Investor Presentation

2019 Second Quarter Earnings

July 25, 2019

BANC OF CALIFORNIA

Forward-looking Statements

When used in this presentation and in documents filed with or furnished to the Securities and Exchange Commission (the “SEC”), in press releases or other public stockholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases “believe,” “will,” “should,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “plans,” or similar expressions are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. These statements may relate to future financial performance, strategic plans or objectives, revenue, expense or earnings projections, or other financial items of Banc of California Inc. and its affiliates (“BANC,” the “Company,” “we,” “us” or “our”). By their nature, these statements are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the statements.

Factors that could cause actual results to differ materially from the results anticipated or projected include, but are not limited to, the following: (i) an ongoing investigation by the SEC as well as any related litigation or other litigation may result in adverse findings, reputational damage, the imposition of sanctions, increased costs, the diversion of management time and resources, and other negative consequences; (ii) the costs and effects of litigation generally, including legal fees and other expenses, settlements and judgments; (iii) the risk that our performance may be adversely affected by the CEO transition we have recently undergone; (iv) the risk that the benefits we realize from exiting the third party mortgage origination and brokered single-family residential lending business will be less than anticipated and that the costs we incur from exiting that business will be greater than anticipated; (v) the risk that we will not be successful in the implementation of our capital utilization strategy and our other strategies for transitioning to a traditional community bank; (vi) risks that the Company’s merger and acquisition transactions may disrupt current plans and operations and lead to difficulties in customer and employee retention, risks that the costs, fees, expenses and charges related to these transactions could be significantly higher than anticipated and risks that the expected revenues, cost savings, synergies and other benefits of these transactions might not be realized to the extent anticipated, within the anticipated timetables, or at all; (vii) the credit risks of lending activities, which may be affected by deterioration in real estate markets and the financial condition of borrowers, and the operational risk of lending activities, including but not limited to the effectiveness of our underwriting practices and the risk of fraud, any of which credit and operational risks may lead to increased loan and lease delinquencies, losses and nonperforming assets in our loan and lease portfolio, and may result in our allowance for loan and lease losses not being adequate to cover actual losses and require us to materially increase our loan and lease loss reserves; (viii) the quality and composition of our securities portfolio; (ix) changes in general economic conditions, either nationally or in our market areas, or changes in financial markets; (x) continuation of or changes in the short-term interest rate environment, changes in the levels of general interest rates, volatility in the interest rate environment, the relative differences between short- and long-term interest rates, deposit interest rates, our net interest margin and funding sources; (xi) fluctuations in the demand for loans and leases, the number of unsold homes and other properties and fluctuations in commercial and residential real estate values in our market area; (xii) our ability to develop and maintain a strong core deposit base or other low cost funding sources necessary to fund our activities; (xiii) results of examinations of us by regulatory authorities and the possibility that any such regulatory authority may, among other things, limit our business activities, require us to change our business mix, increase our allowance for loan and lease losses, write-down asset values or increase our capital levels, or affect our ability to borrow funds or maintain or increase deposits, any of which could adversely affect our liquidity and earnings; (xiv) legislative or regulatory changes that adversely affect our business, including, without limitation, changes in tax laws and policies and changes in regulatory capital or other rules, and the availability of resources to address or respond to such changes; (xv) our ability to control operating costs and expenses; (xvi) staffing fluctuations in response to product demand or the implementation of corporate strategies that affect our work force and potential associated charges; (xvii) the risk that our enterprise risk management framework may not be effective in mitigating risk and reducing the potential for losses; (xviii) errors in estimates of the fair values of certain of our assets and liabilities, which may result in significant changes in valuation; (xix) the network and computer systems on which we depend could fail or experience a security breach; (xx) our ability to attract and retain key members of our senior management team; (xxi) increased competitive pressures among financial services companies; (xxii) changes in consumer spending, borrowing and saving habits; (xxiii) the effects of severe weather, natural disasters, acts of war or terrorism and other external events on our business; (xxiv) the ability of key third-party providers to perform their obligations to us; (xxv) changes in accounting policies and practices, as may be adopted by the financial institution regulatory agencies or the Financial Accounting Standards Board or their application to our business, including additional guidance and interpretation on accounting issues and details of the implementation of new accounting methods; (xxvi) the transition to a new accounting standard adopted by the Financial Accounting Standards Board, referred to as Current Expected Credit Loss, which will require financial institutions to determine periodic estimates of lifetime expected credit losses on loans, and provide for the expected credit losses as allowances for loan losses; (xxvii) share price volatility and reputational risks, related to, among other things, speculative trading and certain traders shorting our common shares and attempting to generate negative publicity about us; (xxviii) war or terrorist activities; (xix) other economic, competitive, governmental, regulatory, and technological factors affecting our operations, pricing, products and services and the other risks described from time to time in other documents that we file with or furnish to the SEC; and (xxx) that the tender offer described herein occurs on such terms or at all. You should not place undue reliance on forward-looking statements, and except as required by law we undertake no obligation to update any such statements to reflect circumstances or events that occur after the date on which the forward-looking statement is made.

