17 %	09/30/2005	12/15/2035	3-month Term SOFR + 1.55
Trust CS 2005-1	82,475	6.53 %	82,475	6.57 %	11/21/2005	12/15/2035	3-month Term SOFR + 1.95
Trust CS 2005-2	128,866	6.49 %	128,866	6.80 %	12/14/2005	01/30/2036	3-month Term SOFR + 1.95
Trust CS 2006-1	51,545	9.45 %	51,545	9.95 %	02/22/2006	04/30/2036	Prime + 1.95
Trust CS 2006-2	51,550	6.49 %	51,550	6.80 %	09/27/2006	10/30/2036	3-month Term SOFR + 1.95
Trust CS 2006-3 ⁽⁴⁾	30,381	4.24 %	26,687	5.10 %	09/29/2006	10/30/2036	3-month EURIBOR + 2.05
Trust CS 2006-4	16,470	9.45 %	16,470	9.95 %	12/05/2006	01/30/2037	Prime + 1.95
Trust CS 2006-5	6,650	6.49 %	6,650	6.80 %	12/19/2006	01/30/2037	3-month Term SOFR + 1.95
Trust CS 2007-2	39,177	6.49 %	39,177	6.80 %	06/13/2007	07/30/2037	3-month Term SOFR + 1.95
PMB Statutory Trust III	7,217	7.96 %	7,217	7.99 %	09/16/2002	09/26/2032	3-month Term SOFR + 3.40
PMB Capital Trust III	10,310	6.53 %	10,310	6.89 %	10/04/2004	10/08/2034	3-month Term SOFR + 2.00
Total subordinated debt	1,016,155	5.32 %	1,012,187	5.48 %			
Acquisition discount ⁽⁵⁾	(66,942)		(70,264)				
Total subordinated debt, net	\$ 949,213		\$ 941,923				

(1) Rates do not include the effects of discounts and issuance costs.

(2) Net of unamortized issuance costs of \$3.5 million at June 30, 2025 and \$3.8 million at December 31, 2024.

(3) Interest rate is fixed until May 1, 2026, when it changes to a floating rate and resets quarterly equal to 3-month Term SOFR, plus a spread of 252 basis points.

(4) Denomination is in Euros with a value of €25.8 million.

(5) Amount represents the fair value adjustment on subordinated debt assumed in acquisitions.

(6) Interest rate is fixed until October 30, 2025, when it changes to a floating rate equal to 3-month Term SOFR, plus a spread of 419.5 basis points.

(7) Subordinated notes, net, issued at the Bank level rather than the holding company level.

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Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 9. DERIVATIVES

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

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

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

	June 30, 2025			December 31, 2024		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
<i>(In thousands)</i>						
Derivatives Designated as Cash Flow Hedges:						
Interest rate swaps	\$ 300,000	\$ —	\$ 4,136	\$ 300,000	\$ 1,442	\$ —
Interest rate collars	1,000,000		310	—	—	—
Derivatives Not Designated as Hedging Instruments:						
Interest rate contracts	154,302	4,638	4,585	192,405	6,516	6,428
Foreign exchange contracts	92,573	2,062	1,885	36,155	515	1,134
Equity warrant assets	15,080	3,571	—	16,066	3,763	—
Total contracts	<u>\$ 1,561,955</u>	<u>\$ 10,271</u>	<u>\$ 10,916</u>	<u>\$ 544,626</u>	<u>\$ 12,236</u>	<u>\$ 7,562</u>

Cash Flow Hedges

Cash flow hedges included pay-fixed, receive-floating interest rate swap contracts with notional amounts aggregating \$300.0 million, five-year terms, and varying maturity dates throughout 2028. These swap contracts were entered into with institutional counterparties to hedge against variability in cash flow attributable to interest rate risk on a portion of the Company's borrowings. Cash flow hedges also included interest rate collars, which are option contracts designed to limit the Company's exposure to increases in short term interest rates while foregoing some of the upside if short term interest rates decrease significantly. The interest rate collars have notional amounts aggregating to \$1.0 billion, with eighteen month terms, and maturing on October 31, 2026. These collars were entered into with institutional counterparties to hedge against variability in cash flows attributable to interest rate risk on a portion of the Company's floating rate deposits.

The cash flow hedges were deemed highly effective at inception and as of June 30, 2025. For derivatives designated as cash flow hedges, the portion of changes in fair value considered to be highly effective is reported as a component of AOCI on the condensed consolidated balance sheets until the related cash flows from the hedged items are recognized in earnings. As of June 30, 2025, the fair value of the cash flow hedges represented a net liability of \$4.4 million, related to which a loss of \$4.0 million (net of tax) was included in AOCI. The estimated amount to be reclassified in the next 12 months out of AOCI into earnings is \$0.5 million.

Terminated Cash Flow Hedge

The Company terminated all of the pay-fixed, receive floating interest rate swap contracts classified as cash flow hedges with notional amounts of \$355.0 million entered into during 2024. At June 30, 2025, we had a pre-tax net loss of \$0.2 million deferred in AOCI related to terminated cash flow hedges, which will be fully amortized into interest expense by the third quarter of 2025.

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

The Company offers borrowers interest rate swaps under a "back-to-back" loan hedging program and offsets these "pay floating/receive fixed" contracts with borrowers with "receive floating/pay fixed" swaps with counterparty banks. The total notional balance of these offsetting hedging contracts was \$154.3 million at June 30, 2025.

The Company has also hedged the interest rate risk and foreign currency risk on €25.8 million of subordinated debt utilizing a combined cross currency swap/interest rate swap, which has had the effect of hedging the foreign currency risk and fixing the Euribor-based floating rate instrument at a fixed rate of 2.76% through July 2025. For the quarter ended June 30, 2025, changes in fair value and fees recorded to "Noninterest income" in the condensed consolidated statements of earnings were immaterial.

See Note 12. *Fair Value Measurements* for additional information regarding equity warrant assets.

NOTE 10. COMMITMENTS AND CONTINGENCIES

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

	June 30, 2025	December 31, 2024
<i>(In thousands)</i>		
Loan commitments to extend credit	\$ 4,673,596	\$ 4,887,690
Standby letters of credit	207,825	201,768
Total	\$ 4,881,421	\$ 5,089,458

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

Commitments to extend credit are contractual agreements to lend to our customers when customers are in compliance with their contractual credit agreements and when customers have contractual availability to borrow under such agreements. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The estimated exposure to loss from these commitments is included in the reserve for unfunded loan commitments, which amounted to \$29.2 million at June 30, 2025 and \$29.1 million at December 31, 2024.

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

In addition, we invest in SBICs that call for capital contributions up to an amount specified in the partnership agreements, and in CRA-related loan pools. As of June 30, 2025 and December 31, 2024, we had commitments to contribute capital to these entities totaling \$107.7 million and \$79.7 million.

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The following table presents the years in which commitments are expected to be paid for our commitments to contribute capital to SBICs and CRA-related loan pools as of the date indicated:

	<u>June 30, 2025</u>
	<i>(In thousands)</i>
Period ending December 31,	
2025	\$ 53,859
2026	53,858
Total	<u>\$ 107,717</u>

Legal Matters

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

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NOTE 11. FAIR VALUE OPTION

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

Fair Value Option for Certain Debt Liabilities

The Company has elected the fair value option for the credit-linked notes issued in September 2022. The Company elected the fair value option because these exposures are considered to be structured notes, which are financial instruments that contain embedded derivatives. The notes are linked to the credit risk of an approximately \$2.3 billion reference pool of previously purchased single-family residential mortgage loans. The principal balance of the credit-linked notes was \$117.0 million at June 30, 2025. The carrying value of the credit-linked notes at June 30, 2025 was the estimated fair value of \$117.2 million. For the three and six months ended June 30, 2025, the interest expense on the credit-linked notes totaled \$4.5 million and \$9.0 million and totaled \$5.0 million and \$10.0 million for the three and six months ended June 30, 2024, and was recorded in "Interest expense - borrowings" on the condensed consolidated statements of earnings.

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

<u>Credit-Linked Notes</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	<i>(In thousands)</i>			
Changes in fair value - gains (losses) included in earnings	\$ (637)	\$ (2,427)	\$ (155)	\$ (2,775)
Changes in fair value - other comprehensive income (loss)	\$ (517)	\$ 636	\$ (371)	\$ (615)

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

<u>Credit-Linked Notes</u>	June 30, 2025	December 31, 2024
	<i>(In thousands)</i>	
Carrying value reported on the condensed consolidated balance sheets	\$ 117,180	\$ 118,838
Aggregate unpaid principal balance (less than) in excess of fair value	\$ (225)	\$ 301

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NOTE 12. FAIR VALUE MEASUREMENTS

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

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

The Company also holds SBIC investments measured at fair value using the NAV per share practical expedient that are not required to be classified in the fair value hierarchy. At June 30, 2025, the fair value of these investments was \$115.9 million.

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

Measured on a Recurring Basis	Fair Value Measurements as of			
	June 30, 2025			
	Total	Level 1	Level 2	Level 3
	<i>(In thousands)</i>			
Securities available-for-sale:				
Agency residential MBS	\$ 849,865	\$ —	\$ 849,865	\$ —
Agency commercial MBS	60,872	—	60,872	—
Agency residential CMOs	538,069	—	538,069	—
Municipal securities	602	—	602	—
Corporate debt securities	263,138	—	260,888	2,250
Private label residential CMOs	276,456	—	276,456	—
Collateralized loan obligations	228,247	—	228,247	—
Private label commercial MBS	10,624	—	10,624	—
Asset-backed securities	14,402	—	14,402	—
SBA securities	3,899	—	3,899	—
Total securities available-for-sale	\$ 2,246,174	\$ —	\$ 2,243,924	\$ 2,250
Equity investments with readily determinable fair values	\$ 2	\$ 2	\$ —	\$ —
Derivatives ⁽¹⁾:				
Derivative assets				
Interest rate and foreign exchange contracts	6,700	—	6,700	—
Equity warrants	3,571	—	—	3,571
Derivative liabilities				
Cash flow hedges	4,446	—	4,446	—
Interest rate and foreign exchange contracts	6,470	—	6,470	—
Credit-linked notes	117,180	—	—	117,180

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

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<u>Measured on a Recurring Basis</u>	Fair Value Measurements as of December 31, 2024			
	Total	Level 1	Level 2	Level 3
	<i>(In thousands)</i>			
Securities available-for-sale:				
Agency residential MBS	\$ 861,840	\$ —	\$ 861,840	\$ —
Agency commercial MBS	51,564	—	51,564	—
Agency residential CMOs	446,631	—	446,631	—
Municipal securities	594	—	594	—
Corporate debt securities	257,712	—	255,582	2,130
Private label residential CMOs	316,910	—	316,910	—
Collateralized loan obligations	279,416	—	279,416	—
Private label commercial MBS	12,372	—	12,372	—
Asset-backed securities	15,600	—	15,600	—
SBA securities	4,200	—	4,200	—
Total securities available-for-sale	<u>\$ 2,246,839</u>	<u>\$ —</u>	<u>\$ 2,244,709</u>	<u>\$ 2,130</u>
Equity investments with readily determinable fair values	\$ 3	\$ 3	\$ —	\$ —
Derivatives ⁽¹⁾:				
Derivative assets				
Cash flow hedges	1,442	—	1,442	—
Interest rate and foreign exchange contracts	7,031	—	7,031	—
Equity warrants	3,763	—	—	3,763
Derivative liabilities				
Interest rate and foreign exchange contracts	7,562	—	7,562	—
Credit-linked notes	118,838	—	—	118,838

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

During the six months ended June 30, 2025, there was no transfer from Level 3 equity warrants to Level 1 equity investments with readily determinable fair values measured on a recurring basis. There was also no transfer of corporate debt securities from Level 3 to Level 2 during the six months ended June 30, 2025 and no transfer of corporate debt securities from Level 2 to Level 3 during the same period.

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

	June 30, 2025	
	Corporate Debt Securities	
<u>Unobservable Inputs</u>	<u>Input or Range of Inputs</u>	<u>Weighted Average Input ⁽¹⁾</u>
Spread to 10 Year Treasury	6.6% - 8.9%	7.7%
Discount rates	10.9% - 13.1%	12.0%

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

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

Unobservable Inputs	June 30, 2025	
	Range of Inputs	Equity Warrants
		Weighted Average Input ⁽¹⁾
Volatility	18.6% - 125.6%	25.2%
Risk-free interest rate	3.7% - 4.4%	3.8%
Remaining life assumption (in years)	0.08 - 4.98	3.25

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

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

	Corporate Debt Securities	Equity Warrants	Credit-Linked Notes
	<i>(In thousands)</i>		
Balance, December 31, 2024	\$ 2,130	\$ 3,763	\$ 118,838
Total included in earnings	—	932	155
Total included in other comprehensive income	120	—	371
Issuances	—	187	—
Principal payments	—	—	(2,184)
Exercises and settlements	—	(1,311)	—
Balance, June 30, 2025	<u>\$ 2,250</u>	<u>\$ 3,571</u>	<u>\$ 117,180</u>
Unrealized net gains (losses) for the period included in other comprehensive income for securities held at quarter-end	<u>\$ (750)</u>		

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

Measured on a Non-Recurring Basis	Fair Value Measurement as of			
	June 30, 2025			
	Total	Level 1	Level 2	Level 3
	<i>(In thousands)</i>			
Individually evaluated loans and leases	\$ 14,640	\$ —	\$ 9,813	\$ 4,827
OREO	2,191	—	2,191	—
Total non-recurring	<u>\$ 16,831</u>	<u>\$ —</u>	<u>\$ 12,004</u>	<u>\$ 4,827</u>

Measured on a Non-Recurring Basis	Fair Value Measurement as of			
	December 31, 2024			
	Total	Level 1	Level 2	Level 3
	<i>(In thousands)</i>			
Individually evaluated loans and leases	\$ 58,948	\$ —	\$ 45,962	\$ 12,986
OREO	3,372	—	3,372	—
Total non-recurring	<u>\$ 62,320</u>	<u>\$ —</u>	<u>\$ 49,334</u>	<u>\$ 12,986</u>

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

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

Losses on Assets <u>Measured on a Non-Recurring Basis</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	<i>(In thousands)</i>			
Individually evaluated loans and leases	\$ 490	\$ 2,680	\$ 1,394	\$ 11,232
OREO	367	340	424	579
Total losses	<u>\$ 857</u>	<u>\$ 3,020</u>	<u>\$ 1,818</u>	<u>\$ 11,811</u>

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

Asset	June 30, 2025				
	Fair Value	Valuation Technique	Unobservable Inputs	Input or Range	Weighted Average
	<i>(In thousands)</i>				
Individually evaluated loans and leases ⁽¹⁾	\$ 543	Discounted cash flows	Discount rates	4.25% - 4.25%	4.25%
Individually evaluated loans and leases	4,284	Third-party appraisals	No discounts		
Total non-recurring Level 3	<u>\$ 4,827</u>				

(1) Relates to one loan at June 30, 2025.

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

June 30, 2025					
	Carrying Amount	Estimated Fair Value			
		Total	Level 1	Level 2	Level 3
<i>(In thousands)</i>					
Financial Assets:					
Cash and due from banks	\$ 222,210	\$ 222,210	\$ 222,210	\$ —	\$ —
Interest-earning deposits in financial institutions	2,131,342	2,131,342	2,131,342	—	—
Securities available-for-sale	2,246,174	2,246,174	—	2,243,924	2,250
Securities held-to-maturity	2,316,725	2,195,476	181,633	2,010,087	3,756
Investment in FRB and FHLB stock	162,243	162,243	—	162,243	—
Loans held for sale	465,571	465,774	—	465,774	—
Loans and leases held for investment, net	24,016,549	22,923,445	—	9,813	22,913,632
Equity investments with readily determinable fair values	2	2	2	—	—
Equity warrants	3,571	3,571	—	—	3,571
Interest rate and foreign exchange contracts	6,700	6,700	—	6,700	—
Servicing rights	18,506	20,176	—	—	20,176
Financial Liabilities:					
Demand, checking, money market, and savings deposits	22,723,554	22,723,554	—	22,723,554	—
Time deposits	4,804,879	4,794,326	—	4,794,326	—
Borrowings	1,917,180	1,918,351	100,000	1,701,171	117,180
Subordinated debt	949,213	918,445	—	918,445	—
Cash flow hedges	4,446	4,446	—	4,446	—
Interest rate and foreign exchange contracts	6,470	6,470	—	6,470	—

December 31, 2024					
	Carrying Amount	Estimated Fair Value			
		Total	Level 1	Level 2	Level 3
<i>(In thousands)</i>					
Financial Assets:					
Cash and due from banks	\$ 192,006	\$ 192,006	\$ 192,006	\$ —	\$ —
Interest-earning deposits in financial institutions	2,310,206	2,310,206	2,310,206	—	—
Securities available-for-sale	2,246,839	2,246,839	—	2,244,709	2,130
Securities held-to-maturity	2,306,149	2,156,694	173,283	1,976,265	7,146
Investment in FRB and FHLB stock	147,773	147,773	—	147,773	—
Loans held for sale	26,331	26,562	—	26,562	—
Loans and leases held for investment, net	23,542,303	22,412,073	—	45,962	22,366,111
Equity investments with readily determinable fair values	3	3	3	—	—
Equity warrants	3,763	3,763	—	—	3,763
Cash flow hedges	1,442	1,442	—	1,442	—
Interest rate and foreign exchange contracts	7,031	7,031	—	7,031	—
Servicing rights	19,623	21,040	—	—	21,040
Financial Liabilities:					
Demand, checking, money market, and savings deposits	22,625,485	22,625,485	—	22,625,485	—
Time deposits	4,566,424	4,556,575	—	4,556,575	—
Borrowings	1,391,814	1,382,742	—	1,263,904	118,838
Subordinated debt	941,923	901,532	—	901,532	—
Interest rate and foreign exchange contracts	7,562	7,562	—	7,562	—

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Limitations

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instrument. These estimates do not reflect income taxes or any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument. Because no market exists for a portion of the Company's financial instruments, fair value estimates are based on what management believes to be reasonable judgments regarding expected future cash flows, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimated fair values are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Since the fair values have been estimated as of June 30, 2025, the amounts that will actually be realized or paid at settlement or maturity of the instruments could be significantly different.

NOTE 13. EARNINGS PER SHARE

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

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

(1) Represents cash dividends paid to holders of unvested restricted stock, net of forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.

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

(1) Represents cash dividends paid to holders of unvested restricted stock, net of forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.

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	Three Months Ended June 30, 2024			
	Voting Common	Class B Non-Voting Common	Non-Voting Common Stock Equivalents	Total Common
	<i>(In thousands, except per share amounts)</i>			
Basic Earnings Per Share:				
Net earnings available to common and equivalent stockholders	\$ 19,100	\$ 58	\$ 1,228	\$ 20,386
Less: Earnings allocated to unvested restricted stock ⁽¹⁾	2	—	—	2
Net earnings allocated to common and equivalent shares	\$ 19,102	\$ 58	\$ 1,228	\$ 20,388
Weighted average basic shares and unvested restricted stock outstanding	158,381	477	10,147	169,005
Less: weighted average unvested restricted stock outstanding	(573)	—	—	(573)
Weighted average basic shares outstanding	157,808	477	10,147	168,432
Basic earnings per share	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Diluted Earnings Per Share:				
Net earnings allocated to common and equivalent shares	\$ 19,102	\$ 58	\$ 1,228	\$ 20,388
Weighted average diluted shares outstanding	157,808	477	10,147	168,432
Diluted earnings per share	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12

(1) Represents cash dividends paid to holders of unvested restricted stock, net of forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

	Six Months Ended June 30, 2024			
	Voting Common	Class B Non-Voting Common	Non-Voting Common Stock Equivalents	Total Common
	<i>(In thousands, except per share amounts)</i>			
Basic Earnings Per Share:				
Net earnings available to common and equivalent stockholders	\$ 38,622	\$ 117	\$ 2,552	\$ 41,291
Less: Earnings allocated to unvested restricted stock ⁽¹⁾	(51)	—	—	(51)
Net earnings allocated to common and equivalent shares	<u>\$ 38,571</u>	<u>\$ 117</u>	<u>\$ 2,552</u>	<u>\$ 41,240</u>
Weighted average basic shares and unvested restricted stock outstanding	158,110	477	10,402	168,989
Less: weighted average unvested restricted stock outstanding	(702)	—	—	(702)
Weighted average basic shares outstanding	<u>157,408</u>	<u>477</u>	<u>10,402</u>	<u>168,287</u>
Basic earnings per share	<u>\$ 0.25</u>	<u>\$ 0.25</u>	<u>\$ 0.25</u>	<u>\$ 0.25</u>
Diluted Earnings Per Share:				
Net earnings allocated to common and equivalent shares	\$ 38,571	\$ 117	\$ 2,552	\$ 41,240
Weighted average diluted shares outstanding	157,408	477	10,402	168,287
Diluted earnings per share	<u>\$ 0.25</u>	<u>\$ 0.25</u>	<u>\$ 0.25</u>	<u>\$ 0.25</u>

(1) Represents cash dividends paid to holders of unvested restricted stock, net of forfeitures, plus undistributed earnings amounts available to holders of unvested restricted stock, if any.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	<i>(In thousands)</i>			
Restricted stock awards and units ⁽¹⁾	150	573	176	702
Warrants	18,902	18,902	18,902	18,902

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 14. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

The following table presents interest income and noninterest income, the components of total revenue, as disclosed in the condensed consolidated statements of earnings and the related amounts which are from contracts with customers within the scope of ASC Topic 606, "Revenue from Contracts with Customers," for the periods indicated. As illustrated here, substantially all of our revenue is specifically excluded from the scope of ASC Topic 606.