This presentation is neither an offer to purchase nor a solicitation of an offer to sell securities. The tender offer for the outstanding depositary shares representing Banc of California, Inc.’s 7.00% Non-Cumulative Perpetual Preferred Stock, Series E and its 7.375% Non-Cumulative Perpetual Preferred Stock, Series D described in this press release is being made pursuant to an Offer to Purchase and related materials that Banc of California, Inc. has filed or will file with the Securities and Exchange Commission (the “SEC”) pursuant to a Schedule TO. The Schedule TO, Offer to Purchase, a related letter of transmittal and other tender offer documents contain important information that should be read carefully before any decision is made with respect to the tender offer. These materials (and all other documents Banc of California, Inc. has filed with the SEC) are available at no charge on the SEC's website at www.sec.gov.

Second Quarter 2019 Highlights

Continued Progress Towards a Relationship Based Commercial Banking Platform

Improved Funding Costs	• Second quarter average cost of total deposits decreased by 5bps from the first quarter • Total cost of funds improved 4bps during the quarter to 1.84%
De-emphasized Low Margin Loan Products	• Held for investment loans decreased by $838 million during Q2 – Sold $178 million multifamily loans and $131 million of single-family loans – $574 million of multifamily loans were classified as HFS in Q2 and hedged to be securitized in Q3. Gain on securitization in Q3 will normalize $9.6MM hedge loss. • Gross loan commitment originations of $599 million at an average production yield of 5.25% – Continued to de-emphasize brokered loan originations in favor of relationship-based loans
Normalized Investment Portfolio	• Reduced securities by $304 million – Collateralized loan obligations ("CLOs") declined by $298 million to $737 million at quarter end – Securities as a percentage of interest earnings assets are now at 14%
Continued Expense Management	• Noninterest expenses totaled $43.6 million • Non-core benefit of $6.4 million for items related to ongoing legal and indemnification matters; total non-core net benefit of $5.6 million during the quarter
Credit and Capital	• Common Equity Tier 1 ratio of 10.41%; TCE / TA ratio increased 56bps to 7.41% • ALLL / Loans[1] of 0.89%, up from 0.85% last quarter • NPLs & OREO / Loans[1] of 0.43%, up from 0.38% in the first quarter • Net charge-offs totaled $2.4 million
Bolstered Executive Bench Strength	• Ido Dotan – EVP, General Counsel and Corporate Secretary • Lynn Sullivan – EVP, Chief Risk Officer

1 Held for investment

Three Key Drivers of Community Banking Business

Relationship-Based Strategy Will Enhance Franchise Value

Lower Deposit Costs through Relationship Focus

- Increase relationship-based lending with deposits and reduce reliance on broker-driven loans
- Re-price down high-cost retail CDs and other high cost deposit offerings, and release maturing brokered deposits, all in connection with asset sales
- Best in class treasury management to attract and retain clients