	Three Months Ended June 30,			
	2025		2024	
	Total Recorded Revenue	Revenue from Contracts with Customers	Total Recorded Revenue	Revenue from Contracts with Customers
	<i>(In thousands)</i>			
Total Interest Income	\$ 420,509	\$ —	\$ 462,589	\$ —
Noninterest Income:				
Service charges on deposit accounts	4,456	4,456	4,540	4,540
Commissions and fees	9,641	4,594	8,629	4,403
Leased equipment income	10,231	—	11,487	—
Gain on sale of loans	30	—	1,135	—
Dividends and (losses) gains on equity investments	(114)	—	1,166	—
Warrant income (loss)	1,227	—	(324)	—
LOCOM HFS adjustment	(9)	—	(38)	—
Other income	7,171	259	3,197	133
Total noninterest income	32,633	9,309	29,792	9,076
Total Revenue	\$ 453,142	\$ 9,309	\$ 492,381	\$ 9,076

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

	Three Months Ended June 30,	
	2025	2024
	<i>(In thousands)</i>	
Products and services transferred at a point in time	\$ 3,698	\$ 4,203
Products and services transferred over time	5,611	4,873
Total revenue from contracts with customers	\$ 9,309	\$ 9,076

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

	Six Months Ended June 30,			
	2025		2024	
	Total Recorded Revenue	Revenue from Contracts with Customers	Total Recorded Revenue	Revenue from Contracts with Customers
	<i>(In thousands)</i>			
Total Interest Income	\$ 827,164	\$ —	\$ 941,293	\$ —
Noninterest Income:				
Service charges on deposit accounts	8,999	8,999	9,245	9,245
Commissions and fees	19,599	9,997	16,771	9,386
Leased equipment income	21,015	—	23,203	—
Gain on sale of loans	241	—	687	—
Dividends and gains on equity investments	2,209	—	4,234	—
Warrant income (loss)	932	—	(146)	—
LOCOM HFS adjustment	(9)	—	292	—
Other income	13,297	505	9,322	226
Total noninterest income	66,283	19,501	63,608	18,857
Total Revenue	\$ 893,447	\$ 19,501	\$ 1,004,901	\$ 18,857

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

	Six Months Ended June 30,	
	2025	2024
	<i>(In thousands)</i>	
Products and services transferred at a point in time	\$ 8,251	\$ 9,081
Products and services transferred over time	11,250	9,776
Total revenue from contracts with customers	\$ 19,501	\$ 18,857

Contract Balances

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

	June 30, 2025	December 31, 2024
	<i>(In thousands)</i>	
Receivables, which are included in "Other assets"	\$ 1,729	\$ 1,679
Contract liabilities, which are included in "Accrued interest payable and other liabilities"	\$ 313	\$ 348

Contract liabilities relate to advance consideration received from customers for which revenue is recognized over the life of the contract. The change in contract liabilities for the six months ended June 30, 2025 due to revenue recognized that was included in the contract liability balance at the beginning of the period was \$35,000.

NOTE 15. STOCKHOLDERS' EQUITY

Stock-Based Compensation

At the special meeting of stockholders held on November 22, 2023, the Company's stockholders approved the Amended and Restated Banc of California, Inc. 2018 Stock Incentive Plan (the "Amended and Restated 2018 Plan"). The Company's Amended and Restated 2018 Plan permits stock-based compensation awards to officers, directors, employees, and consultants and will remain in effect until November 30, 2033. The Amended and Restated 2018 Plan authorizes grants of stock-based compensation instruments to purchase or issue up to 10,717,882 shares. As of June 30, 2025, there were 3,352,315 shares available for grant under the Amended and Restated 2018 Plan. In addition to the Amended and Restated 2018 Plan, in connection with the November 30, 2023 merger of PacWest Bancorp with and into Banc of California, Inc. (the "Merger"), the Company assumed the Amended and Restated PacWest Bancorp 2017 Stock Incentive Plan (the "PacWest 2017 Plan") with respect to PacWest's outstanding stock-based awards.

Restricted Stock (RSUs, TRSAs, and PSUs)

Restricted stock amortization totaled \$6.2 million and \$3.7 million for the three months ended June 30, 2025 and 2024 and \$11.4 million and \$8.1 million for the six months ended June 30, 2025 and 2024. Such amounts are included in "Compensation expense" on the condensed consolidated statements of earnings. The amount of unrecognized compensation expense related to all unvested RSUs, TRSAs, and PSUs as of June 30, 2025 totaled \$55.9 million.

Restricted Stock Units and Time-Based Restricted Stock Awards

At June 30, 2025, there were 2,675,326 shares of unvested RSUs outstanding pursuant to the Amended and Restated 2018 Plan. At June 30, 2025, there were 83,877 shares of unvested TRSAs outstanding pursuant to the PacWest 2017 Plan. The RSUs and TRSAs generally vest over a service period of three or four years from the date of the grant or immediately upon death of an employee. Compensation expense related to RSUs and TRSAs is based on the fair value of the underlying stock on the award date and is recognized over the vesting period using the straight-line method. TRSAs were assumed by the Company in connection with the Merger and continue to vest in accordance with the original vesting schedule of the awards.

Performance Stock Units

At June 30, 2025, there were 2,426,262 units of unvested PSUs outstanding. Compensation expense related to the PSUs is based on the fair value of the underlying stock on the award date and is amortized over the vesting period using the straight-line method unless it is determined that: (1) attainment of the financial metrics is less than probable, in which case a portion of the amortization is suspended, or (2) attainment of the financial metrics is improbable, in which case a portion of the previously recognized amortization is reversed and also suspended. Annual PSU expense may vary during the performance period based upon changes in management's estimate of the number of shares that may ultimately vest. In the case where the performance target for the PSUs is based on a market condition (such as total shareholder return), the amortization is neither reversed nor suspended if it is subsequently determined that the attainment of the performance target is less than probable or improbable and the employee continues to meet the service requirement of the award.

Classes of Stock and Equity Instruments

Preferred Stock

Depositary shares each representing 1/40th of a share of 7.75% Fixed Rate Reset Non-Cumulative Perpetual Preferred Stock, Series F ("Series F Preferred Stock") are listed on the NYSE under the symbol "BANC/PF." The Series F Preferred Stock ranks senior to our common stock and common stock equivalents both as to dividends and liquidation preference but generally have no voting rights. There are 50,000,000 total preferred shares authorized, of which 27,000,000 were authorized for the non-voting common stock equivalents ("NVCE") and 513,250 were authorized and outstanding for the Series F Preferred stock at June 30, 2025 and December 31, 2024.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Common Stock

Our voting common stock is listed on the NYSE under the symbol "BANC" and there were 446,863,844 shares authorized at June 30, 2025 and December 31, 2024 and 147,295,435 shares outstanding at June 30, 2025 and 158,346,529 shares outstanding at December 31, 2024.

Class B Non-Voting Common Stock

Our Class B non-voting common stock is not listed or traded on any national securities exchange or automated quotation system, and there currently is no established trading market for such stock. The Class B non-voting common stock ranks equally with, and has identical rights, preferences, and privileges as the voting common stock with respect to dividends and liquidation preference but generally have no voting rights. There were 3,136,156 shares authorized at June 30, 2025 and December 31, 2024 and 477,321 shares outstanding at June 30, 2025 and at December 31, 2024.

Non-Voting Common Stock Equivalents

In conjunction with the Merger, the Company issued a new class of NVCE from authorized preferred stock, which were issued under the Investment Agreements (as defined below). Our NVCE stock is not listed or traded on any national securities exchange or automated quotation system, and there currently is no established trading market for such stock. The NVCE stock does not have voting rights and ranks equally with, and has identical rights, preferences, and privileges as, the voting common stock with respect to dividends or distributions (including regular quarterly dividends) declared by the Board and rights upon any liquidation, dissolution, winding up or similar proceeding of the Company. There were 27,000,000 shares authorized at June 30, 2025 and December 31, 2024 and 9,790,600 shares outstanding at June 30, 2025 and at December 31, 2024.

Warrants

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

Stock Repurchase Program

On March 17, 2025, we announced that our Board of Directors authorized the repurchase of up to \$150.0 million of our common stock. On April 23, 2025, we announced an upside of the stock repurchase program from \$150.0 million to \$300.0 million and expanded the program to cover both the Company's common stock and depositary shares representing its preferred stock. The repurchase authorization expires in March 2026.

During the first quarter of 2025, common stock repurchased under the program totaled 2,684,823 shares at a weighted average price per share of \$14.36, or \$38.5 million in the aggregate. During the second quarter of 2025, common stock repurchased under the program totaled 8,809,814 shares at a weighted average price per share of \$12.65, or \$111.5 million in the aggregate. During the six months ended June 30, 2025, common stock repurchased under the program totaled 11,494,637 shares at a weighted average price per share of \$13.05, or \$150.0 million in the aggregate. As of June 30, 2025, the Company had \$150.0 million remaining under the stock repurchase authorization.

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

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 16. SEGMENT REPORTING

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

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

The following presents our operating segment income statement, including significant expense categories, regularly reviewed by the CODM, and the reconciliation of segment net earnings to consolidated net earnings for the periods indicated:

Income Statement Commercial Banking Segment	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Unaudited)			
	(In thousands)			
Total interest income	\$ 420,509	\$ 462,589	\$ 827,164	\$ 941,293
Total interest expense	180,293	233,101	354,584	482,703
Net interest income	240,216	229,488	472,580	458,590
Provision for credit losses	39,100	11,000	48,400	21,000
Net interest income after provision for credit losses	201,116	218,488	424,180	437,590
Noninterest income	32,633	29,792	66,283	63,608
Noninterest expense:				
Compensation	88,362	85,914	174,779	178,150
Customer related expense	26,577	32,405	54,328	63,324
Occupancy	15,473	17,455	30,483	35,423
Information technology and data processing	13,073	15,459	28,172	30,877
Insurance and assessments	9,403	26,431	16,686	46,892
Intangible asset amortization	7,159	8,484	14,319	16,888
Leased equipment depreciation	6,700	7,511	13,441	15,031
Other professional services	6,406	5,183	10,919	10,258
Loan expense	4,050	4,332	6,980	8,823
Acquisition, integration and reorganization costs	—	(12,650)	—	(12,650)
Other expense ⁽¹⁾	8,666	13,119	19,415	21,145
Total noninterest expense	185,869	203,643	369,522	414,161
Earnings before income taxes	47,880	44,637	120,941	87,037
Income tax expense	19,495	14,304	38,988	25,852
Segment net earnings⁽²⁾	\$ 28,385	\$ 30,333	\$ 81,953	\$ 61,185

(1) Includes business development expense, communications expense, stationery and supplies, employee related expenses, operating and other losses, OREO expenses, and other corporate overhead and operating expenses.

(2) Segment earnings is the same as net earnings reported on the condensed consolidated statements of earnings.

BANC OF CALIFORNIA, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

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

Balance Sheet Data	June 30,	December 31,
Commercial Banking Segment	2025	2024
	<i>(In thousands)</i>	
Segment total assets ⁽¹⁾	\$ 34,250,453	\$ 33,542,864

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

NOTE 17. RELATED PARTY TRANSACTIONS

Certain of our executive officers and directors, and their related interests, are customers of, or have had transactions with, the Bank in the ordinary course of business, including deposits, loans, and other financial services-related transactions. From time to time, the Bank may make loans to executive officers and directors, and their related interests, in the ordinary course of business and on substantially the same terms and conditions, including interest rates and collateral, as those of comparable transactions with non-insiders prevailing at the time, in accordance with the Bank's underwriting guidelines, and do not involve more than the normal risk of collectability or present other unfavorable features. As of June 30, 2025, no related party loans were categorized as nonaccrual, past due, restructured, or potential problem loans.

Transactions with Related Parties

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

The Company is a party to a services agreement with IntraFi Network LLC ("IntraFi") whereby IntraFi provides the Bank with certain insured cash sweep services from time to time. Affiliates of funds managed by Warburg Pincus LLC hold a material investment interest in IntraFi. Additionally, one of Warburg Pincus LLC's principals, Todd Schell, who currently serves as a member of the Board, is a member of the board of directors of IntraFi. Affiliates of funds managed by Warburg Pincus LLC beneficially owned approximately 10.59% of the Company's outstanding voting common stock as of June 30, 2025, based on information reported on a Schedule 13D filed with the SEC on August 1, 2024. For the three and six months ended June 30, 2025, the amounts paid to IntraFi for certain insured cash sweep services were \$1.9 million and \$3.7 million, and were \$1.9 million and \$4.2 million for the three and six months ended June 30, 2024.

NOTE 18. SUBSEQUENT EVENTS

Common Stock Dividend

On August 8, 2025, the Company announced that the Board of Directors had declared a quarterly cash dividend of \$0.10 per common share. The cash dividend is payable on October 1, 2025, to stockholders of record at the close of business on September 15, 2025.

Preferred Stock Dividend

On August 8, 2025, the Company announced that the Board of Directors had declared a quarterly cash dividend of \$0.4845 per Depository Share. The cash dividend is payable on September 1, 2025 to stockholders of record at the close of business on August 21, 2025.

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

The following is management's discussion and analysis of the major factors that influenced our results of operations and financial condition as of and for the three and six months ended June 30, 2025. This analysis should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2024 (the "Form 10-K") and with the unaudited condensed consolidated financial statements and notes thereto set forth in this Quarterly Report on Form 10-Q.

Forward-Looking Information

This Quarterly Report on Form 10-Q contains certain "forward-looking statements" about the Company and its subsidiaries within the meaning of the Private Securities Litigation Reform Act of 1995, including certain plans, strategies, goals, and projections and including statements about our expectations regarding our operating expenses, profitability, allowance for credit losses, net interest margin, net interest income, deposit growth, loan and lease portfolio growth and production, acquisitions and related integrations, maintaining capital adequacy, liquidity, goodwill, and interest rate risk management. All statements contained in this Quarterly Report on Form 10-Q that are not clearly historical in nature are forward-looking, and the words "anticipate," "assume," "intend," "believe," "forecast," "expect," "estimate," "plan," "continue," "will," "should," "look forward" and similar expressions are generally intended to identify forward-looking statements. All forward-looking statements (including statements regarding future financial and operating results and future transactions and their results) involve risks, uncertainties, and contingencies, many of which are beyond our control, which may cause actual results, performance, or achievements to differ materially from anticipated results, performance, or achievements. Actual results could differ materially from those contained or implied by such forward-looking statements for a variety of factors, including without limitation:

- changes in general economic conditions, either nationally or in our market areas, including the impact of tariffs, supply chain disruptions, and the risk of recession or an economic downturn;
- changes in the interest rate environment, including the recent and potential future changes in the FRB benchmark rate, which could adversely affect our revenue and expenses, the value of assets and obligations, the realization of deferred tax assets, the availability and cost of capital and liquidity, and the impacts of continuing or renewed inflation;
- the credit risks of lending activities, which may be affected by deterioration in real estate markets and the financial condition of borrowers, and the operational risk of lending activities, including the effectiveness of our underwriting practices and the risk of fraud, any of which may lead to increased loan delinquencies, losses, and non-performing assets, and may result in our allowance for credit losses not being adequate;
- fluctuations in the demand for loans, and fluctuations in commercial and residential real estate values in our market area;
- the quality and composition of our securities portfolio;
- our ability to develop and maintain a strong core deposit base, including among our venture banking clients, or other low cost funding sources necessary to fund our activities particularly in a rising or high interest rate environment;
- the rapid withdrawal of a significant amount of demand deposits over a short period of time;
- the costs and effects of litigation;
- 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;
- 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;
- 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;

- the risk that our enterprise risk management framework may not be effective in mitigating risk and reducing the potential for losses;
- errors in estimates of fair values of certain of our assets and liabilities, as well as the value of collateral supporting our loans, which may result in significant changes in valuation or recoveries;
- failures or security breaches with respect to the network, applications, vendors, and computer systems on which we depend, including due to cybersecurity threats;
- our ability to attract and retain key members of our senior management team;
- the effects of climate change, severe weather events, natural disasters such as earthquakes and wildfires, pandemics, epidemics, and other public health crises, acts of war or terrorism, and other external events on our business;
- the impact of bank failures or other adverse developments at other banks on general depositor and investor sentiment regarding the stability and liquidity of banks;
- the possibility that our recorded goodwill could become impaired, which may have an adverse impact on our earnings and capital;
- our existing indebtedness, together with any future incurrence of additional indebtedness, could adversely affect our ability to raise additional capital and to meet our debt obligations;
- the risk that we may incur significant losses on future asset sales or may not be able to execute anticipated asset sales; and
- other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described in our Form 10-K and from time to time in other documents that we file with or furnish to the SEC.

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

Overview

Banc of California, Inc., a Maryland corporation, was incorporated in March 2002 and serves as the holding company for its wholly owned subsidiary, Banc of California (the “Bank”), a California state-chartered bank and member of the FRB. When we refer to the “holding company,” we are referring to Banc of California, Inc., the parent company, on a stand-alone basis. When we refer to “we,” “us,” “our,” or the “Company,” we are referring to Banc of California, Inc. and its consolidated subsidiaries including the Bank, collectively. The Bank is a premier relationship-based business bank, providing banking and treasury management services to small-, middle-market, and venture-backed businesses. The Bank offers a broad range of loan and deposit products and services through full-service branches throughout California and in Denver, Colorado, and Durham, North Carolina, as well as through regional offices nationwide. The Bank also provides full-stack payment processing solutions through its subsidiary, Deepstack Technologies, and serves the community association management industry nationwide with its technology-forward platform, SmartStreet™.

Recent Events

Stock Repurchase Program

On March 17, 2025, we announced that our Board of Directors authorized the repurchase of up to \$150.0 million of our common stock. On April 23, 2025, the Company announced an upside of its stock repurchase program from \$150.0 million to \$300.0 million and expanded the program to cover both the Company's common stock and depositary shares representing its preferred stock. The repurchase authorization expires in March 2026.

During the first quarter of 2025, common stock repurchased under the program totaled 2,684,823 shares at a weighted average price per share of \$14.36, or \$38.5 million in the aggregate. During the second quarter of 2025, common stock repurchased under the program totaled 8,809,814 shares at a weighted average price per share of \$12.65, or \$111.5 million in the aggregate. During the six months ended June 30, 2025, common stock repurchased under the program totaled 11,494,637 shares at a weighted average price per share of \$13.05, or \$150.0 million in the aggregate. As of June 30, 2025, the Company had \$150.0 million remaining under the current stock repurchase authorization.

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

Strategic Loan Sales Process

During the second quarter of 2025, the Company commenced a strategic loan sale process, reclassifying approximately \$506.7 million of loans as held for sale. As of June 30, 2025, \$30.5 million of these loans had been sold, while the remaining \$476.2 million were transferred to held for sale at a lower of cost or market value of \$441.2 million. The transferred loans included commercial real estate construction loans of \$258.4 million, commercial real estate mortgage loans of \$163.2 million, and multi-family loans of \$19.6 million. While many of the loans being sold have sufficient collateral values, they have attributes that drive credit migration, and as a result we commenced the sales process for these loans.

As a result of the transfer, the Company recognized charge-offs totaling \$36.9 million resulting in an incremental impact to provision expense of \$26.3 million in the second quarter. The charge-off and provision impact reflects the estimated fair value based on active bids or other market inputs.

Key Performance Indicators

Among other factors, our operating results generally depend on the following key performance indicators:

The Level of Net Interest Income

Net interest income is the excess of interest earned on our interest-earning assets over the interest paid on our interest-bearing liabilities. Net interest margin is net interest income (annualized if related to a non-annual period) expressed as a percentage of average interest-earning assets.

Net interest income is affected by changes in both interest rates and the volume of average interest-earning assets and interest-bearing liabilities. Our primary interest-earning assets are loans and investment securities, and our primary interest-bearing liabilities are deposits and borrowings. While our deposit balances will fluctuate depending on our customers' liquidity and cash flow, market conditions, and competitive pressures, we seek to minimize the impact of these variances by attracting a high percentage of noninterest-bearing deposits. We continue to focus on growing granular relationship-based deposits as a key component of our core deposit strategy, which supports a stable funding base and strengthens our client franchise.