Right-Size the Balance Sheet

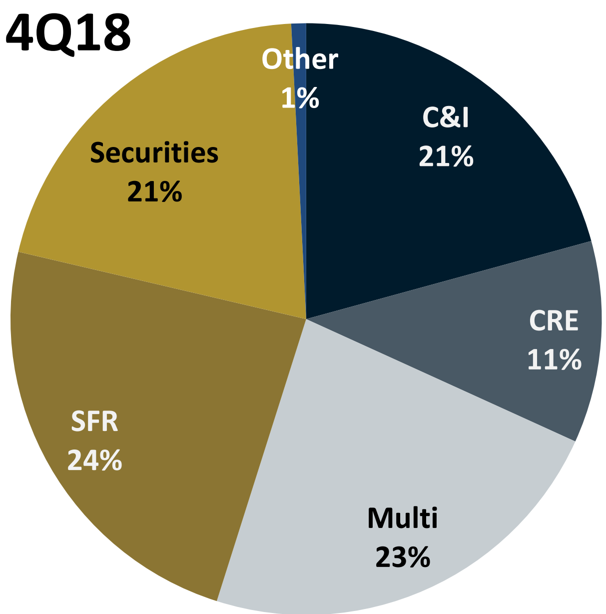
- Eliminate non franchise-enhancing assets and lines of business
- Continue to reduce the size of the CLO portfolio
- Sell down lower yielding multifamily and SFR portfolios, execute on multifamily securitization and reduce reliance on wholesale funding
- Optimize the capital structure; launch of our preferred stock tender for up to $75M aggregate purchase price

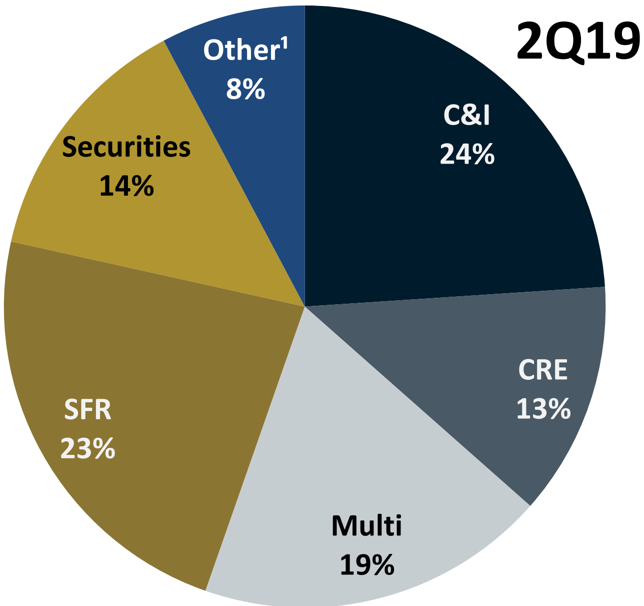
Improve Operational Efficiencies to Reduce Expense Burden

- Right-size expenses to fit asset size
- Deploy technology to better serve customers and improve efficiency

Right-Sizing the Balance Sheet: Assets

Lending Strategy Shifting Toward Relationship Based Loans





YTD Movements

- $825 million reduction in Securities portfolio
- $642 million reduction in Multifamily portfolio[2]
- $344 million reduction in SFR Mortgage portfolio

Loans and Securities

($ in millions)	2Q19 Avg. Yields	2Q19 Ending Balances
Securities	3.83%	$1,168
Multifamily	4.40%	$1,599
SFR Mortgage	4.17%	$1,961

1 Includes $598 million of HFS loans

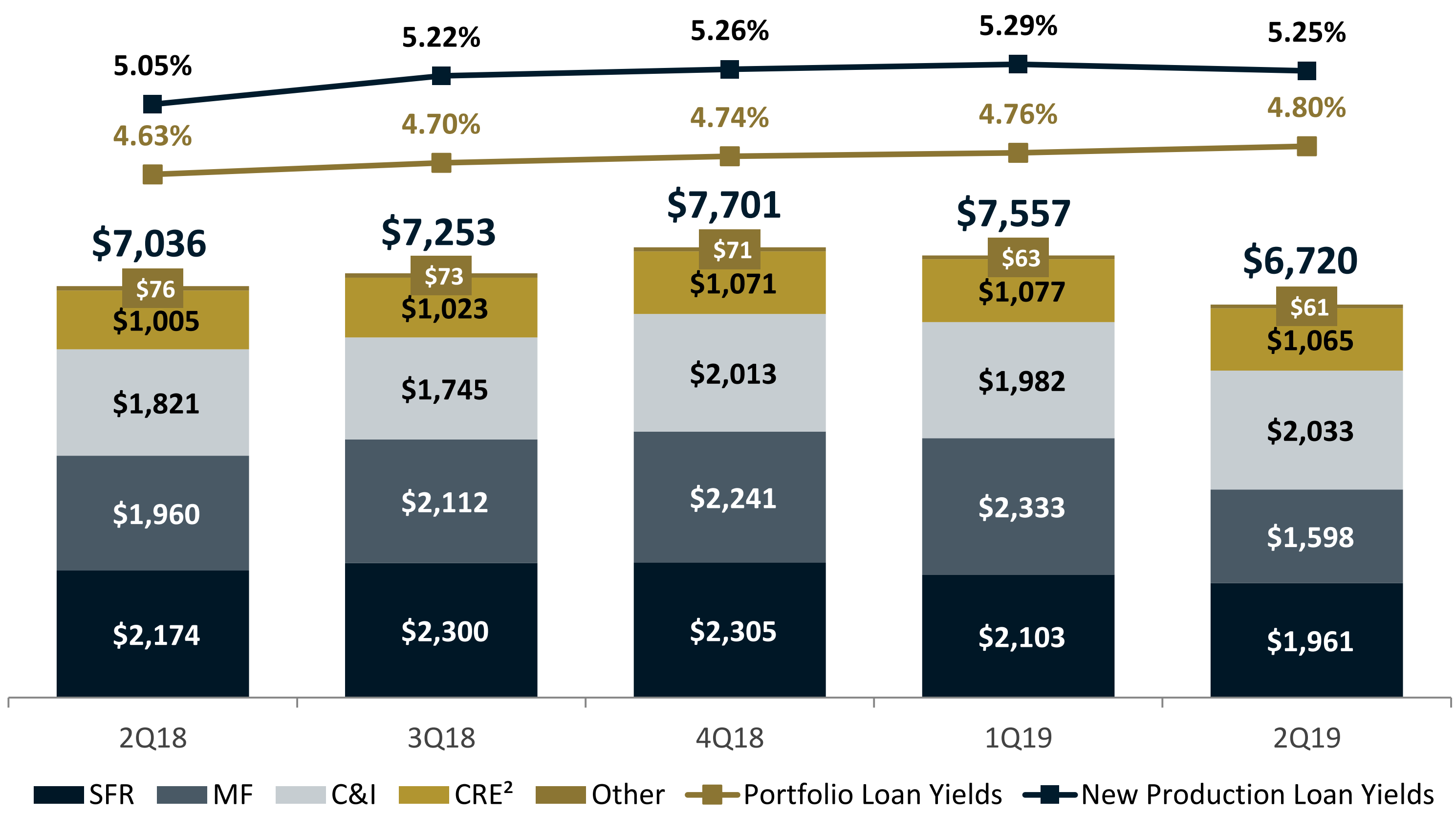
2 Reduction in Multifamily includes the reclassification of $574 million to HFS for upcoming securitization