Loan and Lease Production

We actively seek new lending opportunities under an array of lending products. Our lending activities include real estate mortgage loans, real estate construction and land loans, commercial loans and leases, and a small amount of consumer lending. Our commercial real estate loans and real estate construction loans are secured by a range of property types. Our commercial loans and leases portfolio is diverse and generally includes various asset-secured loans, lender finance loans, equipment-secured loans and leases, venture capital loans to support venture capital firms' operations and the operations of entrepreneurial and venture-backed companies during the various phases of their early life cycles, warehouse loans, and secured business loans.

Our loan origination process emphasizes credit quality. To augment our internal loan production, we have purchased loans such as single-family residential mortgage loans, multi-family loans from other banks, and private student loans from third-party lenders. These loan purchases help us manage the concentrations in our portfolio as they diversify the geographic risk, interest-rate risk, credit risk, and product composition of our loan portfolio. Achieving net loan growth is subject to many factors, including maintaining strict credit standards, competition from other lenders, and borrowers that opt to prepay loans.

The Magnitude of Credit Losses

We emphasize credit quality in originating and monitoring our loans and leases, and we measure our success by the levels of our classified loans and leases, nonaccrual loans and leases, and net charge-offs. We maintain an ACL on loans and leases, which is the sum of the ALLL and the reserve for unfunded loan commitments. Provisions for credit losses are charged to operations as and when needed for both on and off-balance sheet credit exposures. Loans and leases that are deemed uncollectible are charged off and deducted from the ALLL. Recoveries on loans and leases previously charged off are added to the ALLL. The provision for credit losses on the loan and lease portfolio is based on our allowance methodology, which considers the impact of assumptions and is reflective of historical experience, economic forecasts viewed to be reasonable and supportable by management, the current loan and lease composition, and relative credit risks known as of the balance sheet date. For originated and acquired credit-deteriorated loans, a provision for credit losses may be recorded to reflect credit deterioration after the origination date or after the acquisition date, respectively.

We regularly review loans and leases to determine whether there has been any deterioration in credit quality resulting from borrower operations or changes in collateral value or other factors which may affect the collectability of our loans and leases. Changes in economic conditions, such as the rate of economic growth, the unemployment rate, rate of inflation, increases in the general level of interest rates, declines in real estate values, changes in commodity prices, and adverse conditions in borrowers' businesses, could negatively impact our borrowers and cause us to adversely classify loans and leases. An increase in classified loans and leases generally results in increased provisions for credit losses and an increased ACL. Any deterioration in the commercial real estate market may lead to increased provisions for credit losses because our loans are concentrated in commercial real estate loans.

The Level of Noninterest Expense

Our noninterest expense includes fixed and controllable overhead, the largest components of which are compensation expense, customer related expense, information technology and data processing expense, and occupancy expense. Customer related expenses are primarily earnings credit rate ("ECRs") payments to customers and are mostly driven by the Homeowners Association ("HOA") business. ECRs are rate-sensitive and fluctuate in response to changes in the federal funds rate. Additionally, noninterest expense includes insurance and assessments, intangible asset amortization, leased equipment depreciation, other professional services, loan expenses, acquisition, integration and organization costs, and other expense. We monitor our efficiency ratio as a key measure of operational performance.

Critical Accounting Policies and Estimates

The following discussion and analysis of financial condition and results of operations are based upon our condensed consolidated financial statements and the notes thereto, which have been prepared in accordance with U.S. GAAP. The preparation of the condensed consolidated financial statements requires us to make a number of estimates and assumptions that affect the reported amounts and disclosures in the condensed consolidated financial statements. On an ongoing basis, we evaluate our estimates and assumptions based upon historical experience and various other factors and circumstances. We believe that our estimates and assumptions are reasonable; however, actual results may ultimately differ significantly from these estimates and assumptions, which could have a material adverse effect on the carrying value of assets and liabilities at the balance sheet dates and on our results of operations for the reporting periods.

Our accounting policies and estimates are fundamental to understanding the following discussion and analysis of financial condition and results of operations. We identify critical policies and estimates as those that require management to make particularly difficult, subjective, and/or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts would be reported under different conditions or using different assumptions. These policies and estimates relate to the ACL on loans and leases held for investment, business combinations, the carrying value of goodwill and other intangible assets, and the realization of deferred income tax assets and liabilities.

Our critical accounting policies and estimates are described in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in the Form 10-K.

Non-GAAP Financial Measures

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

- **Return on average tangible common equity, tangible common equity, tangible book value per common share, efficiency ratio, adjusted net earnings, and adjusted diluted earnings per share:** Given that the use of these measures is prevalent among banking regulators, investors, and analysts, we disclose them in addition to the related GAAP measures of return on average equity, book value per common share, and noninterest expense to total revenue, respectively. The reconciliations of these non-GAAP measures to the GAAP measures are presented in the following tables for and as of the periods presented.

Return on Average Tangible Common Equity ("ROATCE")	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
	<i>(Dollars in thousands)</i>			
Net earnings	\$ 28,385	\$ 53,568	\$ 81,953	\$ 61,185
Earnings before income taxes		\$ 73,061		\$ 87,037
Add: Intangible asset amortization		7,160		16,888
Adjusted earnings before income taxes for ROATCE		80,221		103,925
Adjusted income tax expense ⁽¹⁾		20,296		29,743
Adjustments:				
Intangible asset amortization	7,159		14,319	
Tax impact of adjustment above ⁽¹⁾	(1,655)		(3,311)	
Adjustment to net earnings	5,504		11,008	
Adjusted net earnings for ROATCE	33,889	59,925	92,961	74,182
Less: Preferred stock dividends	9,947	9,947	19,894	19,894
Adjusted net earnings available to common and equivalent stockholders for ROATCE	\$ 23,942	\$ 49,978	\$ 73,067	\$ 54,288
Average stockholders' equity	\$ 3,430,143	\$ 3,524,181	\$ 3,476,902	\$ 3,392,941
Less: Average goodwill and intangible assets	337,352	344,610	340,961	356,807
Less: Average preferred stock	498,516	498,516	498,516	498,516
Average tangible common equity	\$ 2,594,275	\$ 2,681,055	\$ 2,637,425	\$ 2,537,618
Return on average equity ⁽²⁾	3.32 %	6.16 %	4.75 %	3.63 %
Return on average tangible common equity ⁽³⁾	3.70 %	7.56 %	5.59 %	4.30 %

(1) Effective tax rates of 23.12% and 25.30% used for the three months ended June 30, 2025 and March 31, 2025. Effective tax rates of 23.12% and 28.62% used for the six months ended June 30, 2025 and 2024.

(2) Annualized net earnings divided by average stockholders' equity.

(3) Annualized adjusted net earnings available to common and equivalent stockholders for ROATCE divided by average tangible common equity.

Tangible Common Equity and Tangible Book Value Per Common Share	June 30, 2025	December 31, 2024
	<i>(Dollars in thousands, except per share data)</i>	
Stockholders' equity	\$ 3,426,843	\$ 3,499,949
Less: Preferred stock	498,516	498,516
Total common equity	2,928,327	3,001,433
Less: Goodwill and intangible assets	333,451	347,465
Tangible common equity	\$ 2,594,876	\$ 2,653,968
Book value per common share ⁽¹⁾	\$ 18.58	\$ 17.78
Tangible book value per common share ⁽²⁾	\$ 16.46	\$ 15.72
Common and equivalent shares outstanding ⁽³⁾	157,647,137	168,825,656

- (1) Total common equity divided by common and equivalent shares outstanding.
(2) Tangible common equity divided by common and equivalent shares outstanding.
(3) Common and equivalent shares outstanding include non-voting common stock equivalents that are participating securities.

Efficiency Ratio	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
	<i>(Dollars in thousands)</i>			
Noninterest expense ⁽¹⁾	\$ 185,869	\$ 183,653	\$ 369,522	\$ 414,161
Less: Intangible asset amortization	(7,159)	(7,160)	(14,319)	(16,888)
Less: Acquisition, integration, and reorganization costs	—	—	—	12,650
Noninterest expense used for efficiency ratio	\$ 178,710	\$ 176,493	\$ 355,203	\$ 409,923
Net interest income	\$ 240,216	\$ 232,364	\$ 472,580	\$ 458,590
Noninterest income	32,633	33,650	66,283	63,608
Total revenue	272,849	266,014	538,863	522,198
Noninterest expense to total revenue	68.12 %	69.04 %	68.57 %	79.31 %
Efficiency ratio ⁽²⁾	65.50 %	66.35 %	65.92 %	78.50 %

- (1) Includes customer related expense of \$26.6 million and \$27.8 million for the three months ended June 30, 2025 and March 31, 2025, and \$54.3 million and \$63.3 million for the six months ended June 30, 2025 and 2024.
(2) Noninterest expense used for efficiency ratio divided by total revenue.

Adjusted Net Earnings, Net Earnings Available to Common and Equivalent Stockholders, Diluted EPS, and ROAA	Three Months Ended		Six Months Ended	
	June 30,	March 31,	June 30,	
	2025	2025	2025	2024
	<i>(Dollars in thousands)</i>			
Net earnings	\$ 28,385	\$ 53,568	\$ 81,953	\$ 61,185
Earnings before income taxes		\$ 73,061		\$ 87,037
Add: FDIC special assessment		—		4,814
Adjusted earnings before income taxes		73,061		91,851
Adjusted income tax expense ⁽¹⁾		19,493		26,288
Adjustments:				
Provision for credit losses related to transfer of loans to held for sale	\$ 26,289		\$ 26,289	
Tax impact of adjustments above ⁽¹⁾	(6,078)		(6,078)	
Income tax related adjustments	9,792		9,792	
Adjustments to net earnings	30,003		30,003	
Adjusted net earnings	58,388	53,568	111,956	65,563
Less: Preferred stock dividends	9,947	9,947	19,894	19,894
Adjusted net earnings available to common and equivalent stockholders	\$ 48,441	\$ 43,621	\$ 92,062	\$ 45,669
Weighted average diluted common shares outstanding	158,462	169,434	\$ 163,667	\$ 168,287
Diluted earnings per common share	\$ 0.12	\$ 0.26	\$ 0.38	\$ 0.25
Adjusted diluted earnings per common share ⁽²⁾	\$ 0.31	\$ 0.26	\$ 0.56	\$ 0.27
Average total assets	\$ 33,764,149	\$ 33,308,385	\$ 33,537,526	\$ 36,687,587
Return on average assets ("ROAA") ⁽³⁾	0.34 %	0.65 %	0.49 %	0.34 %
Adjusted ROAA ⁽⁴⁾	0.69 %	0.65 %	0.67 %	0.36 %

(1) Effective tax rates of 23.12% and 25.30% used for the three months ended June 30, 2025 and March 31, 2025. Effective tax rates of 23.12% and 28.62% used for the six months ended June 30, 2025 and 2024.

(2) Adjusted net earnings available to common and equivalent stockholders divided by weighted average diluted common shares outstanding.

(3) Annualized net earnings divided by average assets.

(4) Annualized adjusted net earnings divided by average assets.

Results of Operations

The Company reported net earnings available to common and equivalent stockholders of \$18.4 million, or \$0.12 per diluted common share, for the second quarter of 2025. On an adjusted basis, net earnings available to common and equivalent stockholders were \$48.4 million for the quarter, or \$0.31 per diluted common share.⁽¹⁾ This compares to net earnings available to common and equivalent stockholders of \$43.6 million, or \$0.26 per diluted common share, for the first quarter of 2025. The second quarter included provision expense, net of tax, of an additional \$20.2 million taken during the quarter as a result of transferring \$506.7 million of loans to held for sale at their lower of cost or market value. The second quarter also included a one-time non-cash income tax expense of \$9.8 million primarily due to the revaluation of deferred tax assets related to recent California state tax changes passed as part of the 2025 California budget.

Second Quarter of 2025 Financial Highlights:

- Total revenue of \$272.8 million increased by 3% from the first quarter of 2025 driven by solid loan growth combined with continued prudent expense management.
- Total loans of \$24.7 billion (including loans held for sale) increased by 2%, or 9% annualized, from the first quarter of 2025 driven by growth in lender finance loans, equity fund loans, and purchased single-family residential loans.
- Strong loan originations totaled \$2.2 billion including production, purchased loans, and unfunded new commitments, with a weighted average interest rate on production of 7.29%.
- Total deposits of \$27.5 billion increased by 1%, and interest-bearing deposits of \$20.1 billion increased by 2% from the first quarter of 2025.
- Net interest margin up 2 basis points vs. the first quarter of 2025 to 3.10% driven by a higher average yield on loans and leases increasing by 3 basis points and flat cost of funds from the first quarter of 2025.
- Commenced sales process for \$506.7 million of loans and completed sales for \$30.5 million of such loans during the second quarter. The remaining \$476.2 million of loans were transferred to held for sale at a lower of cost or market value of \$441.2 million.
- Credit quality metrics improved substantially primarily due to the transfer of loans to held for sale in connection with the strategic loan sales process. Nonperforming, classified, and special mention loans and leases, as a percentage of total loans and leases held for investment, decreased by 19 basis points, 46 basis points, and 115 basis points, respectively, from the first quarter of 2025.
- Results include \$9.8 million of one-time non-cash income tax expense largely driven by the reevaluation of deferred tax assets due to California state tax changes enacted under the 2025 California budget.
- Repurchases of 8.8 million shares of common stock at a weighted average price per share of \$12.65, or \$111.5 million in the aggregate, during the second quarter, and 11.5 million shares of common stock at a weighted average price per share of \$13.05, or \$150.0 million in the aggregate, in the first half of the year. As of June 30, 2025, the Company had \$150.0 million remaining under the stock repurchase authorization.
- Maintained strong capital ratios well above the regulatory thresholds for "well capitalized" banks, including a 12.34% Tier 1 capital ratio and 9.95% CET 1 capital ratio and continued growth in book value per share to \$18.58, up 2% vs. the first quarter of 2025 and tangible book value per share⁽¹⁾ to \$16.46, up 2% vs. the first quarter of 2025.

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

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
<i>(Dollars in thousands, except per share data)</i>				
Earnings Summary:				
Interest income	\$ 420,509	\$ 406,655	\$ 827,164	\$ 941,293
Interest expense	(180,293)	(174,291)	(354,584)	(482,703)
Net interest income	240,216	232,364	472,580	458,590
Provision for credit losses	(39,100)	(9,300)	(48,400)	(21,000)
Noninterest income	32,633	33,650	66,283	63,608
Operating expense	(185,869)	(183,653)	(369,522)	(426,811)
Acquisition, integration and reorganization costs	—	—	—	12,650
Earnings before income taxes	47,880	73,061	120,941	87,037
Income tax expense	(19,495)	(19,493)	(38,988)	(25,852)
Net earnings	28,385	53,568	81,953	61,185
Preferred stock dividends	(9,947)	(9,947)	(19,894)	(19,894)
Net earnings available to common and equivalent stockholders	\$ 18,438	\$ 43,621	\$ 62,059	\$ 41,291
Per Common Share Data:				
Diluted earnings per share ⁽¹⁾	\$ 0.12	\$ 0.26	\$ 0.38	\$ 0.25
Adjusted diluted earnings per share ⁽¹⁾⁽²⁾	\$ 0.31	\$ 0.26	\$ 0.56	\$ 0.27
Book value per share ⁽¹⁾	\$ 18.58	\$ 18.17		
Tangible book value per share ⁽¹⁾⁽²⁾	\$ 16.46	\$ 16.12		
Performance Ratios:				
Return on average assets ⁽³⁾	0.34 %	0.65 %	0.49 %	0.34 %
Return on average tangible common equity ⁽²⁾⁽³⁾	3.70 %	7.56 %	5.59 %	4.30 %
Net interest margin ⁽³⁾	3.10 %	3.08 %	3.09 %	2.73 %
Yield on average loans and leases ⁽³⁾	5.93 %	5.90 %	5.92 %	6.13 %
Cost of average total deposits ⁽³⁾	2.13 %	2.12 %	2.12 %	2.63 %
Noninterest expense to average total assets ⁽³⁾	2.21 %	2.24 %	2.22 %	2.27 %
Noninterest expense to total revenue ⁽⁴⁾	68.12 %	69.04 %	68.57 %	79.31 %
Efficiency ratio ⁽²⁾⁽⁵⁾	65.50 %	66.35 %	65.92 %	78.50 %
Capital Ratios (consolidated):				
Common equity tier 1 capital ratio	9.95 %	10.45 %		
Tier 1 capital ratio	12.34 %	12.86 %		
Total capital ratio	16.37 %	16.93 %		
Tier 1 leverage capital ratio	9.74 %	10.19 %		
Risk-weighted assets	\$ 26,352,199	\$ 26,104,878		

(1) Shares include non-voting common stock equivalents that are participating securities.

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

(3) Annualized.

(4) Total revenue equals the sum of net interest income and noninterest income.

(5) Ratio calculated by dividing noninterest expense (less intangible asset amortization and acquisition, integration and reorganization costs) by total revenue (less gain/loss on sale of securities). See "- Non-GAAP Financial Measures." Noninterest expense includes customer related expense of \$26.6 million and \$27.8 million for the three months ended June 30, 2025 and March 31, 2025, and \$54.3 million and \$63.3 million for the six months ended June 30, 2025 and 2024.

Net Interest Income and Net Interest Margin

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

	Three Months Ended					
	June 30, 2025			March 31, 2025		
	Average Balance	Interest Income/ Expense	Yields and Rates	Average Balance	Interest Income/ Expense	Yields and Rates
<i>(Dollars in thousands)</i>						
ASSETS:						
Loans and leases ⁽¹⁾	\$ 24,504,319	\$ 362,303	5.93 %	\$ 23,788,647	\$ 346,103	5.90 %
Investment securities	4,719,954	37,616	3.20 %	4,734,037	37,862	3.24 %
Deposits in financial institutions	1,872,736	20,590	4.41 %	2,088,139	22,690	4.41 %
Total interest-earning assets	31,097,009	420,509	5.42 %	30,610,823	406,655	5.39 %
Other assets	2,667,140			2,697,562		
Total assets	\$ 33,764,149			\$ 33,308,385		
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Interest checking	\$ 7,778,882	52,877	2.73 %	\$ 7,343,451	47,879	2.64 %
Money market	5,412,681	33,615	2.49 %	5,415,716	33,003	2.47 %
Savings	1,959,987	12,777	2.61 %	1,948,649	12,857	2.68 %
Time	4,569,490	45,671	4.01 %	4,498,268	46,791	4.22 %
Total interest-bearing deposits	19,721,040	144,940	2.95 %	19,206,084	140,530	2.97 %
Borrowings	1,628,584	20,021	4.93 %	1,397,720	18,421	5.34 %
Subordinated debt	946,740	15,332	6.50 %	942,817	15,340	6.60 %
Total interest-bearing liabilities	22,296,364	180,293	3.24 %	21,546,621	174,291	3.28 %
Noninterest-bearing demand deposits	7,583,894			7,714,830		
Other liabilities	453,748			522,753		
Total liabilities	30,334,006			29,784,204		
Stockholders' equity	3,430,143			3,524,181		
Total liabilities and stockholders' equity	\$ 33,764,149			\$ 33,308,385		
Net interest income		\$ 240,216			\$ 232,364	
Net interest rate spread			2.18 %			2.11 %
Net interest margin			3.10 %			3.08 %
Total deposits ⁽²⁾	\$ 27,304,934	\$ 144,940	2.13 %	\$ 26,920,914	\$ 140,530	2.12 %
Total funds ⁽³⁾	\$ 29,880,258	\$ 180,293	2.42 %	\$ 29,261,451	\$ 174,291	2.42 %

(1) Total loans are net of deferred fees, related direct costs, and premiums and discounts, but exclude the allowance for loan losses. Includes net loan discount accretion of \$16.1 million and \$16.0 million for the three months ended June 30, 2025 and March 31, 2025.

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

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

	Six Months Ended					
	June 30, 2025			June 30, 2024		
	Average Balance	Interest Income/Expense	Yields and Rates	Average Balance	Interest Income/Expense	Yields and Rates
<i>(Dollars in thousands)</i>						
ASSETS:						
Loans and leases ⁽¹⁾	\$ 24,148,460	\$ 708,406	5.92 %	\$ 25,422,084	\$ 774,318	6.13 %
Investment securities	4,726,957	75,478	3.22 %	4,690,123	68,139	2.92 %
Deposits in financial institutions	1,979,843	43,280	4.41 %	3,667,630	98,836	5.42 %
Total interest-earning assets	30,855,260	827,164	5.41 %	33,779,837	941,293	5.60 %
Other assets	2,682,266			2,907,750		
Total assets	\$ 33,537,526			\$ 36,687,587		
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Interest checking	\$ 7,562,369	100,756	2.69 %	\$ 7,778,540	122,625	3.17 %
Money market	5,414,190	66,618	2.48 %	5,350,202	74,127	2.79 %
Savings	1,954,349	25,634	2.65 %	2,019,399	35,026	3.49 %
Time	4,534,076	92,462	4.11 %	6,191,281	149,135	4.84 %
Total interest-bearing deposits	19,464,984	285,470	2.96 %	21,339,422	380,913	3.59 %
Borrowings	1,513,790	38,442	5.12 %	2,453,003	68,435	5.61 %
Subordinated debt	944,790	30,672	6.55 %	937,686	33,355	7.15 %
Total interest-bearing liabilities	21,923,564	354,584	3.26 %	24,730,111	482,703	3.93 %
Noninterest-bearing demand deposits	7,649,000			7,783,324		
Other liabilities	488,060			781,211		
Total liabilities	30,060,624			33,294,646		
Stockholders' equity	3,476,902			3,392,941		
Total liabilities and stockholders' equity	\$ 33,537,526			\$ 36,687,587		
Net interest income		\$ 472,580			\$ 458,590	
Net interest rate spread			2.15 %			1.67 %
Net interest margin			3.09 %			2.73 %
Total deposits ⁽²⁾	\$ 27,113,984	\$ 285,470	2.12 %	\$ 29,122,746	\$ 380,913	2.63 %
Total funds ⁽³⁾	\$ 29,572,564	\$ 354,584	2.42 %	\$ 32,513,435	\$ 482,703	2.99 %

- (1) Total loans are net of deferred fees, related direct costs, and premiums and discounts, but exclude the allowance for loan losses. Includes net loan discount accretion of \$32.1 million and \$44.3 million for the six months ended June 30, 2025 and 2024.
- (2) Total deposits is the sum of interest-bearing deposits and noninterest-bearing demand deposits. The cost of total deposits is calculated as annualized interest expense on total deposits divided by average total deposits.
- (3) Total funds is the sum of total interest-bearing liabilities and noninterest-bearing demand deposits. The cost of total funds is calculated as annualized total interest expense divided by average total funds.

Second Quarter of 2025 Compared to First Quarter of 2025

Net interest income increased by \$7.9 million to \$240.2 million for the second quarter from \$232.4 million for the first quarter attributable primarily to the following:

- An increase of \$16.2 million in interest income from loans due primarily to a higher average balance in the second quarter, higher day count, and higher average yield driven by higher yield on loan production.

This was offset partially by:

- An increase of \$4.4 million in interest expense on deposits due primarily to higher average interest-bearing deposit balances in the second quarter and higher day count, offset partially by lower interest rates.

- A decrease of \$2.1 million in interest income from deposits in financial institutions driven mainly by a lower average balance as cash was utilized to fund strong loan growth.
- An increase of \$1.6 million in interest expense on our borrowings driven primarily by a higher average balance to support loan funding activity and higher day count.

The net interest margin increased to 3.10% for the second quarter, up 2 basis points from 3.08% for the first quarter primarily driven by a higher average yield on interest-earning assets. The average yield on interest-earning assets increased to 5.42% from 5.39%, reflecting a 3 basis point increase in the average yield on loans and leases to 5.93%, due to strong growth in higher yielding loan categories and new loan production at a higher weighted average rate of 7.29%. Average loans and leases also increased by \$715.7 million to \$24.5 billion, supported by strong loan growth.

The average total cost of funds remained flat at 2.42% for the second quarter. The average cost of borrowings decreased by 41 basis points to 4.93%, driven by the redemption of \$174 million of 5.25% Senior Notes and replacement with lower-cost long-term Federal Home Loan Bank of San Francisco ("FHLB") borrowings at a weighted average rate of 3.81%. The average cost of deposits increased slightly to 2.13% from 2.12%. Average deposits increased by \$384.0 million, with a \$515.0 million increase in interest-bearing deposits, offset partially by a \$130.9 million decrease in noninterest-bearing deposits as the need to fund strong loan growth drove a mix shift towards interest-bearing deposits. Average noninterest-bearing deposits represented 27.8% of average total deposits in the second quarter and 28.7% in the first quarter.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Net interest income increased by \$14.0 million to \$472.6 million for the six months ended June 30, 2025 from \$458.6 million for the six months ended June 30, 2024 attributable primarily to the following:

- A decrease of \$95.4 million in interest expense on deposits due primarily to lower interest paid on interest-bearing deposits as a result of deposit rate repricing driven by the 100 basis points of federal funds rate cuts in the second half of 2024 and lower average balance due mainly to the paydown of brokered deposits.
- A decrease of \$30.0 million in interest expense on borrowings driven by lower average balance resulting from the payoff of higher-cost Bank Term Funding Program ("BTFP") borrowings in 2024, which were partially replaced with lower-cost long-term FHLB advances and lower market interest rates.
- An increase of \$7.3 million in interest income from investment securities reflecting the benefits from 2024 balance sheet repositioning actions and reinvestment in higher-yield securities.

This was offset partially by:

- A decrease of \$65.9 million in interest income from loans due primarily to a lower average balance attributable mainly to the sale in July 2024 of \$1.95 billion of Civic loans, lower net loan discount accretion, and lower market interest rates reflective of the federal funds rate cuts.
- A decrease of \$55.6 million in interest income from deposits in financial institutions primarily driven by lower balances, as we maintained a lower cash target level, and lower market interest rates.

The net interest margin increased to 3.09% for the six months ended June 30, 2025, up 36 basis points from 2.73% for the six months ended June 30, 2024. The year-over-year improvement was primarily driven by a 57 basis point decrease in the average total cost of funds to 2.42%, offset partially by a 19 basis point decrease in the average yield on interest-earning assets to 5.41%.

The average total cost of funds decreased by 57 basis points to 2.42%, driven by lower market interest rates and a shift in mix. The average cost of deposits decreased 51 basis points to 2.12%, reflecting the impact of federal funds rate cuts in the second half of 2024. Average total deposits decreased by \$2.0 billion year over year, including a \$1.9 billion reduction in average interest-bearing deposits and a \$134.3 million decrease in average noninterest-bearing deposits. Average noninterest-bearing deposits represented 28.2% of average total deposits for the six months ended June 30, 2025 compared to 26.7% for the comparable period in 2024. The average cost of borrowings also decreased by 49 basis points to 5.12%, reflecting the paydown of higher-cost BTFP borrowings in the prior year and their replacement with lower-cost long-term FHLB advances.

The average yield on interest-earning assets decreased 19 basis points to 5.41%, primarily due to a 101 basis point decrease in the average yield on deposits in financial institutions, and a 21 basis point decrease in average yield on loans and leases, offset partially by a 30 basis point increase in the average yield on investment securities. The average yield on deposits in financial institutions decreased to 4.41% from 5.42% driven by the federal funds rate cuts described above, while the average yield on loans and leases decreased to 5.92% from 6.13%, driven by lower net loan discount accretion and market rates. The average yield on investment securities increased to 3.22% from 2.92%, reflecting continued benefits from 2024 balance sheet repositioning actions and reinvestment in higher-yield assets. Average deposits in financial institutions decreased by \$1.7 billion to \$2.0 billion, as we maintained a lower cash position.

Provision for Credit Losses

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
<i>(Dollars in thousands)</i>				
Provision For Credit Losses:				
Addition to allowance for loan and lease losses	\$ 38,580	\$ 9,700	\$ 48,280	\$ 23,000
(Reduction in) addition to reserve for unfunded loan commitments	(350)	500	150	(2,000)
Total loan-related provision	38,230	10,200	48,430	21,000
Addition to (reduction in) allowance for held-to-maturity securities	95	(900)	(805)	—
Addition to allowance for available-for-sale securities	775	—	775	—
Total securities-related provision	870	(900)	(30)	—
Total provision for credit losses	\$ 39,100	\$ 9,300	\$ 48,400	\$ 21,000
Credit Quality Metrics:				
Net charge-offs on loans and leases held for investment ⁽¹⁾	\$ 44,222	\$ 14,074	\$ 58,296	\$ 56,925
Annualized net charge-offs to average loans and leases	0.72 %	0.24 %	0.49 %	0.45 %
At quarter-end:				
Allowance for credit losses	\$ 258,565	\$ 264,557		
Allowance for credit losses to loans and leases held for investment	1.07 %	1.10 %		
Allowance for credit losses to nonaccrual loans and leases held for investment	154.4 %	123.9 %		
Nonaccrual loans and leases held for investment	\$ 167,516	\$ 213,480		
Nonaccrual loans and leases held for investment to loans and leases held for investment	0.69 %	0.88 %		
Classified loans and leases held for investment	\$ 656,556	\$ 764,723		
Special mention loans and leases held for investment	\$ 661,568	\$ 937,014		

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

Provision for credit losses are charged to earnings for the ALLL, the reserve for unfunded loan commitments, and the ACL on HTM and AFS securities. The provision for credit losses on our loans and leases held for investment is based on our allowance methodology and is an expense that, in our judgment, is required to maintain an adequate ACL. For further details on our loan-related ACL methodology, see "- Balance Sheet Analysis - Allowance for Credit Losses on Loans and Leases Held for Investment" contained herein.

Second Quarter of 2025 Compared to First Quarter of 2025

The provision for credit losses was \$39.1 million for the second quarter compared to \$9.3 million for the first quarter. The second quarter provision included a provision of loan losses of \$38.6 million, offset partially by a \$0.4 million reversal of the provision for unfunded loan commitments, and a provision for credit losses on investment securities of \$0.9 million.

The second quarter provision for loan losses included \$26.3 million related to loans transferred to held for sale for the strategic loan sales process. The remaining \$12.3 million provision for loan losses was primarily driven by net charge-off activity experienced during the quarter, an increase in the quantitative reserve driven by the updated economic forecast, and an increase in the qualitative reserve related to loans secured by office properties.

The first quarter provision included a \$9.7 million provision for loan losses and a \$0.5 million provision for unfunded loan commitments, offset partially by a \$0.9 million reversal of the provision for credit losses related to investment securities. The first quarter provision for loans and unfunded loan commitments was primarily driven by net charge-off activity experienced during the quarter, offset partially by lower specific reserves and changes in portfolio mix driven by growth in loan segments with low expected credit losses.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

The provision for credit losses was \$48.4 million for the six months ended June 30, 2025 compared to \$21.0 million for the six months ended June 30, 2024. The provision for the six months ended June 30, 2025 primarily included a provision for loan losses of \$48.3 million and a provision for unfunded loan commitments of \$0.2 million.

The provision for the six months ended June 30, 2025 included \$26.3 million related to loans transferred to held for sale. The remaining provision for loans and unfunded loan commitments was primarily driven by net charge-off activity experienced in the first half of the year, with additional impacts from risk rating migration activity. These were offset partially by lower specific reserves and a favorable shift in the portfolio mix due to growth in loan segments with lower expected credit losses.

The provision for loans and unfunded loan commitments for the six months ended June 30, 2024 included a \$23.0 million provision for loan losses and a \$2.0 million reversal of the provision for unfunded loan commitments. The provision for the six months ended June 30, 2024 was generally due to higher net charge-offs and higher qualitative reserves, offset partially by the reserves released for the Civic loans transferred to held for sale in the second quarter of 2024.

Certain circumstances may lead to increased provisions for credit losses on loans and leases in the future. Examples of such circumstances include deterioration in economic conditions and forecasts, an increased amount of classified and/or criticized loans and leases, and net loan and lease and unfunded commitment growth. Deterioration in economic conditions and forecasts may include the rate of economic growth, the unemployment rate, the rate of inflation, changes in the general level of interest rates, changes in real estate values, and adverse conditions in borrowers' businesses. See further discussion in "- Balance Sheet Analysis - Allowance for Credit Losses on Loans and Leases Held for Investment" contained herein.

Noninterest Income

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

Noninterest Income	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
	<i>(In thousands)</i>			
Leased equipment income	\$ 10,231	\$ 10,784	\$ 21,015	\$ 23,203
Commissions and fees	9,641	9,958	19,599	16,771
Service charges on deposit accounts	4,456	4,543	8,999	9,245
Gain on sale of loans and leases	30	211	241	687
Dividends and (loss) gains on equity investments	(114)	2,323	2,209	4,234
Warrant income (loss)	1,227	(295)	932	(146)
LOCOM HFS adjustment	(9)	—	(9)	292
Other	7,171	6,126	13,297	9,322
Total noninterest income	\$ 32,633	\$ 33,650	\$ 66,283	\$ 63,608

Second Quarter of 2025 Compared to First Quarter of 2025

Noninterest income decreased by \$1.0 million to \$32.6 million for the second quarter from \$33.7 million for the first quarter due mainly to a \$2.4 million decrease in dividends and gains on equity investments, offset partially by a \$1.5 million increase in warrant income. The decrease in dividends and gains on equity investments was primarily related to fair value losses in the second quarter on SBIC investments compared to fair value gains in the first quarter. The increase in warrant income was driven by higher gains from warrant exercises.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Noninterest income increased by \$2.7 million to \$66.3 million for the six months ended June 30, 2025 from \$63.6 million for the six months ended June 30, 2024 due mainly to increases of \$4.0 million in other income and \$2.8 million in commissions and fees, offset partially by decreases of \$2.2 million in leased equipment income and \$2.0 million in dividends and gains on equity investments. The increase in other income was due mainly to a \$2.6 million increase in the fair value mark on the credit-linked notes and a \$1.1 million increase in gain on termination of leases. The increase in commissions and fees was due principally to higher loan-related fee income and higher customer service fees. The decrease in dividends and gains on equity investments was due mostly to lower fair value net gains in the first half of 2025 on SBIC investments compared to the same period in 2024.

Noninterest Expense

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

Noninterest Expense	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
	<i>(In thousands)</i>			
Compensation	\$ 88,362	\$ 86,417	\$ 174,779	\$ 178,150
Customer related expense	26,577	27,751	54,328	63,324
Occupancy	15,473	15,010	30,483	35,423
Information technology and data processing	13,073	15,099	28,172	30,877
Insurance and assessments	9,403	7,283	16,686	46,892
Intangible asset amortization	7,159	7,160	14,319	16,888
Leased equipment depreciation	6,700	6,741	13,441	15,031
Other professional services	6,406	4,513	10,919	10,258
Loan expense	4,050	2,930	6,980	8,823
Other	8,666	10,749	19,415	21,145
Total operating expense	185,869	183,653	369,522	426,811
Acquisition, integration and reorganization costs	—	—	—	(12,650)
Total noninterest expense	\$ 185,869	\$ 183,653	\$ 369,522	\$ 414,161

Second Quarter of 2025 Compared to First Quarter of 2025

Noninterest expense increased by \$2.2 million to \$185.9 million for the second quarter from \$183.7 million for the first quarter due mainly to increases of \$2.1 million in insurance and assessments and \$1.9 million in compensation expense, offset partially by a decrease of \$2.0 million in information technology and data processing expenses. Insurance assessments increased mainly due to lower FDIC assessment and FDIC expense true-ups in the first quarter. Compensation expense increased mainly driven by higher incentive and equity compensation reversals related to staff exits in the prior quarter. Information technology and data processing decreased mainly driven by lower software subscription costs and certain expense true-ups.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Noninterest expense decreased by \$44.6 million to \$369.5 million for the six-month period ended June 30, 2025 due mainly to decreases of \$30.2 million in insurance and assessments, \$9.0 million in customer related expenses, \$4.9 million in occupancy, \$3.4 million in compensation expense, and \$13.1 million in all of the other expense categories, offset partially by an increase of \$12.7 million in acquisition, integration and reorganization costs, as the prior-year period included a reversal of previously accrued merger-related costs due to lower actual expenses and there are no merger-related costs in the current year. Insurance and assessment decreased primarily due to incremental FDIC special assessments recorded in the first quarter of 2024, resulting from higher assessment rates. Customer related expense decreased due to lower earnings credit rate expenses, which were impacted by the lower federal funds rate. Occupancy decreased reflecting cost savings from branch consolidations following the merger. Compensation expense decreased primarily driven by reduced headcount following the merger.

Income Taxes

Second Quarter of 2025 Compared to First Quarter of 2025

Income tax expense of \$19.5 million was recorded for the second quarter resulting in an effective tax rate of 40.7% compared to income tax expense of \$19.5 million and an effective tax rate of 26.7% for the first quarter.

The 40.7% effective tax rate in the second quarter of 2025 included a one-time non-cash income tax expense of \$9.8 million due primarily to the revaluation of deferred tax assets ("DTA") related to the California state tax changes passed as part of the 2025 California budget enacted on June 30, 2025 and effective retroactively to January 1, 2025. We expect our tax rate going forward to be positively impacted by this state tax rule change.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Income tax expense of \$39.0 million was recorded for the six-month period ended June 30, 2025 resulting in an effective tax rate of 32.2% compared to income tax expense of \$25.9 million and an effective tax rate of 29.7% for the comparable period in 2024. The higher 2025 year-to-date effective tax rate was due primarily to the one-time non-cash tax expense related to the DTA revaluation recorded in the second quarter of 2025.

Balance Sheet Analysis

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

Balance Sheet Highlights	June 30, 2025	December 31, 2024	Increase (Decrease)
	<i>(In thousands)</i>		
Cash and cash equivalents	\$ 2,353,552	\$ 2,502,212	\$ (148,660)
Securities available-for-sale	2,246,174	2,246,839	(665)
Securities held-to-maturity	2,316,725	2,306,149	10,576
Loans held for sale	465,571	26,331	439,240
Loans and leases held for investment	24,245,893	23,781,663	464,230
Total loans and leases	24,711,464	23,807,994	903,470
Total assets	34,250,453	33,542,864	707,589
Noninterest-bearing deposits	\$ 7,441,116	\$ 7,719,913	\$ (278,797)
Total deposits	27,528,433	27,191,909	336,524
Borrowings	1,917,180	1,391,814	525,366
Subordinated debt	949,213	941,923	7,290
Total liabilities	30,823,610	30,042,915	780,695
Total stockholders' equity	3,426,843	3,499,949	(73,106)

Cash and Cash Equivalents

Cash and cash equivalents decreased by \$148.7 million to \$2.4 billion at June 30, 2025 compared to \$2.5 billion at December 31, 2024, primarily attributable to the use of cash to support loan growth in the first half of the year.

Securities Available-for-Sale

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

Security Type	June 30, 2025			December 31, 2024		
	Fair Value	% of Total	Duration (in years)	Fair Value	% of Total	Duration (in years)
	<i>(Dollars in thousands)</i>					
Agency residential MBS	\$ 849,865	38 %	7.7	\$ 861,840	38 %	7.6
Agency residential CMOs	538,069	24 %	2.6	446,631	20 %	3.2
Private label residential CMOs	276,456	12 %	4.0	316,910	14 %	3.9
Collateralized loan obligations	228,247	10 %	—	279,416	12 %	0.3
Corporate debt securities	263,138	12 %	1.1	257,712	12 %	1.4
Agency commercial MBS	60,872	3 %	3.8	51,564	2 %	1.9
Asset-backed securities	14,402	1 %	0.1	15,600	1 %	0.1
Private label commercial MBS	10,624	— %	3.4	12,372	1 %	3.6
SBA securities	3,899	— %	3.1	4,200	— %	3.2
Municipal securities	602	— %	0.7	594	— %	3.7
Total securities available-for-sale	<u>\$ 2,246,174</u>	<u>100 %</u>	<u>4.3</u>	<u>\$ 2,246,839</u>	<u>100 %</u>	<u>4.4</u>

AFS securities decreased by \$0.7 million to \$2.2 billion at June 30, 2025 compared to \$2.2 billion at December 31, 2024. The decrease was primarily driven by \$209.7 million of principal paydowns, \$3.7 million of net amortization, and a \$0.8 million provision for credit losses, offset partially by purchases of \$166.9 million and a \$46.7 million increase in the fair value of AFS securities due to lower interest rates. As principal paydowns occurred, we reinvested in higher-yield securities to enhance our investment yield.

As of June 30, 2025, AFS securities had aggregate unrealized net after-tax losses in AOCI of \$166.6 million compared to \$200.1 million at December 31, 2024. The decrease in the AFS unrealized net losses related primarily to lower interest rates and the resulting impact on valuations.

Securities Held-to-Maturity

The following table presents the composition and duration of our HTM securities as of the dates indicated:

Security Type	June 30, 2025			December 31, 2024		
	Amortized Cost	% of Total	Duration (in years)	Amortized Cost	% of Total	Duration (in years)
	<i>(Dollars in thousands)</i>					
Municipal securities	\$ 1,253,568	54 %	8.5	\$ 1,251,364	55 %	8.0
Agency commercial MBS	443,875	19 %	5.5	440,476	19 %	5.9
Private label commercial MBS	357,825	16 %	5.2	355,342	15 %	5.6
U.S. Treasury securities	191,487	8 %	5.4	189,985	8 %	5.9
Corporate debt securities	70,665	3 %	4.3	70,482	3 %	4.0
Total securities held-to-maturity	<u>\$ 2,317,420</u>	<u>100 %</u>	<u>7.1</u>	<u>\$ 2,307,649</u>	<u>100 %</u>	<u>7.0</u>

HTM securities increased by \$10.6 million to \$2.3 billion at June 30, 2025 compared to \$2.3 billion at December 31, 2024. The increase was primarily due to the accretion of \$16.7 million of the remaining unrealized losses balance deferred in other comprehensive income ("OCI") from a prior transfer of securities from AFS to HTM on June 1, 2022, and the release of \$0.8 million in credit loss reserve, offset partially by \$6.3 million of net amortization and \$0.6 million of principal paydowns.