Relationship Lending Focus Enhances Franchise Value

De-emphasizing Low Margin, non-Relationship Lending to Drive Portfolio Yields

Overall Portfolio Yields Increased 4bps to 4.80% With Lower SFR and MF Balances

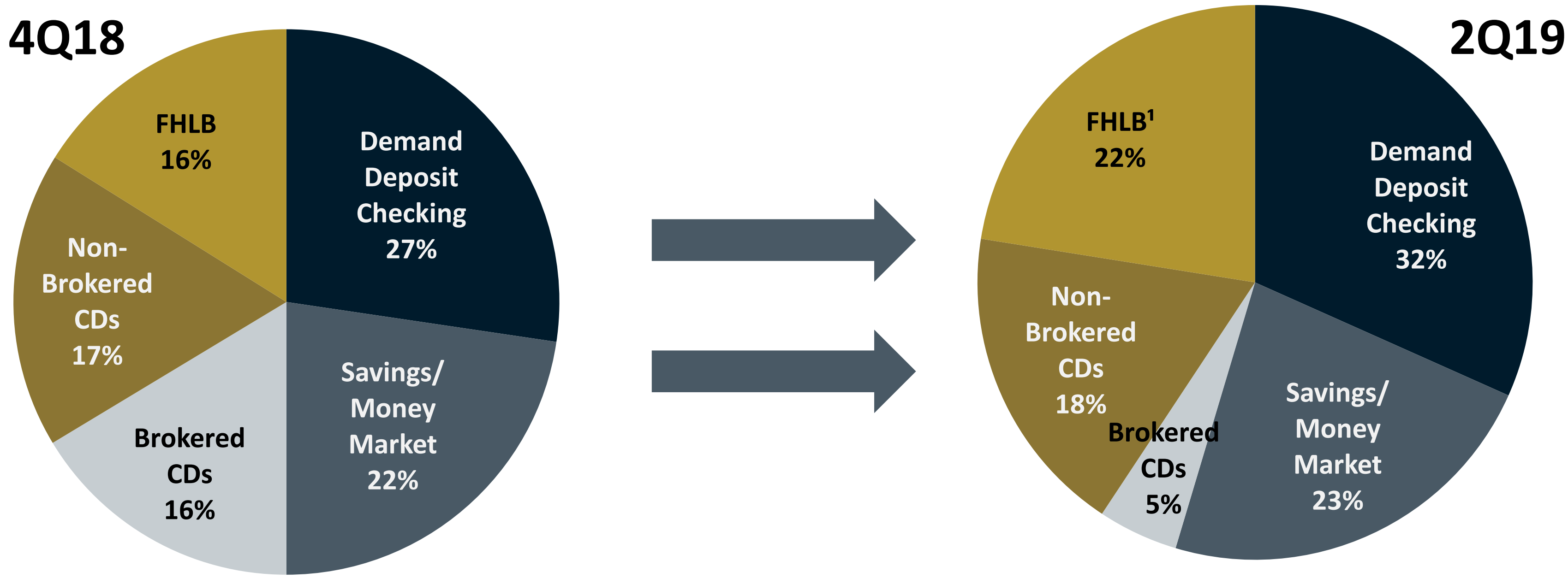
HFI Loan Production Yields vs. Portfolio Yields[1]



1 Dollars in millions
2 CRE includes Construction

Right-Sizing the Balance Sheet: Liabilities

Strategy Shifting to Lower Costing Relationship Based Deposits



YTD Movements

- $1,164 million reduction in Brokered CD’s
- $175 million reduction in Non-Brokered CD’s
- $305 million increase in FHLB Advances

Deposits and FHLB

($ in millions)	2Q19 Avg. Cost	2Q19 Ending Balances
Brokered CD’s	2.49%	$379
Non-Brokered CD’s	2.35%	$1,479
FHLB Advances	2.58%	$1,825