As of June 30, 2025, HTM securities had aggregate unrealized net after-tax losses in AOCI of \$145.9 million remaining from the balance established at the time of the AFS to HTM transfer, compared to \$157.9 million at December 31, 2024.

The following table shows the geographic composition of the majority of our HTM municipal securities portfolio as of the date indicated:

<u>Municipal Securities by State</u>	June 30, 2025	
	Amortized Cost	% of Total
	<i>(Dollars in thousands)</i>	
California	\$ 315,040	25 %
Texas	277,997	22 %
Washington	188,183	15 %
Oregon	80,534	6 %
Maryland	64,199	5 %
Georgia	55,305	4 %
Colorado	48,505	4 %
Minnesota	34,660	3 %
Tennessee	31,104	3 %
Florida	21,952	2 %
Total of ten largest states	1,117,479	89 %
All other states	136,089	11 %
Total municipal securities held-to-maturity	\$ 1,253,568	100 %

Loans and Leases Held for Investment

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

Loan and Lease Portfolio	June 30, 2025		December 31, 2024	
	Balance	% of Total	Balance	% of Total
<i>(Dollars in thousands)</i>				
Real Estate Mortgage:				
Commercial real estate	\$ 3,348,261	13 %	\$ 3,540,612	15 %
SBA program	623,432	3 %	630,412	2 %
Hotel	397,708	2 %	407,748	2 %
Total commercial real estate mortgage	4,369,401	18 %	4,578,772	19 %
Multi-family	6,280,791	26 %	6,041,713	26 %
Residential mortgage	3,082,834	13 %	2,682,667	11 %
Investor-owned residential	65,510	— %	102,778	1 %
Residential renovation	9,272	— %	21,729	— %
Total other residential real estate	3,157,616	13 %	2,807,174	12 %
Total real estate mortgage	13,807,808	57 %	13,427,659	57 %
Real Estate Construction and Land:				
Commercial	381,449	1 %	799,131	3 %
Residential	1,920,642	8 %	2,373,162	10 %
Total real estate construction and land ⁽¹⁾	2,302,091	9 %	3,172,293	13 %
Total real estate	16,109,899	66 %	16,599,952	70 %
Commercial:				
Lender finance	1,190,285	5 %	727,913	3 %
Equipment finance	644,733	2 %	621,888	3 %
Premium finance	473,321	2 %	546,393	2 %
Other asset-based	154,012	1 %	191,775	1 %
Total asset-based	2,462,351	10 %	2,087,969	9 %
Equity fund loans	1,194,219	5 %	746,655	3 %
Venture lending	808,382	3 %	791,121	3 %
Total venture capital	2,002,601	8 %	1,537,776	6 %
Secured business loans	756,964	3 %	756,612	3 %
Warehouse lending	1,610,354	7 %	1,473,074	6 %
Other lending	920,987	4 %	923,398	4 %
Total other commercial	3,288,305	14 %	3,153,084	13 %
Total commercial	7,753,257	32 %	6,778,829	28 %
Consumer				
	382,737	2 %	402,882	2 %
Total loans and leases held for investment	\$ 24,245,893	100 %	\$ 23,781,663	100 %
Total unfunded loan commitments	\$ 4,673,596		\$ 4,887,690	

(1) Includes land and acquisition and development loans of \$200.6 million at June 30, 2025 and \$223.9 million at December 31, 2024.

Total loans and leases held for investment increased by \$464.2 million and totaled \$24.2 billion at June 30, 2025 compared to \$23.8 billion at December 31, 2024. The increase in loans and leases held for investment was due primarily to increased balances in the venture capital, asset-based, other residential real estate mortgage mainly from purchased single-family residential loans, multi-family, and other commercial loan portfolios, offset partially by a decrease in the real estate construction and land loan segment and the commercial real estate mortgage loan portfolios.

In the second quarter of 2025, we commenced a strategic loan sale process and transferred \$506.7 million of loans to held for sale. As of June 30, 2025, \$30.5 million of these loans had been sold, and the remaining \$476.2 million were transferred to held for sale at a lower of cost or market value of \$441.2 million, which included commercial real estate construction loans of \$258.4 million, commercial real estate mortgage loans of \$163.2 million, and multi-family loans of \$19.6 million. While many of the loans being sold have sufficient collateral values, they have attributes that drive credit migration, and as a result we have commenced the sales process for these loans.

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

<u>Roll Forward of Loans and Leases Held for Investment</u>	Six Months Ended June 30, 2025
	<i>(In thousands)</i>
Balance, beginning of period	\$ 23,781,663
Additions:	
Production	2,100,659
Disbursements	2,652,527
Total production and disbursements	4,753,186
Reductions:	
Payoffs	(2,053,313)
Paydowns	(1,693,043)
Total payoffs and paydowns	(3,746,356)
Sales	(32,180)
Transfers to foreclosed assets	(5,673)
Charge-offs	(63,499)
Transfers to loans held for sale	(441,248)
Total reductions	(4,288,956)
Net increase	464,230
Balance, end of period	\$ 24,245,893

Real Estate Loans Held for Investment

Our real estate loan portfolio encompasses commercial real estate mortgage, residential real estate mortgage, and real estate construction and land loans. As of June 30, 2025 and December 31, 2024, the real estate loan comprised 66% and 70%, respectively of the total loan portfolio. The following table presents the geographic composition of our real estate loans held for investment by the top 10 states and all other states combined (in the order presented for the current quarter-end) as of the dates indicated:

<u>Real Estate Loans by State</u>	June 30, 2025		December 31, 2024	
	Balance	% of Total	Balance	% of Total
	<i>(Dollars in thousands)</i>			
California	\$ 11,546,750	72 %	\$ 11,722,323	71 %
Colorado	1,169,165	7 %	1,224,295	7 %
Texas	564,217	4 %	542,312	3 %
Florida	444,817	3 %	437,987	3 %
Arizona	383,595	2 %	540,726	3 %
Washington	381,691	2 %	393,584	2 %
Nevada	308,770	2 %	388,627	2 %
Oregon	291,581	2 %	307,088	2 %
Utah	145,913	1 %	147,205	1 %
Illinois	60,648	— %	106,463	1 %
Total of 10 largest states	15,297,147	95 %	15,810,610	95 %
All other states	812,752	5 %	789,342	5 %
Total real estate loans held for investment	\$ 16,109,899	100 %	\$ 16,599,952	100 %

At June 30, 2025 and December 31, 2024, 72% and 71% of our real estate loans were collateralized by property located in California because our full-service branches and our community banking activities are primarily located in California.

Loans and Leases Held for Sale

Total loans and leases held for sale increased by \$439.2 million and totaled \$465.6 million at June 30, 2025 compared to \$26.3 million at December 31, 2024. The increase in loans held for sale was primarily driven by the transfer as discussed above related to the strategic loan sales process commenced in the second quarter of 2025.

Allowance for Credit Losses on Loans and Leases Held for Investment

The ACL on loans and leases held for investment is the combination of the ALLL and the reserve for unfunded loan commitments. The ALLL is reported as a reduction of the amortized cost basis of loans and leases, while the reserve for unfunded loan commitments is included within "Accrued interest payable and other liabilities" on the condensed consolidated balance sheets. The amortized cost basis of loans and leases does not include accrued interest receivable, which is included in "Other assets" on the condensed consolidated balance sheets. The "Provision for credit losses" on the condensed consolidated statement of earnings is a combination of the provision for loan and lease losses, the provision for unfunded loan commitments, the provision for AFS debt securities, and the provision for HTM debt securities.

Under the CECL methodology, expected credit losses reflect losses over the remaining contractual life of an asset, considering the effect of prepayments and available information about the collectability of cash flows, including information about relevant historical experience, current conditions, and reasonable and supportable forecasts of future events and circumstances. Thus, the CECL methodology incorporates a broad range of information in developing credit loss estimates.

For further information regarding the calculation of the ACL on loans and leases held for investment using the CECL methodology, see Note 1. *Nature of Operations and Summary of Significant Accounting Policies* of the Notes to Consolidated Financial Statements contained in "Item 8. Financial Statements and Supplementary Data" of our Form 10-K.

In calculating our ACL, we continued to consider higher inflation rates, the Federal Reserve's monetary policy, the risk of a recession, technical or otherwise, and the impact of various geopolitical risks on the economy in our process for estimating expected credit losses given the changes in economic forecasts and assumptions along with the uncertainty related to the severity and duration of the economic consequences resulting from such events. Our methodology and framework along with the 4-quarter reasonable and supportable forecast period and 2-quarter reversion period have remained consistent since the implementation of CECL on January 1, 2020. Certain management assumptions are reassessed every quarter based on current expectations for credit losses, while other assumptions are assessed and updated on at least an annual basis.

For the second quarter of 2025, we used the Moody's June 30, 2025 Baseline and S2 Downside 75th Percentile for the calculation of our quantitative component. The weightings of the scenarios were based on management's current expectations for the economic forecast, acknowledging the risk of recession over our reasonable and supportable forecast period and the current economic uncertainty.

During the quarter, the total ACL decreased when compared to the previous quarter which was driven by a decrease in the quantitative reserve that was partially offset by an increase in the qualitative reserves. The primary drivers behind lower quantitative reserves was the sale or reclassification of more than \$500 million of loans to held for sale during the quarter and net charge-off activity. The decrease in quantitative reserves was partially offset by updates to the macro-economic forecast, including the scenario weighting, and higher qualitative reserves. Growth in the loans held for investment portfolio during the quarter was primarily in portfolios with lower expected credit losses, such as warehouse lending, equity fund loans, and lender finance, while portfolios requiring higher reserves, such as commercial real estate and commercial construction, have lower overall balances.

As part of our ACL methodology, we consistently incorporate the use of qualitative factors in determining the overall ACL to capture risks that may not be appropriately reflected in our quantitative models. Such qualitative factors may include, but are not limited to: economic conditions not captured in the quantitative reserve; collateral dependency related to certain loan portfolios including loans secured by office properties that were directly impacted by flexible/hybrid work environment; concentrations of credit within the loan portfolio including the commercial real estate portfolio; the quality of the Company's credit review system; the volume and severity of adversely classified financial assets; the Company's lending policies and procedures; and the effect of other external factors such as the regulatory and legal environments. During the second quarter of 2025, reserves associated with the qualitative adjustments increased when compared to the prior quarter. Primary qualitative adjustments were related to loans secured by office properties and concentration of credit associated with commercial real estate loans, multi-family loans, and construction loans.

The use of different economic forecasts, whether based on different scenarios, the use of multiple or single scenarios, or updated economic forecasts and scenarios, can change the outcome of the calculations. In addition to the economic forecasts, there are numerous components and assumptions that are integral to the overall estimation of the ACL. As part of our ACL process, sensitivity analyses are performed to assess how changing certain assumptions could impact the estimated ACL. At times, these analyses can provide information to further assist management in making decisions related to certain assumptions. We calculated alternative values for our ACL using various alternative forecast scenarios weightings and the calculated amounts for the quantitative component differed from the probability-weighted multiple scenario forecast ranging from increasing the dollar amount of the quantitative component of the ACL by 4.8% to lower reserves by 5.2%. However, from a sensitivity analysis perspective, changing key assumptions such as the macro-economic variable inputs from the economic forecasts, the reasonable and supportable forecast period, prepayment rates, loan segmentation, historical loss factors and/or periods, among others, would all change the outcome of the quantitative components of the ACL. Those results would then need to be assessed from a qualitative perspective, potentially requiring further adjustments to the qualitative component to arrive at a reasonable and appropriate ACL.

The determination of the ACL is complex and highly dependent on numerous models, assumptions, and judgments made by management. Management's current expectation for credit losses on loans and leases held for investment as quantified in the ACL incorporates certain management assumptions and is reflective of historical credit experience, economic forecasts viewed to be reasonable and supportable, current loan and lease composition, and relative credit risks known as of the balance sheet date.

Management believes the ACL is appropriate for the current expected credit losses in our loan and lease portfolio and associated unfunded loan commitments, and the credit risk ratings and inherent loss rates currently assigned are reasonable and appropriate as of the reporting date. It is possible that others, given the same information, may at any point in time reach different conclusions that could result in a significant impact to the Company's financial statements.

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

Allowance for Credit Losses Data	June 30, 2025	December 31, 2024
	<i>(Dollars in thousands)</i>	
Allowance for loan and lease losses	\$ 229,344	\$ 239,360
Reserve for unfunded loan commitments	29,221	29,071
Total allowance for credit losses	\$ 258,565	\$ 268,431
Allowance for loan and lease losses to loans and leases held for investment	0.95 %	1.01 %
Allowance for credit losses to loans and leases held for investment	1.07 %	1.13 %

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

Roll Forward of Allowance for Credit Losses on Loans and Leases Held for Investment	Three Months Ended		Six Months Ended	
	June 30,	March 31,	June 30,	
	2025	2025	2025	2024
	<i>(Dollars in thousands)</i>			
Balance, beginning of period	\$ 264,557	\$ 268,431	\$ 268,431	\$ 311,258
Provision for credit losses:				
Addition to allowance for loan and lease losses	38,580	9,700	48,280	23,000
(Reduction in) addition to reserve for unfunded loan commitments	(350)	500	150	(2,000)
Total provision for credit losses	38,230	10,200	48,430	21,000
Loans and leases charged off:				
Real estate mortgage	(16,080)	(5,789)	(21,869)	(56,358)
Real estate construction and land	(21,536)	—	(21,536)	—
Commercial	(8,593)	(9,582)	(18,175)	(3,852)
Consumer	(739)	(1,180)	(1,919)	(2,874)
Total loans and leases charged off	(46,948)	(16,551)	(63,499)	(63,084)
Recoveries on loans and leases charged off:				
Real estate mortgage	298	312	610	2,320
Real estate construction and land	—	—	—	—
Commercial	2,288	2,103	4,391	3,703
Consumer	140	62	202	136
Total recoveries on loans and leases charged off	2,726	2,477	5,203	6,159
Net charge-offs	(44,222)	(14,074)	(58,296)	(56,925)
Balance, end of period	\$ 258,565	\$ 264,557	\$ 258,565	\$ 275,333
Annualized net charge-offs to average loans and leases	0.72 %	0.24 %	0.49 %	0.45 %

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

Allowance for Credit Losses Charge-offs	Three Months Ended		Six Months Ended	
	June 30,	March 31,	June 30,	
	2025	2025	2025	2024
	<i>(In thousands)</i>			
Real Estate Mortgage:				
Commercial real estate	\$ 12,116	\$ 4,701	\$ 16,817	\$ 20,183
SBA program	277	306	583	700
Hotel	—	—	—	—
Total commercial real estate mortgage	12,393	5,007	17,400	20,883
Multi-family	3,275	—	3,275	—
Residential mortgage	—	129	129	—
Investor-owned residential	242	526	768	34,424
Residential renovation	170	127	297	1,051
Total other residential real estate	412	782	1,194	35,475
Total real estate mortgage	16,080	5,789	21,869	56,358
Real Estate Construction and Land:				
Commercial	21,536	—	21,536	—
Residential	—	—	—	—
Total real estate construction and land	21,536	—	21,536	—
Total real estate	37,616	5,789	43,405	56,358
Commercial:				
Lender finance	—	—	—	—
Equipment finance	—	—	—	—
Premium finance	—	—	—	—
Other asset-based	—	—	—	92
Total asset-based	—	—	—	92
Equity fund loans	—	—	—	—
Venture lending	136	5,121	5,257	2,414
Total venture capital	136	5,121	5,257	2,414
Secured business loans	3,053	524	3,577	211
Warehouse lending	—	—	—	—
Other lending	5,404	3,937	9,341	1,135
Total other commercial	8,457	4,461	12,918	1,346
Total commercial	8,593	9,582	18,175	3,852
Consumer	739	1,180	1,919	2,874
Total charge-offs	\$ 46,948	\$ 16,551	\$ 63,499	\$ 63,084

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

Allowance for Credit Losses Recoveries	Three Months Ended		Six Months Ended	
	June 30, 2025	March 31, 2025	June 30, 2025	June 30, 2024
	<i>(In thousands)</i>			
Real Estate Mortgage:				
Commercial real estate	\$ 234	\$ 78	\$ 312	\$ 328
SBA program	34	162	196	225
Hotel	—	—	—	—
Total commercial real estate mortgage	268	240	508	553
Multi-family	—	—	—	500
Residential mortgage	5	11	16	2
Investor-owned residential	—	—	—	600
Residential renovation	25	61	86	665
Total other residential real estate	30	72	102	1,267
Total real estate mortgage	298	312	610	2,320
Real Estate Construction and Land:				
Commercial	—	—	—	—
Residential	—	—	—	—
Total real estate construction and land	—	—	—	—
Total real estate	298	312	610	2,320
Commercial:				
Lender finance	—	—	—	—
Equipment finance	—	—	—	—
Premium finance	5	4	9	—
Other asset-based	—	—	—	50
Total asset-based	5	4	9	50
Equity fund loans	—	—	—	—
Venture lending	—	50	50	461
Total venture capital	—	50	50	461
Secured business loans	195	301	496	319
Warehouse lending	—	—	—	—
Other lending	2,088	1,748	3,836	2,873
Total other commercial	2,283	2,049	4,332	3,192
Total commercial	2,288	2,103	4,391	3,703
Consumer	140	62	202	136
Total recoveries	\$ 2,726	\$ 2,477	\$ 5,203	\$ 6,159

Credit Quality

The overall quality of our loan portfolio remains strong, supported by disciplined underwriting, borrower strength, and robust credit metrics. Credit quality metrics improved primarily due to the transfer of loans to held for sale in connection with the strategic loan sales process in the second quarter of 2025. These sales and transfers contributed to broad-based improvements across key credit quality metrics.

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

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

	June 30, 2025	December 31, 2024
	<i>(Dollars in thousands)</i>	
Nonaccrual loans and leases held for investment	\$ 167,516	\$ 189,605
Accruing loans contractually past due 90 days or more	—	—
Total nonperforming loans and leases	167,516	189,605
Foreclosed assets, net	7,806	9,734
Total nonperforming assets	\$ 175,322	\$ 199,339
Classified loans and leases held for investment	\$ 656,556	\$ 563,502
Special mention loans and leases held for investment	\$ 661,568	\$ 1,097,315
Nonaccrual loans and leases held for investment to loans and leases held for investment	0.69 %	0.80 %
Nonperforming assets to loans and leases held for investment and foreclosed assets, net	0.72 %	0.84 %
Classified loans and leases held for investment to loans and leases held for investment	2.71 %	2.37 %
Special mention loans and leases held for investment to loans and leases held for investment	2.73 %	4.61 %
Allowance for credit losses to nonaccrual loans and leases held for investment	154.4 %	141.6 %

Nonaccrual Loans and Leases Held for Investment

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

	June 30, 2025		December 31, 2024		Increase (Decrease)	
	Nonaccrual	Accruing and 30-89 Days Past Due	Nonaccrual	Accruing and 30-89 Days Past Due	Nonaccrual	Accruing and 30-89 Days Past Due
<i>(In thousands)</i>						
Real estate mortgage:						
Commercial	\$ 98,112	\$ 537	\$ 97,655	\$ —	\$ 457	\$ 537
Multi-family	22,594	—	22,763	9,442	(169)	(9,442)
Other residential	39,396	37,342	46,788	34,417	(7,392)	2,925
Total real estate mortgage	160,102	37,879	167,206	43,859	(7,104)	(5,980)
Real estate construction and land:						
Commercial	—	—	—	—	—	—
Residential	—	—	—	—	—	—
Total real estate construction and land	—	—	—	—	—	—
Commercial:						
Asset-based	1,731	171	1,940	1,795	(209)	(1,624)
Venture capital	—	—	6,291	—	(6,291)	—
Other commercial	4,967	628	13,544	2,331	(8,577)	(1,703)
Total commercial	6,698	799	21,775	4,126	(15,077)	(3,327)
Consumer	716	2,220	624	2,804	92	(584)
Total held for investment	\$ 167,516	\$ 40,898	\$ 189,605	\$ 50,789	\$ (22,089)	\$ (9,891)

Nonperforming loans and leases held for investment decreased by \$22.1 million to \$167.5 million at June 30, 2025 compared to \$189.6 million at December 31, 2024, due mainly to charge-offs of \$19.8 million, transfers to accrual status of \$16.8 million, transfers to held for sale of \$5.7 million, and principal and other reductions of \$60.1 million, offset partially by additions of \$80.3 million. As of June 30, 2025, the Company's three largest loan relationships on nonaccrual status had an aggregate carrying value of \$65.7 million and represented 39% of total nonaccrual loans and leases.