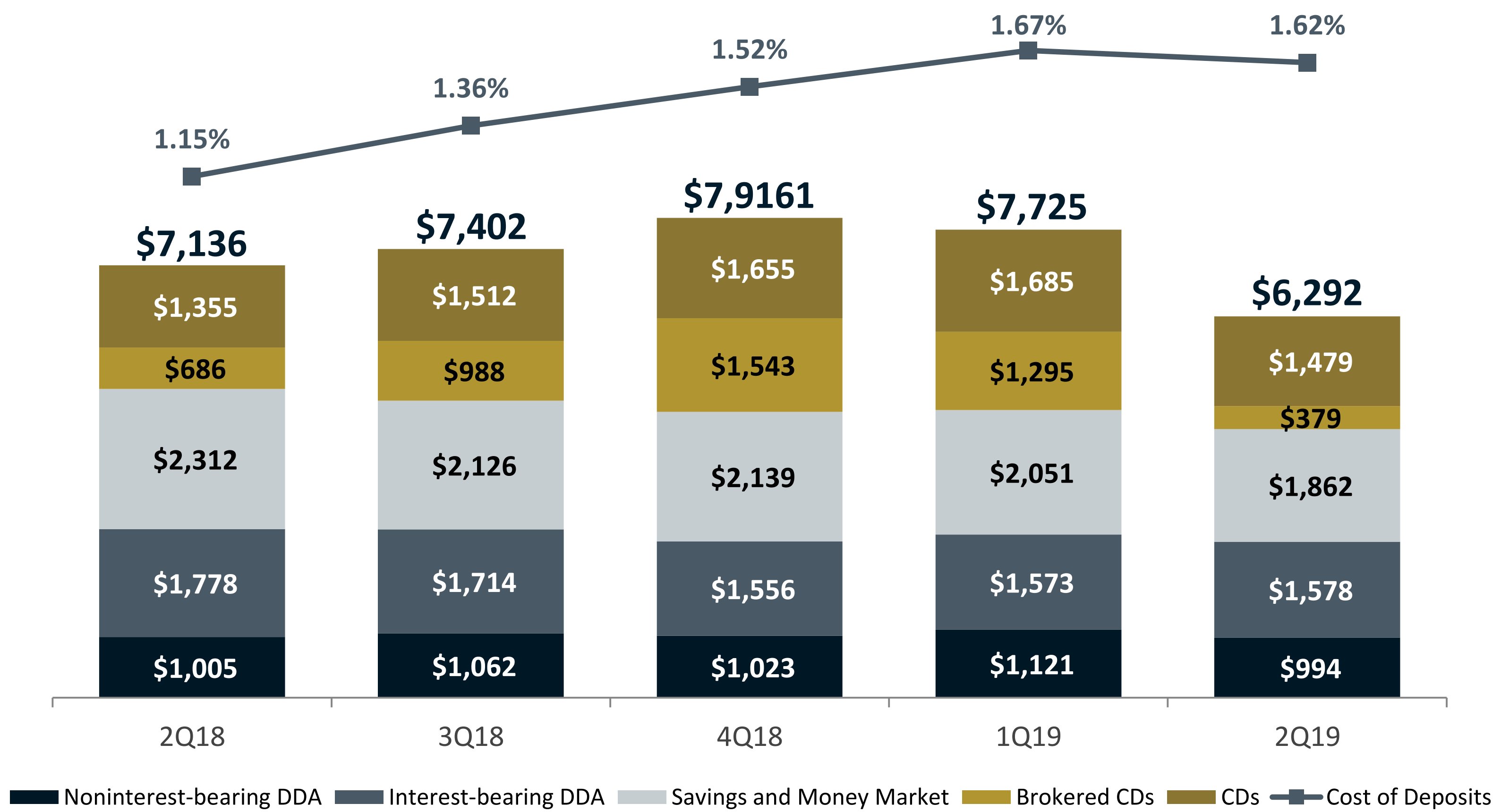
1 Pending securitization proceeds will be used to reduce FHLB advances

Deposit Base Showing Effects of Transformation

Relationship Based Approach to Depository Services Expected to Reduce Future Cost of Deposits

Reduction in Transactional Deposit Balances Resulted in 5bps Decrease in Cost of Deposits

Deposit Composition[1]

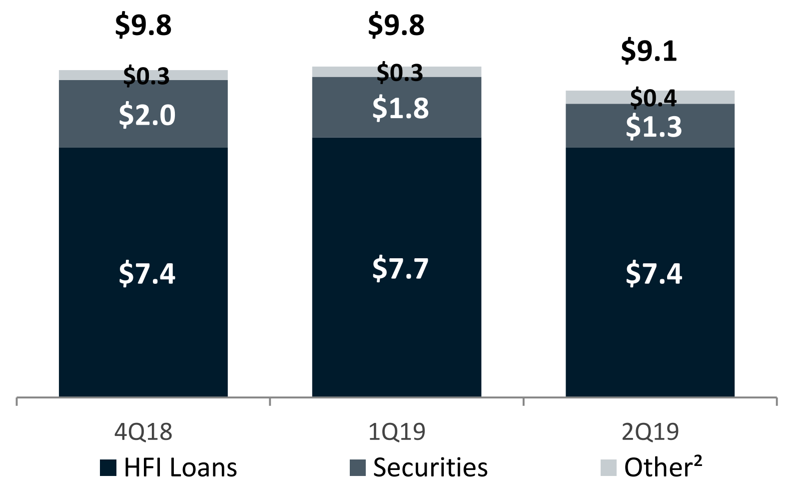


1 Dollars in millions

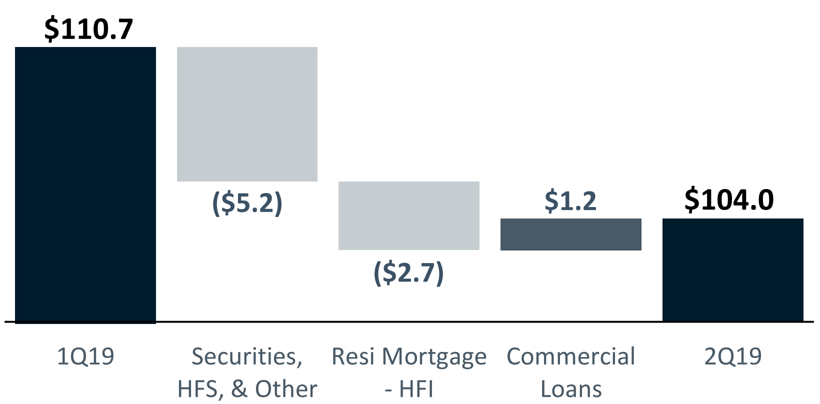
Net Interest Margin Trend at an Inflection

Further NIM Improvement Expected to Occur Via Lower Cost of Deposits

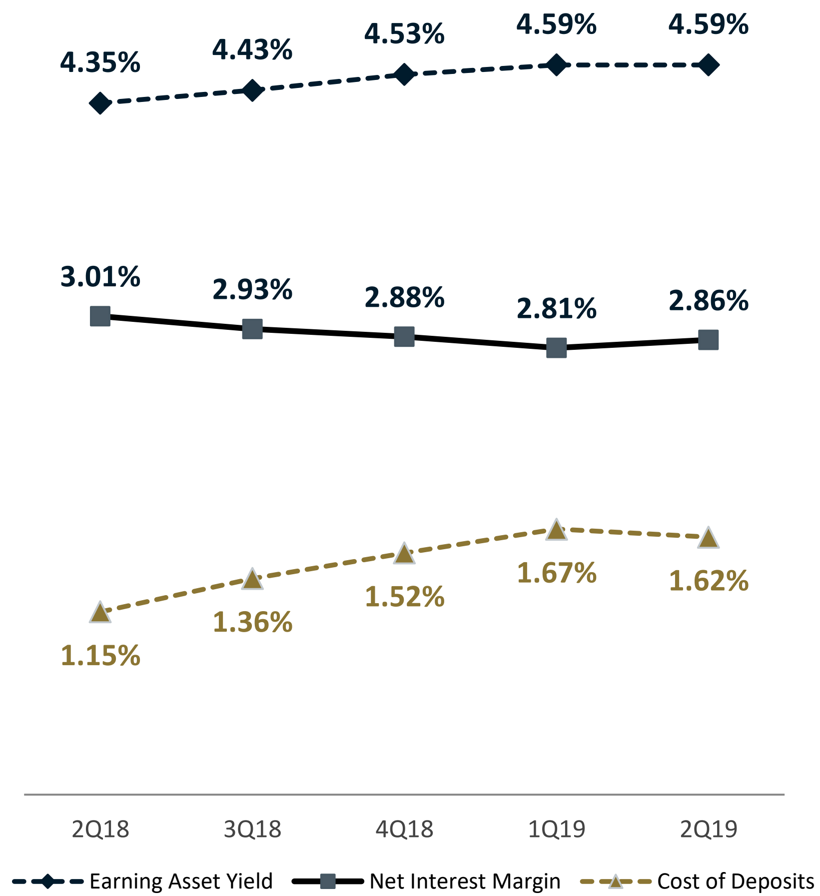
Average Interest-Earning Assets[1]



Interest Income[3]



Net Interest Margin Components



1 Dollars in billions
2 Includes loans held for sale and other interest-earning assets
3 Dollars in millions, consolidated operations

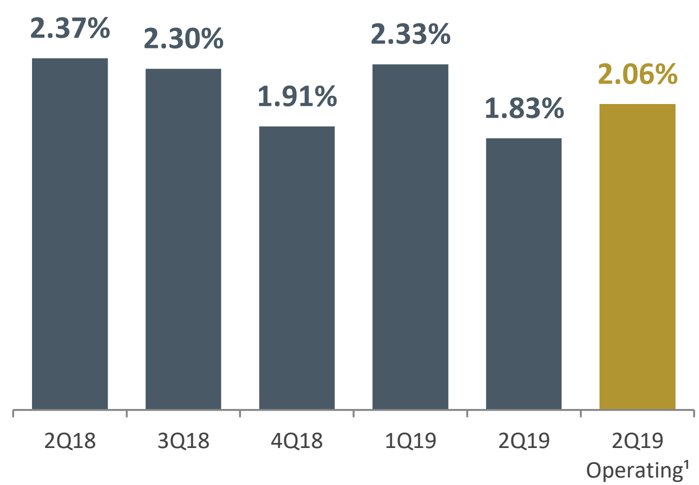
Expenses are Being Better Allocated to Asset Base