Loans and leases accruing and 30-89 days past due decreased by \$9.9 million to \$40.9 million as of June 30, 2025 compared to \$50.8 million at December 31, 2024, due mainly to a decrease of \$9.4 million in multi-family real estate mortgage delinquent loans.

Foreclosed Assets, Net

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

Property Type	June 30, 2025	December 31, 2024
	<i>(In thousands)</i>	
Single-family residential	\$ 7,786	\$ 9,714
Total OREO, net	7,786	9,714
Other foreclosed assets	20	20
Total foreclosed assets, net	\$ 7,806	\$ 9,734

Foreclosed assets decreased by \$1.9 million to \$7.8 million at June 30, 2025 compared to \$9.7 million at December 31, 2024, due mainly to sales of \$7.0 million and a provision for losses of \$0.6 million, offset partially by transfers from loans of \$5.7 million.

Classified and Special Mention Loans and Leases Held for Investment

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

<u>Loan and Lease Credit Risk Ratings</u>	June 30, 2025		December 31, 2024	
	<i>(In thousands)</i>			
Pass	\$	22,927,769	\$	22,120,846
Special mention		661,568		1,097,315
Classified		656,556		563,502
Total loans and leases held for investment	\$	24,245,893	\$	23,781,663

Classified and special mention loans and leases fluctuate from period to period as a result of loan repayments and downgrades or upgrades from our ongoing active portfolio management.

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

	June 30, 2025		December 31, 2024		Increase (Decrease)	
	Classified	Special Mention	Classified	Special Mention	Classified	Special Mention
<i>(In thousands)</i>						
Real estate mortgage:						
Commercial	\$ 217,527	\$ 203,295	\$ 301,278	\$ 348,014	\$ (83,751)	\$ (144,719)
Multi-family	189,963	188,564	113,164	202,690	76,799	(14,126)
Other residential	39,411	1,258	47,993	14,351	(8,582)	(13,093)
Total real estate mortgage	446,901	393,117	462,435	565,055	(15,534)	(171,938)
Real estate construction and land:						
Commercial	69,324	29,501	—	148,024	69,324	(118,523)
Residential	3,124	—	—	203,220	3,124	(203,220)
Total real estate construction and land	72,448	29,501	—	351,244	72,448	(321,743)
Commercial:						
Asset-based	33,771	43,518	5,003	9,547	28,768	33,971
Venture capital	87,196	152,466	75,406	125,320	11,790	27,146
Other commercial	15,172	37,901	19,949	38,741	(4,777)	(840)
Total commercial	136,139	233,885	100,358	173,608	35,781	60,277
Consumer	1,068	5,065	709	7,408	359	(2,343)
Total	\$ 656,556	\$ 661,568	\$ 563,502	\$ 1,097,315	\$ 93,054	\$ (435,747)

Classified loans and leases increased by \$93.1 million to \$656.6 million at June 30, 2025 compared to \$563.5 million at December 31, 2024, due mainly to increases of \$76.8 million in multi-family real estate mortgage classified loans, \$69.3 million in commercial real estate construction and land classified loans, and \$28.8 million in commercial asset-based classified loans, offset partially by a decrease of \$83.8 million in commercial real estate mortgage classified loans primarily due to the transfer of loans to held for sale in connection with the strategic loan sales process.

Special mention loans and leases decreased by \$435.7 million to \$661.6 million at June 30, 2025 compared to \$1.1 billion at December 31, 2024, due mainly to decreases of \$203.2 million in residential real estate construction and land special mention loans resulting from credit migration out of the category, as well as \$144.7 million in commercial real estate mortgage special mention loans and \$118.5 million in commercial real estate construction and land special mention loans primarily due to the transfer of loans to held for sale in connection with the strategic loan sales process. These decreases were offset partially by increases of \$34.0 million in commercial asset-based special mention loans and \$27.1 million in venture capital special mention loans.

Deposits

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

Deposit Type	June 30, 2025		December 31, 2024		Increase (Decrease)
	Balance	% of Total	Balance	% of Total	
	<i>(Dollars in thousands)</i>				
Noninterest-bearing checking	\$ 7,441,116	27 %	\$ 7,719,913	28 %	\$ (278,797)
Interest-bearing:					
Checking	7,974,452	29 %	7,610,705	28 %	363,747
Money market	5,375,080	20 %	5,361,635	20 %	13,445
Savings	1,932,906	7 %	1,933,232	7 %	(326)
Time:					
Non-brokered	2,492,890	9 %	2,488,217	9 %	4,673
Brokered	2,311,989	8 %	2,078,207	8 %	233,782
Total time deposits	4,804,879	17 %	4,566,424	17 %	238,455
Total interest-bearing	20,087,317	73 %	19,471,996	72 %	615,321
Total deposits	\$ 27,528,433	100 %	\$ 27,191,909	100 %	\$ 336,524

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

Time Deposits	June 30, 2025		December 31, 2024	
	Balance	% of Total Deposits	Balance	% of Total Deposits
	<i>(Dollars in thousands)</i>			
Time deposits \$250,000 and under	\$ 3,667,221	13 %	\$ 3,468,376	13 %
Time deposits over \$250,000	1,137,658	4 %	1,098,048	4 %
Total time deposits	\$ 4,804,879	17 %	\$ 4,566,424	17 %

Total deposits increased by \$336.5 million to \$27.5 billion at June 30, 2025 compared to \$27.2 billion at December 31, 2024. The increase of \$336.5 million in total deposits was due primarily to increases of \$363.7 million in checking accounts and \$233.8 million in brokered time deposits, offset partially by a decrease of \$278.8 million in noninterest-bearing checking accounts. At June 30, 2025, noninterest-bearing deposits totaled \$7.4 billion, or 27%, of total deposits, and interest-bearing deposits totaled \$20.1 billion, or 73%, of total deposits, compared to noninterest-bearing deposits of \$7.7 billion, or 28% of total deposits, and interest-bearing deposits of \$19.5 billion, or 72% of total deposits, at December 31, 2024.

As of June 30, 2025, FDIC-insured deposits represented approximately 71% of total deposits, including accounts eligible for pass-through insurance, down from 72% as of December 31, 2024. Available liquidity (on-balance sheet liquidity plus unused borrowing capacity and unpledged AFS securities) was \$14.8 billion at June 30, 2025, which exceeded uninsured and uncollateralized deposits of \$7.6 billion, with a coverage ratio of 196% as compared to a coverage ratio of 221% at December 31, 2024. Available liquidity also represented 54% of total deposits at June 30, 2025.

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

June 30, 2025	Time Deposits		
	\$250,000 and Under	Over \$250,000	Total
	<i>(In thousands)</i>		
Maturities:			
Due in three months or less	\$ 991,717	\$ 469,377	\$ 1,461,094
Due in over three months through six months	775,035	290,181	1,065,216
Due in over six months through 12 months	1,230,577	282,442	1,513,019
Total due within 12 months	2,997,329	1,042,000	4,039,329
Due in over 12 months through 24 months	663,567	84,603	748,170
Due in over 24 months	6,325	11,055	17,380
Total due over twelve months	669,892	95,658	765,550
Total	\$ 3,667,221	\$ 1,137,658	\$ 4,804,879

Client Investment Funds

In addition to deposit products, we also offer alternative, non-depository corporate treasury solutions for clients to invest excess liquidity. These off-balance sheet client funds totaled \$1.5 billion at both June 30, 2025 and December 31, 2024.

Borrowings

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

	June 30, 2025		December 31, 2024	
	Balance	Weighted Average Rate	Balance	Weighted Average Rate
<i>(Dollars in thousands)</i>				
FHLB secured advances	\$ 1,700,000	3.98 %	\$ 1,100,000	3.93 %
Credit-linked notes	117,180	15.07 %	118,838	15.29 %
AFX short-term borrowings	100,000	4.46 %	—	— %
Senior Notes	—	— %	174,000	5.25 %
Total borrowings	1,917,180	4.68 %	1,392,838	5.06 %
Acquisition discount on Senior Notes	—		(1,024)	
Total borrowings, net	\$ 1,917,180		\$ 1,391,814	

Borrowings increased by \$525.4 million to \$1.9 billion at June 30, 2025 compared to \$1.4 billion at December 31, 2024 due to higher FHLB secured advances and AFX short-term borrowings, offset partially by the payoff of \$174.0 million of Senior Notes in the second quarter of 2025. We utilized these borrowings to manage liquidity needs, including, but not limited to, funding asset growth, accommodating liability maturities and deposit withdrawals, and supporting business operations.

Subordinated Debt

As of June 30, 2025, the carrying value of subordinated debt totaled \$949.2 million compared to \$941.9 million at December 31, 2024. The increase was primarily driven by the accretion of the acquisition discount on acquired subordinated debt and higher valuation of the Euribor-based subordinated debt. At June 30, 2025, \$131.0 million of subordinated debt was included in the Company's Tier I capital and \$803.1 million was included in Tier II capital.

Regulatory Matters

Capital

Bank regulatory agencies measure capital adequacy through standardized risk-based capital guidelines that compare different levels of capital (as defined by such guidelines) to risk-weighted assets and off-balance sheet obligations. At June 30, 2025, banks considered to be “well capitalized” must maintain a minimum Tier 1 leverage ratio of 5.00%, a minimum common equity Tier 1 capital ratio of 6.50%, a minimum Tier 1 capital ratio of 8.00%, and a minimum Total capital ratio of 10.00%.

Regulatory capital requirements limit the amount of DTAs that may be included when determining the amount of regulatory capital. Deferred tax asset amounts in excess of the calculated limit are disallowed from regulatory capital. At June 30, 2025, such disallowed amounts were \$315.7 million for the Company and \$296.9 million for the Bank. No assurance can be given that the regulatory capital deferred tax asset limitation will not increase in the future or that the Company and the Bank will not have increased DTAs that are disallowed.

In 2020, the federal bank regulatory authorities approved a rule that delays the estimated impact on regulatory capital resulting from the adoption of CECL. We elected the CECL phase-in option provided by regulatory capital rules which delayed for two years the estimated impact of CECL on regulatory capital and phases it in over a three-year transition period beginning in the first quarter of 2022. The full impact of the CECL standard was phased-in to regulatory capital through December 31, 2024 under this phase-in option, and beginning in the first quarter of 2025, CECL was fully reflected in our regulatory capital.

Basel III currently requires all banking organizations to maintain a 2.50% capital conservation buffer above the minimum risk-based capital requirements to avoid certain limitations on capital distributions, stock repurchases and discretionary bonus payments to executive officers. The capital conservation buffer is exclusively comprised of common equity Tier 1 capital, and it applies to each of the three risk-based capital ratios but not to the leverage ratio. Effective January 1, 2019, the common equity Tier 1, Tier 1, and Total capital ratio minimums inclusive of the capital conservation buffer were 7.00%, 8.50%, and 10.50%. At June 30, 2025, the Company and the Bank were in compliance with the capital conservation buffer requirements.

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

	June 30, 2025	December 31, 2024	Minimum Required		
			For Capital Adequacy Purposes	For Capital Conservation Buffer	For Well Capitalized Classification
Banc of California, Inc.:					
Tier 1 leverage capital ratio	9.74%	10.15%	4.00%	N/A	N/A
CET1 capital ratio	9.95%	10.55%	4.50%	7.00%	N/A
Tier 1 capital ratio	12.34%	12.97%	6.00%	8.50%	6.00%
Total capital ratio	16.37%	17.05%	8.00%	10.50%	10.00%
Banc of California:					
Tier 1 leverage capital ratio	10.42%	11.08%	4.00%	N/A	5.00%
CET1 capital ratio	13.21%	14.17%	4.50%	7.00%	6.50%
Tier 1 capital ratio	13.21%	14.17%	6.00%	8.50%	8.00%
Total capital ratio	15.65%	16.65%	8.00%	10.50%	10.00%

The Company's consolidated risk-based capital ratios decreased during the six months ended June 30, 2025 due mainly to the impact of stock repurchases, lower net earnings, and an increase in risk-weighted assets mostly driven by the growth in loan balances. The consolidated Tier 1 leverage ratio also decreased during the six months ended June 30, 2025 due mainly to higher average assets.

Dividends on Common Stock and Interest on Subordinated Debt

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

Dividends on Preferred Stock

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

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

Liquidity

Liquidity Management

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

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

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

As a member of the FHLB, the Bank had secured borrowing capacity with the FHLB of \$7.1 billion at June 30, 2025, offset partially by \$568.7 million pledged for letters of credit and a balance outstanding of \$1.7 billion as of that date. The FHLB secured credit line was collateralized by a blanket lien on \$10.6 billion of certain qualifying loans and \$19.4 million of securities. The Bank also had secured borrowing capacity with the FRBSF under the Discount Window program totaling \$5.7 billion at June 30, 2025, of which \$5.7 billion was available. The FRBSF Discount Window secured credit line was collateralized by liens on \$5.3 billion of qualifying loans and \$1.5 billion of pledged securities.

In addition to its secured lines of credit with the FHLB and FRBSF, the Bank also maintains unsecured capacity for the purpose of borrowing overnight funds, subject to availability, of \$265.0 million in the aggregate with several correspondent banks. As of June 30, 2025, there was no balance outstanding related to these sources. The Bank is a member of the AFX, through which it may either borrow or lend funds on an overnight or short-term basis with a group of pre-approved commercial banks. The availability of funds changes daily. As of June 30, 2025, there was a \$100.0 million outstanding balance through the AFX. Additionally, the holding company has a \$100.0 million unsecured revolving line of credit. As of June 30, 2025, there was no balance outstanding.

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

Primary Liquidity - On-Balance Sheet	June 30,	December 31,
	2025	2024
	<i>(Dollars In thousands)</i>	
Cash and due from banks	\$ 222,210	\$ 192,006
Interest-earning deposits in financial institutions	2,131,342	2,310,206
Less: Restricted cash	(168,661)	(184,159)
Securities available-for-sale, at fair value	2,246,174	2,246,839
Less: Pledged securities available-for-sale, at fair value	(3,899)	(4,200)
Less: Haircut on securities available-for-sale	(184,865)	(193,191)
Add: Allowance on securities available-for-sale	775	—
Total primary liquidity	\$ 4,243,076	\$ 4,367,501
Ratio of primary liquidity to total assets	12.4 %	13.0 %

Secondary Liquidity - Off-Balance Sheet	June 30,	December 31,
	2025	2024
Available Secured Borrowing Capacity	<i>(In thousands)</i>	
Total secured borrowing capacity with the FHLB	\$ 7,104,531	\$ 6,853,652
Less: Letters of credit	(568,696)	(527,893)
Less: Secured advances outstanding	(1,700,000)	(1,100,000)
Available secured borrowing capacity with the FHLB	4,835,835	5,225,759
Available secured borrowing capacity with the FRBSF	5,735,280	6,295,540
Total secondary liquidity	\$ 10,571,115	\$ 11,521,299

During the six months ended June 30, 2025, the Company's primary liquidity decreased by \$124.4 million to \$4.2 billion at June 30, 2025 due mainly to a \$148.7 million decrease in total cash and cash equivalents which was primarily used to fund loan growth. We also include certain unencumbered HTM securities in our internal liquidity stress test buffer which are not included in our primary liquidity. During the six months ended June 30, 2025, the Company's secondary liquidity decreased by \$950.2 million to \$10.6 billion at June 30, 2025 due to decreases in available secured borrowing capacity with the FHLB of \$389.9 million and available secured borrowing capacity with the FRB of \$560.3 million.

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

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

We use brokered deposits, the availability of which is uncertain and subject to competitive market forces and regulations, for liquidity management purposes. At June 30, 2025, brokered deposits totaled \$2.9 billion, consisting of \$0.6 billion of non-maturity brokered accounts and \$2.3 billion of brokered time deposits. At December 31, 2024, brokered deposits totaled \$2.7 billion, consisting of \$0.6 billion of non-maturity brokered accounts and \$2.1 billion of brokered time deposits.

Our Liquidity Management Policy includes guidelines, which are governed by the Company's Risk Appetite Statement, which include the following metrics: Primary Liquidity Ratio (unencumbered liquid assets, which reflects cash and cash equivalents excluding restricted cash and the market value of unpledged AFS securities, net of a haircut, divided by total assets), Primary + Secondary Liquidity (unencumbered liquid assets, which reflect cash and cash equivalents excluding restricted cash and the market value of unpledged AFS securities, net of a haircut, and available borrowing capacity at the FHLB and FRB, divided by total assets), Brokered Deposits to Total Funding Ratio (brokered deposits to total deposits plus borrowings), Total Borrowings to Total Funding Ratio (borrowings to total deposits and borrowings), and Non-Core Funding to Total Funding Ratio (brokered deposits and borrowings to total deposits plus borrowings). At June 30, 2025, the Bank was in compliance with all of its funding concentration liquidity guidelines.

Holding Company Liquidity

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

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

On March 17, 2025, we announced that our Board of Directors authorized the repurchase of up to \$150.0 million of our common stock. On April 23, 2025, we announced an upsized of our stock repurchase program from \$150.0 million to \$300.0 million and expanded the program to cover both the Company's common stock and depository shares representing its preferred stock. The repurchase authorization expires in March 2026. During the six months ended June 30, 2025, common stock repurchased under the program totaled 11,494,637 shares at a weighted average price per share of \$13.05, or \$150.0 million in the aggregate. As of June 30, 2025, the Company had \$150.0 million remaining under the stock repurchase authorization. The program may be changed, suspended, or discontinued at any time.

At June 30, 2025, Banc of California, Inc. had \$146.6 million in cash and cash equivalents, of which a substantial amount was on deposit at the Bank. We believe this amount of cash, along with anticipated future dividends from the Bank, will be sufficient to fund the holding company's cash flow needs over the next 12 months.

Commitments and Contingencies

Our obligations also include off-balance sheet arrangements consisting of loan commitments, of which only a portion is expected to be funded, and standby letters of credit. At June 30, 2025, our loan commitments and standby letters of credit were \$4.7 billion and \$207.8 million. The loan commitments, a portion of which will eventually result in funded loans, increase our profitability through net interest income when drawn and unused commitment fees prior to being drawn. We manage our overall liquidity taking into consideration funded and unfunded commitments as a percentage of our liquidity sources. Our liquidity sources, as described in "- Liquidity - *Liquidity Management*," have been and are expected to be sufficient to meet the cash requirements of our lending activities. For further information on loan commitments, see Note 10. *Commitments and Contingencies*, of our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This analysis should be read in conjunction with text under the caption "*Quantitative and Qualitative Disclosures About Market Risk*" in our Annual Report on Form 10-K for the year ended December 31, 2024, which text is incorporated herein by reference. Our analysis of market risk and market-sensitive financial information contains forward-looking statements and is subject to the disclosure at the beginning of Item 2 regarding such forward-looking information.

Market Risk - Foreign Currency Exposure

We enter into foreign exchange contracts with our clients and counterparty banks primarily for the purpose of offsetting or hedging clients' foreign currency exposures arising out of commercial transactions, and we enter into cross currency swaps and foreign exchange contracts to hedge exposures to loans and debt instruments denominated in foreign currencies. We have experienced and will continue to experience fluctuations in our net earnings as a result of transaction gains or losses related to revaluing certain asset and liability balances that are denominated in currencies other than the U.S. Dollar and the derivatives that hedge those exposures in order to minimize our foreign exchange risk.

As of June 30, 2025, the U.S. Dollar notional amounts of loans receivable and subordinated debt payable denominated in foreign currencies were \$65.6 million and \$30.4 million, and the U.S. Dollar notional amounts of derivatives outstanding to hedge these foreign currency exposures were \$65.4 million and \$28.5 million. We recognized a foreign currency translation net gain of \$54,000 for the six months ended June 30, 2025 and a foreign currency translation net loss of \$355,000 for the six months ended June 30, 2024.

Asset/Liability Management and Interest Rate Sensitivity

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

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

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

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

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

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

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

In order to manage our assets and liabilities and achieve the desired liquidity, credit quality, interest rate risk, profitability, and capital targets, we evaluate various strategies including:

- Complementing our current loan origination platform through strategic acquisitions of whole loans,
- Strategically managing multiple warehouse relationships,
- Originating shorter-term consumer loans,
- Managing the level of investments and duration of investment securities,
- Managing our deposits to establish stable deposit relationships, and
- Using certain derivatives such as interest rate swaps and collars as hedges to align maturities and repricing terms.

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

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

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

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

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

Interest rate risk management is an active process that encompasses monitoring loan and deposit flows complemented by investment and funding activities. Effective management of interest rate risk begins with understanding the dynamic repricing characteristics of our assets and liabilities and determining the appropriate interest rate risk posture given business forecasts, management objectives, market expectations, and policy constraints.

Our interest rate risk exposure is measured and monitored through various risk management tools, including a simulation model that performs interest rate sensitivity analysis under multiple scenarios. The simulation model is based on the actual maturities and re-pricing characteristics of the Bank's interest-rate sensitive assets and liabilities. The simulated interest rate scenarios include an instantaneous parallel shift in the yield curve ("Rate Shock"). We then evaluate the simulation results using two approaches: Net Interest Income at Risk ("NII at Risk"), and Economic Value of Equity ("EVE"). Under NII at Risk, the impact on net interest income from changes in interest rates on interest-earning assets and interest-bearing liabilities is modeled utilizing various assumptions for assets, liabilities, and derivatives.

We used a NII simulation model to measure the estimated changes in NII that would result over the next twelve months from immediate and sustained changes in interest rates as of June 30, 2025. We have assumed no growth or changes in the product mix of either our total interest-sensitive assets or liabilities over the next twelve months, therefore the results reflect an interest rate shock to a static balance sheet. This model is an interest rate risk management tool, and the results are not necessarily an indication of our future net interest income.

EVE measures the period end present value of assets minus the present value of liabilities. Asset liability management uses this value to measure the changes in the economic value of the Company under various interest rate scenarios. In some ways, the economic value approach provides a broader scope than net interest income volatility approach since it captures all anticipated future cash flows.

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

At both June 30, 2025 and December 31, 2024, our interest rate risk profile remained close to "neutral." This position reflects our balanced composition of repricing assets and beta-adjusted repricing deposits and other interest-bearing liabilities over the course of the next twelve months. Given the uncertainty of the magnitude, timing, and direction of future interest rate movements, as well as the shape of the yield curve, actual results may vary materially from those predicted by our model.

The following table presents the projected change in the Company's economic value of equity at June 30, 2025 and net interest income over the next twelve months, which would occur upon an immediate change in interest rates, but without giving effect to any steps that management might take to counteract that change:

June 30, 2025	Change in Interest Rates in Basis Points (bps) ⁽¹⁾					
	Economic Value of Equity			Net Interest Income		
	Amount	Amount Change	Percentage Change	Amount	Amount Change	Percentage Change
	<i>(Dollars in millions)</i>					
+200 bps	\$ 5,124	\$ (307)	(5.7)%	\$ 1,057	\$ 21	2.0 %
+100 bps	\$ 5,283	\$ (149)	(2.7)%	\$ 1,048	\$ 11	1.1 %
0 bps	\$ 5,432			\$ 1,037		
-100 bps	\$ 5,602	\$ 171	3.1 %	\$ 1,029	\$ (7)	(0.7)%
-200 bps	\$ 5,658	\$ 226	4.2 %	\$ 1,018	\$ (19)	(1.8)%

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

Earnings-at-Risk

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

As of June 30, 2025, client deposits eligible for ECRs totaled approximately \$3.7 billion. Taking into account the rate sensitivity of ECRs, which are primarily attributable to such deposits, the Company's overall earnings profile would be considered "liability sensitive." During the second quarter of 2025, the Company also entered into interest rate collars with a notional value of \$1.0 billion to mitigate the risk of increasing interest expense if short term interest rates increase. For further information on the interest rate collars, see Note 9. *Derivatives*, of our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

(a) **Evaluation of disclosure controls and procedures.** Our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls and procedures as of June 30, 2025 and have concluded that these disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) **Changes in Internal Control Over Financial Reporting.** There were no changes in our internal control over financial reporting that occurred during the second quarter of 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 10. *Commitments and Contingencies* of our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q is incorporated herein by reference.

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

ITEM 1A. RISK FACTORS

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

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

The following table sets forth information regarding repurchases of shares of our common stock during the three months ended June 30, 2025:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program ⁽²⁾	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program ⁽²⁾
			<i>(Dollars in thousands, except per share amounts)</i>	
April 1 - April 30, 2025	8,811,011	\$ 12.65	8,809,814	\$ 150,000
May 1 - May 31, 2025	48,759	\$ 13.77	—	\$ 150,000
June 1 - June 30, 2025	119	\$ 13.97	—	\$ 150,000
Total	8,859,889	\$ 12.66	8,809,814	

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

(2) On March 17, 2025, the Company announced that its Board of Directors authorized a Stock Repurchase Program to purchase up to \$150.0 million of its common stock. On April 23, 2025, the Company announced an upside of its stock repurchase program from \$150.0 million to \$300.0 million and expanded the program to cover both the Company's common stock and depository shares representing its preferred stock. The repurchase authorization expires in March 2026. The program may be changed, suspended, or discontinued at any time.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Trading Arrangements

During the quarter ended June 30, 2025, none of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408 of Regulation S-K) for the purchase or sale of the Company's securities.

ITEM 6. EXHIBITS

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

* Management contract or compensatory plan or arrangement.

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

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

Signatures

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

BANC OF CALIFORNIA, INC.

Date: August 8, 2025

/s/ Jared M. Wolff

Jared M. Wolff

President and Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2025

/s/ Joseph Kauder

Joseph Kauder

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: August 8, 2025

/s/ Karen Hon

Karen Hon

Executive Vice President and Chief Accounting Officer
(Principal Accounting Officer)

BANC OF CALIFORNIA, INC.
EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN

(As Amended and Restated August 7, 2025)

1. *Purpose.* The purpose of this Banc of California, Inc. Executive Change in Control Severance Plan (this “**Plan**”) is to retain certain officers and employees of the Company and its Subsidiaries by providing appropriate severance benefits and to ensure their continued dedication to their duties, including in the event of a Change in Control.

2. *Eligible Participants.* Employees participating in the Plan (each, a “**Participant**”) will be such officers and employees who are selected by the Compensation, Nominating and Corporate Governance Committee of the Board (the “**Committee**”) in its sole discretion and designated as a Participant; provided, that the persons in the positions of Chief Executive Officer and Chief Financial Officer of the Company on the Effective Date shall not be included as Participants in this Plan unless otherwise expressly designated by the Committee as Participants in the future.

3. *Payments upon a Qualifying CIC Termination.*

(a) **Qualifying Change in Control Termination.** If, during the period of twenty four (24) months following a Change in Control (the “**CIC Termination Period**”), the employment of the Participant is terminated under circumstances constituting a Qualifying Termination, then, subject to the Participant’s execution of a Release as set forth in Section 4 below, the Company shall provide to the Participant:

(i) a lump sum cash payment equal to the result of multiplying the Participant’s applicable Severance Multiple by the sum of (A) the Participant’s Base Salary and (B) the Participant’s Target Bonus and

(ii) a lump sum cash payment equal to the Pro-Rata Bonus;

(iii) in equal monthly installments for the COBRA Coverage Period, an amount equal to the monthly COBRA premium less an amount equal to the portion of the monthly health-care premium the Participant was paying prior to the Date of Termination; provided, that in the event the Participant becomes employed with another employer and becomes eligible to receive welfare benefits from such employer, the welfare benefits described herein shall cease; and

(iv) if unpaid as of the Date of Termination, payment of the Participant’s annual cash incentive bonus under the annual incentive plan by the Company (or its affiliates) for the fiscal year prior to the fiscal year in which the Date of Termination occurs, based on actual performance and paid at the time such bonuses are paid to employees of the Company, generally.

The cash payments specified in paragraphs (i) and (ii) of this Section 3(a) shall be paid within sixty (60) days (or the next following business day if the sixtieth (60th) day is not a business day) following the Date of Termination. The treatment of any Company equity awards (or equity awards issued to the Participant in replacement of such Company equity awards in connection with the Change in Control) that remain outstanding and unvested as of the Date of Termination shall be governed by the Company’s equity incentive plans (or any successor plans) and any award agreements thereunder. In addition, as soon as practicable following the Date of Termination, the Company shall pay or provide to the Participant the Accrued Benefits (which, for the avoidance of doubt, shall not be subject to the Participant’s execution of a Release as set forth in Section 4 below).

If a Participant received compensation or benefits prior to the CIC Termination Period, including such things as sign-on bonuses or relocation benefits, which would have otherwise been reimbursable to the Company in the

event of a voluntary termination of employment in the normal course, there will be no required repayment upon a Qualifying Termination during the CIC Termination Period.

Notwithstanding anything in this Plan to the contrary, if the Participant's employment is terminated by the Company other than for Cause or Disability prior to a Change in Control, and the Participant reasonably demonstrates that such termination was at the request or suggestion of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control (a "**Third Party**") and a Change in Control involving such Third Party occurs, then for all purposes of this Plan, the date of a Change in Control shall mean the date immediately prior to the date of such termination of employment.

(b) **Non-Qualifying Termination During CIC Termination Period.** If during the CIC Termination Period, the employment of the Participant shall terminate by reason other than a Qualifying Termination, then as soon as practicable following the Date of Termination, the Company shall pay or provide to the Participant the Accrued Benefits. The Company may make such additional payments, and provide such additional benefits, to the Participant as the Company and the Participant may agree in writing.

(c) **No Duplication.** Except as otherwise expressly provided pursuant to this Plan, this Plan shall be construed and administered in a manner which avoids duplication of compensation and benefits which may be provided under any other plan, program, policy or other arrangement or individual contract or under any statute, rule or regulation. In the event a Participant is covered by any other plan, program, policy, individually negotiated agreement or other arrangement, in effect as of his or her Date of Termination, that may duplicate the payments and benefits provided for in this Section 3, the Committee is specifically empowered to reduce or eliminate the duplicative benefits provided for under the Plan. For the avoidance of doubt, amounts awarded under a retention bonus that payout in connection with a qualifying termination of employment shall not be considered duplicative of the severance benefits provided under this Section 3.

4. **Release.** A Participant's receipt of payments and benefits under Section 3(a) above will be conditioned on the Participant's execution and delivery of a general release and waiver in the form used by the Company immediately prior to the Change in Control (a "**Release**"), which reaffirms the Participant's obligations to observe the terms of the restrictive covenants set forth under Section 8 below, and which shall be provided to the Participant no later than twenty one (21) days after the Date of Termination and must be executed by the Participant, become effective and not be revoked by the Participant within any applicable revocation period.

5. **Withholding Taxes.** The Company shall withhold from all payments due to the Participant (or his or her beneficiary or estate) hereunder all taxes which, by applicable federal, state, local or other law, the Company is required to withhold therefrom.

6. **Expenses.** If any contest or dispute shall arise under this Plan involving the termination of a Participant's employment with the Company or involving the failure or refusal of the Company to perform fully in accordance with the terms hereof, the Company shall reimburse the Participant for all reasonable legal fees and expenses, if any, incurred by the Participant in connection with such contest or dispute (regardless of the result thereof) within thirty (30) days of receipt of evidence thereof; provided, however, the Participant shall be required to repay any such amounts to the Company to the extent that a court issues a final and non-appealable order setting forth the determination that the position taken by the Participant was frivolous or advanced by the Participant in bad faith.

7. **No Guarantee of Continued Employment.** Nothing in this Plan will be deemed to entitle the Participant to continued employment with the Company or its Subsidiaries. Nothing in this Plan or any Participant's participation in the Plan shall be construed to alter the at-will employment status of any Participant, which employment may be terminated by the Company at any time and for any reason, with or without notice.

8. **Restrictive Covenants.** As sufficient consideration provided in exchange for the Participant's continued employment with the Company and participation in this Plan, the Participant will be deemed to have not objected to the restrictive covenants set forth in this **Section 8.**

(a) **Non-Solicitation.** During the period of twenty four (24) months following the Date of Termination, the Participant shall not, and shall not assist any other person to (i) Solicit for hiring any employee of the Company or any of its affiliates (or any individual who was such an employee at any time within the twelve (12) month period preceding such Solicitation), or seek to persuade any employee of the Company or any of its affiliates (or any individual who was such an employee at any time within the twelve (12) month period preceding such action) to discontinue employment, or (ii) Solicit or encourage any independent contractor providing services to the Company or any of its affiliates to terminate or diminish its relationship with them.

(b) **Customer and Potential Customer Non-Interference.** During the period of twelve (12) months following the Date of Termination, the Participant shall not, directly or indirectly, individually or (i) on behalf of any other employer or any other business, person or entity, entice, induce, Solicit or attempt or participate in enticing, inducing or Soliciting, any Customer or Potential Customer of the Company to cease or reduce or refrain from doing business with the Company; or (ii) on behalf of any Competitive Business, entice, induce, Solicit or attempt or participate in enticing, inducing or Soliciting, or accept or attempt or participate in accepting, business from any Customer or Potential Customer of the Covered Unit(s).

(c) **No Disparagement or Detrimental Comments.** To the fullest extent permitted by law, during the Participant's employment with the Company and thereafter, the Participant shall not, directly or indirectly, make or publish, or cause to be made or published, any statement, observation or opinion, whether verbal or written, that criticizes, disparages, defames or otherwise impugns or reasonably may be interpreted to criticize, disparage, defame or impugn, the character, integrity or reputation of the Company or its products, goods, systems or services, or its current or former directors, officers, employees, agents, successors or assigns. Nothing in this **Section 8(c)** is intended or should be construed to prevent the Participant from providing testimony or information to any person or entity as required by law or fiduciary duties or as may be necessary in the performance of the Participant's duties in connection with the Participant's employment with the Company, from engaging in Protected Activities under **Section 8(e)** of this Plan or from making statements or engaging in any other activities or conduct protected by the National Labor Relations Act.

(d) **Confidentiality.** During the Participant's employment with the Company and thereafter, the Participant shall not use or disclose, except on behalf of the Company and pursuant to and in compliance with its direction and policies, any Confidential Information of (i) the Company or (ii) any third party received by the Company in which the Company is obligated to keep confidential. After the Date of Termination, the Participant shall not take originals or copies of any records, papers, programs, computer software and documents and all matter of whatever nature containing secret or Confidential Information of the Company or any of its affiliates. This **Section 8(d)** will apply in addition to, and not in derogation of, any other confidentiality or non-disclosure agreement that may exist, now or in the future, between the Participant and the Company. Nothing in this **Section 8(d)** is intended to or should be construed to prevent the Participant from engaging in Protected Activities under **Section 8(e)** of this Plan or from making statements or engaging in any other activities or conduct protected by the National Labor Relations Act.

(e) **Consideration and Acknowledgment.** As sufficient consideration provided in exchange for the Participant's continued employment with the Company and participation in this Plan, the Participant will be deemed to have acknowledged and agreed to each of the following: (i) the Participant's participation in the Plan is voluntary; (ii) the scope and duration of the restrictions in **Section 8** are fair and reasonable; (iii) if any provisions of **Sections 8(a)** through **(d)**, or any part thereof, are held to be unenforceable, the court making such determination shall have the power to revise or modify such provision to make it enforceable to the maximum extent permitted by applicable law and, in its revised or modified form, such provision shall then be enforceable, and if the provision is not capable of being modified or revised so that it is enforceable, it shall be excised from the Plan without affecting the enforceability of the remaining provisions; and (iv) the time period of the

Participant's obligations under Sections 8(a) and (b) shall be extended by a period equal to the length of any breach of those obligations by the Participant in addition to any and all other remedies provided by this Plan or otherwise available to the Company at law or in equity. Nothing contained in the Plan limits the Participant's ability (1) to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency, entity or commission or self-regulatory authority ("Government Agencies"); (2) to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company; or (3) under applicable United States Federal law to (i) disclose in confidence trade secrets to Federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure (collectively, the activities in the preceding clauses (1) through (3), "Protected Activities"). In addition, it is understood that the Participant shall not be required to notify the Company of a request for information from any Government Agency that is not directed to the Company or of the Participant's decision to file a charge or complaint with or participate in an investigation conducted by any Government Agency. Notwithstanding the foregoing, the Participant recognizes that, in connection with the provision of information to any Governmental Agency, the Participant must inform such Governmental Agency that the information the Participant is providing is confidential. Despite the foregoing, the Participant is not permitted to reveal to any third party, including any Governmental Agency, information the Participant came to learn during his or her service to the Company that is protected from disclosure by any applicable privilege, including but not limited to the attorney-client privilege or attorney work product doctrine. The Company and its Subsidiaries do not waive any applicable privileges or the right to continue to protect their privileged attorney-client information, attorney work product, and other privileged information.

(f) **Forfeiture and Clawback.** As sufficient consideration provided in exchange for the Participant's continued employment with the Company and participation in this Plan, the Participant will be deemed to have agreed that if the Participant materially breaches any provision of Sections 8(a) through (d), in addition to any and all other remedies available to the Company, (i) any payments to be provided under Section 3 above (other than the Accrued Benefits) shall upon written notice (which may be in electronic form) immediately be forfeited; and (ii) the Company shall have the right upon written notice (which may be in electronic form) to reclaim and receive from the Participant the gross amount of any payments provided under Section 3 (other than the Accrued Benefits), and any such return of such payments by the Participant which requires action on the part of the Participant shall be made within five (5) business days following receipt of written demand therefore.

9. *Section 280G of the Code.*

(a) To the extent that any payment or distribution to or for the benefit of the Participant pursuant to the terms of this Plan or any other plan, arrangement or agreement with the Company, any of its affiliated companies, any person whose actions result in a change of ownership or effective control covered by Section 280G(b)(2) of the Code or any person affiliated with the Company or such person, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise (the "Payments") would be subject to the excise tax (the "Excise Tax") imposed by Section 4999 of the Code, then the Company shall reduce the payments to the amount that is (after taking into account federal, state, local and Social Security taxes at the maximum marginal rates, including any excise taxes imposed by Section 4999 of the Code) one dollar (\$1) less than the amount of the Payments that would subject the Participant to the Excise Tax (the "Safe Harbor Cap") if, and only if, such reduction would result in the Participant receiving a higher net after-tax amount. Unless the Participant shall have given prior written notice specifying a different order to the Company to effectuate the Safe Harbor Cap, the Payments to be reduced hereunder will be determined in a manner which has the least economic cost to the Participant and, to the extent the economic cost is equivalent, will be reduced in the inverse order of when the Payment would have been made to the Participant until the reduction specified herein is achieved. The Participant's right to specify the order of reduction of the Payments shall apply only to

the extent that it does not directly or indirectly alter the time or method of payment of any amount that is deferred compensation subject to (and not exempt from) Section 409A.

(b) All determinations required to be made under this Section 9, including whether and when the Safe Harbor Cap is required and the amount of the reduction of the Payments pursuant to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determination, shall be made by a public accounting firm or consulting firm that is retained by the Company as of the date immediately prior to the Change in Control (the "**Determination Firm**") which shall provide detailed supporting calculations both to the Company and the Participant within fifteen (15) business days of the receipt of notice from the Company or the Participant that there has been a Payment, or such earlier time as is requested by the Company (collectively, the "**Determination**"). In the event that the Determination Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, an independent accounting firm selected by the Company may be appointed to make the determinations required hereunder (which accounting firm shall then be referred to as the Determination Firm hereunder). All fees and expenses of the Determination Firm shall be borne solely by the Company. The Determination by the Determination Firm shall be final, binding and conclusive upon the Company and the Participant. To the extent a Participant's reasonable out-of-pocket expenses are reimbursed by the Company, the Participant shall cooperate with any reasonable requests by the Company in connection with any contests or disputes with the Internal Revenue Service in connection with the Excise Tax.

10. Successors; Binding Agreement.

(a) This Plan will survive any Change in Control, and the provisions of this Plan will be binding upon the surviving corporation, which will be treated as the Company hereunder. The benefits provided under this Plan shall inure to the benefit of and be enforceable by the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Participant dies while any amounts would be payable to the Participant hereunder had the Participant continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to such person or persons appointed in writing by the Participant to receive such amounts or, if no person is so appointed, to the Participant's estate.

(b) The Company agrees that concurrently with any Business Combination (other than a Non-Control Transaction), it will cause any successor or transferee unconditionally to assume, by written instrument delivered to the Participant (or the Participant's beneficiary or estate), all of the obligations of the Company hereunder. Failure of the Company to obtain such assumption prior to the effectiveness of any such Business Combination shall constitute Good Reason hereunder. For purposes of implementing the foregoing, (i) the date on which any such Business Combination becomes effective shall be deemed the date Good Reason occurs, and (ii) the Participant shall be entitled to terminate employment for Good Reason immediately prior to the time the Business Combination becomes effective and receive compensation and other benefits from the Company in the same amount and on the same terms as the Participant would have been entitled hereunder if the Participant's employment were terminated for Good Reason during the CIC Termination Period.

11. Notice. For purposes of this Plan, all notices and other communications required or permitted hereunder must be in writing and will be deemed to have been duly given when (i) delivered by hand or (ii) two (2) business days after deposit in the United States mail, certified and return receipt requested, postage prepaid and addressed as follows:

If to the Participant: the address listed as the Participant's address in the Company's personnel files.

If to the Company (other than requests to be delivered pursuant to Section 12(b)(ii)):

Banc of California, Inc.
3 MacArthur Place

Santa Ana, California 92707
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

12. Full Settlement; Resolution of Disputes and Costs.

(a) In no event will the Participant be obligated to seek other employment or take other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan and except as provided in Section 3(a)(iii) and Section 8(g), such amounts shall not be reduced whether or not the Participant obtains other employment.

(b) Subject to Section 17 and to the fullest extent permitted by law, any dispute or controversy arising under or in connection with this Plan shall be settled exclusively by arbitration and pursuant to the following:

(i) Any arbitration shall be conducted before one (1) neutral arbitrator selected by the Company and the Participant (each, a "Party," and collectively, the "Parties") under the JAMS Employment Arbitration Rules & Procedures then in effect.

(ii) Either Party may initiate arbitration by making a written request to arbitrate to the other Party listing the claim(s) to be arbitrated. Requests to the Company and requests to the Participant shall be delivered pursuant to Section 11 of this Plan. The arbitration shall take place in the county where the Participant was last employed by the Company. The Company shall pay the arbitrator's fees and any other administrative fees related to the arbitration.

(iii) The arbitrator shall apply applicable law to determine issues of liability and damages regarding all claims to be arbitrated. The arbitrator is authorized to award any remedy or relief that would have been available to the Parties had the matter been heard in court. The decision of the arbitrator shall be in writing and shall provide the reasons for the arbitrator's award. The arbitrator's authority to resolve disputes and make awards under this Plan is limited to disputes between (A) the Participant as an individual and the Company; and (B) the Participant as an individual and any current or former officer, director, representative, and/or agent for conduct within the scope of his or her employment with the Company, which includes all parents and subsidiaries of the Company. No arbitration award or decision will have any preclusive effect as to issues or claims in any dispute with anyone who is not a named party to the arbitration. This arbitration provision shall not be construed to deprive a party of any substantive right preserved by law.

13. Employment with Subsidiaries. Employment with the Company for purposes of this Plan shall include employment with any Subsidiary.

14. Survival. The respective obligations and benefits afforded to the Company and the Participant as provided in Sections 3 (to the extent that payments or benefits are owed as a result of a termination of employment that occurs during the term of this Plan), 4, 5, 6 and 8 shall survive the termination of this Plan.

15. GOVERNING LAW; VALIDITY. EXCEPT TO THE EXTENT THIS PLAN IS SUBJECT TO ERISA, THE INTERPRETATION, CONSTRUCTION AND PERFORMANCE OF THIS PLAN SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO THE PRINCIPLE OF CONFLICTS OF LAWS, AND APPLICABLE FEDERAL LAWS. THE INVALIDITY OR UNENFORCEABILITY OF ANY PROVISION OF THIS PLAN SHALL NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF

ANY OTHER PROVISION OF THIS PLAN, WHICH OTHER PROVISIONS SHALL REMAIN IN FULL FORCE AND EFFECT.

16. *Amendment and Termination.* The Committee may amend or terminate the Plan at any time without the consent of the Participants; provided, however, the Plan may not be amended, modified, suspended or terminated except with the express written consent of each Participant who would be adversely affected by any such amendment, modification, suspension or termination, and provided, further, that any termination or amendments to the Plan that are adverse to the interests of any Participant and made in anticipation of a Change in Control will give a Participant the right to enforce his or her rights pursuant to Section 18. Notwithstanding the foregoing, during the period commencing on a Change in Control and ending on the second (2nd) anniversary of the Change in Control, no Participant's participation hereunder may be terminated and the Plan may not be terminated or amended in any manner which is materially adverse to the interests of any Participant without the prior written consent of such Participant.

17. *Interpretation and Administration.* The Plan shall be administered by the Committee (or any successor committee). The Committee (or any successor committee) will have the authority (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan, (iii) to prescribe, amend and rescind rules and regulations relating to the Plan, (iv) to make all determinations necessary or advisable in administration of the Plan, (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan, (vi) to delegate its responsibilities and authority hereunder to a subcommittee of the Committee, and (vii) with respect to Participants who are not officers, to delegate its responsibilities and authority hereunder to a person or group of persons who is employed by the Company. Actions of the Board or the Committee (or any successor committee) shall be taken by a majority vote of its members. All determinations by the Committee (or any successor committee) shall be made in the Committee's reasonable discretion; provided, however, that any arbitrator or arbitration panel that adjudicates any dispute, controversy or claim arising between a Participant and the Company, or any of their delegates or successors, in respect of any such determinations, will apply a de novo standard of review to any determinations made by such person. Such de novo standard shall apply notwithstanding the grant of full discretion hereunder to the Board or the Committee or characterization of any such decision by the Board or the Committee as final, binding or conclusive on any party.

18. *Claims and Appeals.* Participants may submit claims for benefits by giving notice to the Committee pursuant to Section 11 of this Plan. If a Participant believes that he or she has not received coverage or benefits to which he or she is entitled under the Plan, the Participant may notify the Committee in writing of a claim for coverage or benefits pursuant to Section 11 of this Plan. If the claim for coverage or benefits is denied in whole or in part, the Committee shall notify the Participant in writing of such denial within thirty (30) days (which may be extended to sixty (60) days under special circumstances), with such notice setting forth: (i) the specific reasons for the denial; (ii) the Plan provisions upon which the denial is based; (iii) any additional material or information necessary for the Participant to perfect his or her claim; and (iv) the procedures for requesting a review of the denial. Upon a denial of a claim by the Committee, the Participant may: (x) request a review of the denial by the Committee or, where review authority has been so delegated, by such other person or entity as may be designated by the Committee for this purpose; (y) review any Plan documents relevant to his or her claim; and (z) submit issues and comments to the Committee or its delegate that are relevant to the review. Any request for review must be made in writing and received by the Committee or its delegate within sixty (60) days of the date the Participant received notice of the initial denial, unless special circumstances require an extension of time for processing. The Committee or its delegate will make a written ruling on the Participant's request for review setting forth the reasons for the decision and the Plan provisions upon which the denial, if appropriate, is based. This written ruling shall be made within thirty (30) days of the date the Committee or its delegate receives the Participant's request for review unless special circumstances require an extension of time for processing, in which case, a decision will be rendered as soon as possible, but not later than sixty (60) days after receipt of the request for review. All extensions of time permitted by this Section 18 will be permitted at the sole discretion of the Committee or its delegate. If the Committee does not provide the Participant with

written notice of the denial of his or her appeal, the Participant's claim shall be deemed denied. Notice provided to the Company under Section 11 of this Plan shall constitute notice to the Committee.

19. Type of Plan. This Plan is intended to be, and shall be interpreted as, an unfunded employee welfare plan under Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and Section 2520.104-24 of the Department of Labor Regulations, maintained primarily for the purpose of providing employee welfare benefits, to the extent that it provides welfare benefits, and under Sections 201, 301 and 401 of ERISA, as a plan that is unfunded and maintained primarily for the purpose of providing deferred compensation, to the extent that it provides such compensation, in each case, for a select group of management or highly compensated employees (i.e., a "top hat" plan).

20. Non-Assignability. Benefits under the Plan may not be assigned by the Participant. The terms and conditions of the Plan shall be binding on the successors and assigns of the Company.

21. Effect on Other Plans, Agreements and Benefits. Except to the extent expressly set forth herein, any benefit or compensation to which a Participant is entitled under any agreement between the Participant and the Company or under any plan maintained by the Company in which the Participant participates or participated will not be modified or lessened in any way, but will be payable according to the terms of the applicable plan or agreement. Notwithstanding the foregoing, any benefits received by a Participant pursuant to this Plan will be in lieu of any severance benefits to which the Participant would otherwise be entitled under any general severance policy or other severance plan maintained by the Company for its officers or employees and, upon consummation of a Change in Control, Participants will in no event be entitled to participate in any such severance policy or other severance plan maintained by the Company for its officers or employees.

22. Section 409A.

(a) The Plan is intended to comply with the requirements of Section 409A or an exemption or exclusion therefrom and, with respect to amounts that are subject to Section 409A, will in all respects be administered in accordance with Section 409A. To the extent that any provision in this Plan is ambiguous as to its compliance with Section 409A or to the extent any provision in this Plan must be modified to comply with Section 409A, such provision will be read, or will be modified, in such a manner so that all payments due under this Plan will comply with Section 409A. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A will be paid under the applicable exception. Each payment of compensation under this Plan will be treated as a separate payment of compensation for purposes of Section 409A. All payments to be made upon a termination of employment under this Plan may only be made upon a "separation from service" under Section 409A. In no event may a Participant, directly or indirectly, designate the calendar year of any payment under this Plan.

(b) Notwithstanding any other provision of this Plan, to the extent that the right to any payment (including the provision of benefits) hereunder provides for the "deferral of compensation" within the meaning of Section 409A(d)(1) of the Code and the Participant is subject to Section 409A, the payment shall be paid (or provided) in accordance with the following:

(i) If the Participant is a "Specified Employee" on the Date of Termination, and if a payment is required to be delayed pursuant to Section 409A(a)(2)(B)(i) of the Code, then no such payment shall be made or commence during the period beginning on the Date of Termination and ending on the date that is six (6) months following the Date of Termination or, if earlier, on the date of the Participant's death, if the earlier making of such payment would result in tax penalties being imposed on the Participant under Section 409A. The amount of any payment that otherwise would be paid to the Participant hereunder during this period shall instead be paid to the Participant on the first (1st) business day coincident with or next following the date that is six (6) months and one (1) day following the Date of Termination or, if earlier, within ninety (90) days following the death of the Participant.

(ii) Payments with respect to reimbursements of expenses shall be made promptly, but in any event on or before the last day of the calendar year following the calendar year in which the relevant expense is incurred. The amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, and any right to reimbursement is not subject to liquidation or exchange for cash or another benefit.

23. **Certain Reductions; Recoupment**. Notwithstanding anything herein to the contrary, any payments or benefits payable to a Participant under this Plan are subject to reduction to the extent that such payment or benefit would exceed the amount permitted to be paid under any applicable Company policy as may be in effect from time to time. Notwithstanding anything in this Plan to the contrary, in no event shall any payment or benefit under this Plan be paid, provided or accrued, if any such payment, provision or accrual would be in violation of applicable law, rule or regulation ("**Applicable Law**"). In addition, to the extent that any provision of Applicable Law or any recoupment policy or practice of the Company as in effect from time to time requires any payments or benefits paid (or provided or to be paid or provided) to a Participant to be forfeited or recouped from the Participant, each such payment or benefit shall be subject to forfeiture or recoupment, as applicable, and such Participant's right to receive or retain each such payment or benefit shall terminate.

24. **Effective Date**. The Plan shall be effective as of November 4, 2020 (the "**Effective Date**").

25. **Definitions**. As used in this Plan, the following terms shall have the respective meanings set forth below:

(a) "**Accrued Benefits**" means, collectively, (i) the Participant's Base Salary, to the extent earned but unpaid as of the Date of Termination, (ii) the Participant's vacation pay, to the extent accrued but unused as of the Date of Termination, and (iii) any other compensation and/or benefits as may be due or payable to the Participant in accordance with the terms and provisions of any plans or agreements of the Company.

(b) "**Bank**" means Banc of California, a California chartered banking corporation.

(c) "**Base Salary**" means the greater of (i) the Participant's annual rate of base salary as in effect on the Participant's Date of Termination and (ii) the Participant's annual rate of base salary as in effect on the date of the Change in Control.

(d) "**Board**" means the Board of Directors of the Company and, after a Change in Control, the "board of directors" of the surviving corporation.

(e) "**Cause**" means a Participant's (i) personal dishonesty, gross negligence, willful misconduct, fraud or breach of fiduciary duty, in each case in connection with the performance of services on behalf of the Company or otherwise in connection with the Participant's position with the Company; (ii) willful failure to perform the Participant's duties for or on behalf of the Company or its affiliates, or to follow, or cooperate in carrying out, any lawful and reasonable material written policy adopted by the Company (including any written code of conduct or standards of ethics applicable to employees of the Company) or any reasonable directive from the Board or the Board of Directors of the Bank; (iii) continued and willful neglect of the Participant's duties for or on behalf of the Company or its affiliates; (iv) the taking of, or omission to take, any action that is materially disruptive of the business or affairs of the Company, other than actions taken or omitted in good faith consistent with the best interests of the Company and its affiliates; (v) material breach of any provision of his or her employment agreement with the Company; (vi) intentional violation of any material law, rule, regulation or judicial or administrative order to which the Company or any affiliate is subject or of any formal administrative action entered into by the Company or any affiliate, or imposed upon any of them; (vii) conduct that results in the Participant's suspension or temporary or permanent prohibition or removal from participation in the conduct of the affairs of the Company or any affiliate, or the assessment of any material civil money penalty against the Participant, in any such case pursuant to the rules and regulations of any applicable regulatory agency having jurisdiction over the Company or its affiliates, or the issuance of any permanent injunction or similar remedy by

a court having jurisdiction over the Company preventing the Participant from executing or performing his or her material duties under his or her employment agreement with the Company; or (viii) conviction of, or plea of nolo contendere to, a felony or any other crime involving moral turpitude, whether or not in connection with the business and affairs of the Company or its affiliates; provided, however, that the Participant shall have thirty (30) days to cure any of the events or occurrences described in the immediately preceding clauses, to the extent such events or occurrences are curable; provided, further, that no act or failure to act, on the part of the Participant, shall be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant’s action or omission was in the best interests of the Company.

(f) “**Change in Control**” shall be deemed to have occurred if, following the Effective Date:

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

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

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its Subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its Subsidiaries (each, a “**Business Combination**”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, greater than fifty percent (50%) of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one (1) or more Subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the

extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination (any Business Combination which satisfies the foregoing conditions specified in (A), (B) and (C) shall be deemed to be a “Non-Control Transaction”); or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(g) “**COBRA Coverage Period**” means, for each Participant that period of months following the Date of Termination as determined by the Committee.

(h) “**Code**” means the Internal Revenue Code of 1986, as amended.

(i) “**Company**” means Banc of California, Inc.

(j) “**Competitive Business**” means any business, person or entity that is engaged, or planning or contemplating to engage within a period of twelve (12) months, in any business activity that is competitive with the business and business activities engaged in by the Covered Unit(s).

(k) “**Confidential Information**” includes, but is not limited to, any and all records, notes, memoranda, data, ideas, processes, methods, techniques, systems, formulas, patents, models, devices, programs, computer software, writings, research, personnel information, customer information, or financial information of the Company or any of its affiliates, plans, or any other information of whatever nature in the possession or control of the Company which has not been published or disclosed to the general public (other than by acts of the Participant or his or her agents in violation of Section 8(d)), or which gives to the Company or any of its affiliates an opportunity to obtain an advantage over competitors who do not know of or use it.

(l) “**Covered Unit(s)**” means: (i) during the period of the Participant’s employment with the Company, each business unit of the Company; and (ii) following the Date of Termination, each business unit of the Company in or for which the Participant was employed or to which the Participant provided services or about which the Participant obtained or had access to Confidential Information, in each case of this clause (ii) at any time within the twenty-four (24)-month period prior to the Date of Termination.

(m) “**Customer**” means, with respect to the Company or the Covered Unit(s), as the case may be, any business, person or entity who purchased any products or services from the Company or such Covered Unit(s) at any time during the preceding twenty-four (24) months (or, if after the Date of Termination, the last twenty-four (24) months of the Participant’s employment with the Company) and either with whom the Participant dealt in the course of performing the Participant’s job duties for the Company or about whom the Participant has or had Confidential Information.

(n) “**Date of Termination**” means (i) the effective date on which the Participant’s employment by the Company terminates as specified in a prior written notice by the Company or the Participant, as the case may be, to the other, delivered pursuant to Section 11 or (ii) if the Participant’s employment by the Company terminates by reason of death, the date of death of the Participant.

(o) “**Disability**” means the absence of a Participant from the Participant’s duties with the Company on a full-time basis for ninety (90) consecutive days, or a total of one hundred and eighty (180) days in any twelve-month period, as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Participant or the Participant’s legal representative.

(p) “**Good Reason**” means, without the Participant’s express written consent, the occurrence of any of the following events after a Change in Control:

(i) a material diminution in the Participant’s title, authority, duties or responsibilities; or

(ii) a material breach by the Company of any employment agreement with the Participant (other than a breach resulting from a reduction in compensation or benefits that is required by a regulatory authority or applicable law or as otherwise permitted thereunder);

provided, that, to invoke a termination with Good Reason, the Participant shall provide written notice to the Company of the existence of one (1) or more of the conditions described in clause (i) or (ii) within sixty (60) days following the initial existence of such condition or conditions, and the Company shall have thirty (30) days following receipt of such written notice (the “**Cure Period**”) during which it may remedy the condition if such condition is reasonably subject to cure. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, the Participant’s “separation from service” (within the meaning of Section 409A) must occur, if at all, within sixty (60) days following such Cure Period in order for such termination as a result of such condition to constitute a termination with Good Reason. In addition, in the event that the Participant terminates his or her employment without Good Reason, during the period commencing on the date on which the Company receives notice of the Participant’s termination and ending on the earlier of (i) sixty (60) days following the receipt of such notice and such earlier date as designated by the Company, the Company reserves the right to (a) change or remove any of the Participant’s duties, (b) require the Participant to remain away from the Company’s premises, and/or (c) take such other actions to aid and assist in the transition process associated with the Participant’s departure, and any resulting material diminution in Participant’s title, authority, duties or responsibilities shall not constitute the occurrence of the events set forth in paragraph (i) of this Section 25(p).

Notwithstanding anything in this Plan to the contrary, in the event of a Change in Control, should the Chief Executive Officer of the Company remain the Chief Executive Officer of the combined entities following a Change in Control, “Good Reason” shall not include any change in title or change in reporting structure, provided the Participant has no material diminution in duties or responsibilities, or material reduction in benefits or compensation, relative to his or her position prior to the Change in Control transaction. For the avoidance of doubt, a reduction in benefits shall not constitute “Good Reason” so long as any such reduction is applicable to all covered persons under such benefit plan as part of a change in benefit plans or providers.

(q) “**Potential Customer**” means, with respect to the Company or the Covered Unit(s), as the case may be, any business, person or entity targeted during the preceding twelve (12) months (or, if after the Date of Termination, the last twelve (12) months of the Participant’s employment with the Company) as a customer to purchase any products or services from the Company or such Covered Unit(s) and (i) with whom the Participant had direct or indirect contact, (ii) for whom the Participant participated in the development or execution of the plan to sell products or services of the Company or such Covered Unit(s), or (iii) about whom the Participant otherwise has or had Confidential Information.

(r) “**Pro-Rata Bonus**” means an amount equal to the product of the Participant’s (i) Target Bonus for the fiscal year in which the Change in Control occurs or the year in which the Date of Termination occurs, whichever is greater and (ii) a fraction, the numerator of which is the number of days elapsed from the beginning of the applicable fiscal year through the Participant’s Date of Termination and the denominator of which is the number of days in the applicable fiscal year.

(s) “**Qualifying Termination**” means a termination of the Participant’s employment with the Company (i) by the Company other than for Cause or (ii) by the Participant for Good Reason. Termination of the Participant’s employment on account of death, Disability, by the Company for Cause or by the Participant other than for Good Reason shall not be treated as a Qualifying Termination. Notwithstanding the preceding sentence, the death of the Participant after notice of termination for Good Reason or without Cause has been

validly provided shall be deemed to be a Qualifying Termination.

(t) “**Solicit**” and “**Soliciting**” mean any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any actions; provided, for purposes of Section 8(a), the term “Solicit” excludes the placement of general advertisements inviting applications for employment that are not targeted to employees of the Company generally or any specific employees of the Company.

(u) “**Subsidiary**” means any corporation or other entity in which the Company has a direct or indirect ownership interest of fifty (50%) or more of the total combined voting power of the then-outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors (or members of any similar governing body) or in which the Company has the right to receive fifty (50%) or more of the distribution of profits or fifty (50%) of the assets or liquidation or dissolution.

(v) “**Section 409A**” means Section 409A of the Code, and the final Treasury Regulations issued thereunder.

(w) “**Severance Multiple**” means, for each Participant such multiple as determined by the Committee.

(x) “**Target Bonus**” means, with respect to a Participant, the target annual cash incentive bonus awarded to such Participant under the annual incentive plan by the Company (or its affiliates) for the fiscal year in which the Date of Termination occurs regardless of actual performance.

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

I, Jared M. Wolff, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2025 of Banc of California, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ JARED M. WOLFF

Jared M. Wolff

President and Chief Executive Officer

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

I, Joseph Kauder, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2025 of Banc of California, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ JOSEPH KAUDER

Joseph Kauder
Executive Vice President and Chief Financial Officer

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

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), the undersigned officer of Banc of California, Inc. (the “Company”) hereby certifies that the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2025

/s/ JARED M. WOLFF

Jared M. Wolff

President and Chief Executive Officer

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

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

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), the undersigned officer of Banc of California, Inc. (the “Company”) hereby certifies that the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2025

/s/ JOSEPH KAUDER

Joseph Kauder

Executive Vice President and Chief Financial Officer

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