Simplifying Operating Model and Delivering Operational Efficiencies

Non-Core Adjustments to Reported Operating Expenses

($ in millions)	Noninterest Expenses – Reported	Q2 Non-Core Adjustments[1]	Q2 Core Operating Expenses[1]
Salaries and employee benefits	$ 27.5		$ 27.5
Occupancy and equipment	8.0	(0.8)	7.2
Professional fees	(2.9)	6.2	3.3
Data processing	1.7		1.7
Advertising	2.0		2.0
Regulatory assessments	2.1		2.1
Reversal of provision for loan repurchases	(0.1)		(0.1)
Amortization of intangible assets	0.6		0.6
Restructuring expense	(0.2)	0.2	-
All other expense	5.1		5.1
Total Noninterest Expense (ex-loss on investments in alternative energy partnerships)	**$ 43.9**	**$ 5.6**	**$ 49.5**
Gain on investments in alternative energy partnerships[2]	**0.4**		
Total Noninterest Expense (reported)	**$ 43.6**		

NIE / Average Assets[3]



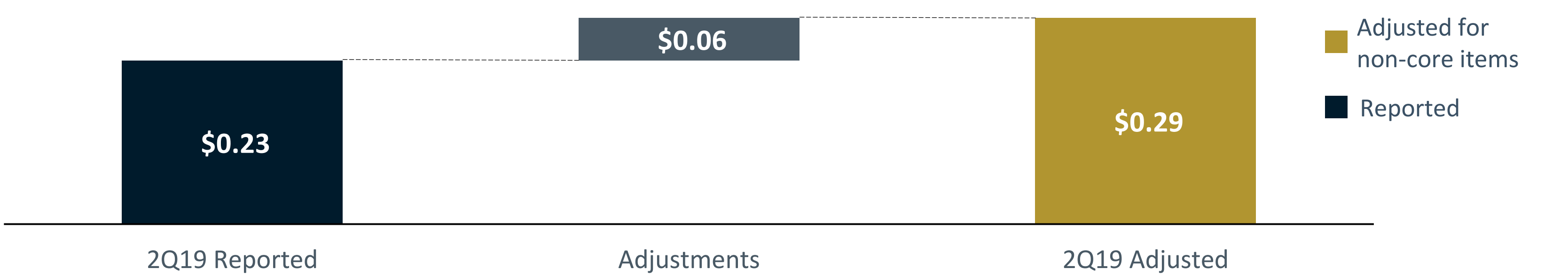
1 Reported operations operating expense less non-core adjustments. Non-GAAP measure: Reconciliation table above
2 Gain on investments in alternative energy partnerships create tax credits to offset expense incurred
3 Core operations noninterest expense excluding loss on investments in alternative energy partnerships, annualized, over average consolidated assets

Developing Recurring and Sustainable Earnings Profile

Q2 Included some Non-Core Adjustments to Reported Operations

($ in millions, except for EPS)	Reported	Q2 Adjustments[1]	Q2 Earnings from Core Operations[2] Normalized Tax Rate at 20%
Net Interest Income	$ 64.8	$ -	$ 64.8
Provision for loan and lease losses	(2.0)	-	(2.0)
Total noninterest income	(2.3)	9.6	7.3
Total noninterest expense (ex-loss on investments in alternative energy partnerships)	43.9	5.6	49.4
Gain on investments in alternative energy partnerships[3]	0.4	(0.4)	-
Total noninterest expense	43.5	5.9	49.5
Pre-tax income	20.9	3.7	24.6
Income tax expense[4]	4.3	0.6	4.9
Net income	16.6	3.1	19.7
Preferred dividends and participating securities allocation and dividends	4.7		4.3
Net income available to common stockholders	$ 11.9	$ 3.1	$ 15.0
Diluted earnings per total common share	**$ 0.23**	**$ 0.06**	**$ 0.29**

Diluted EPS – Adjusted Operations

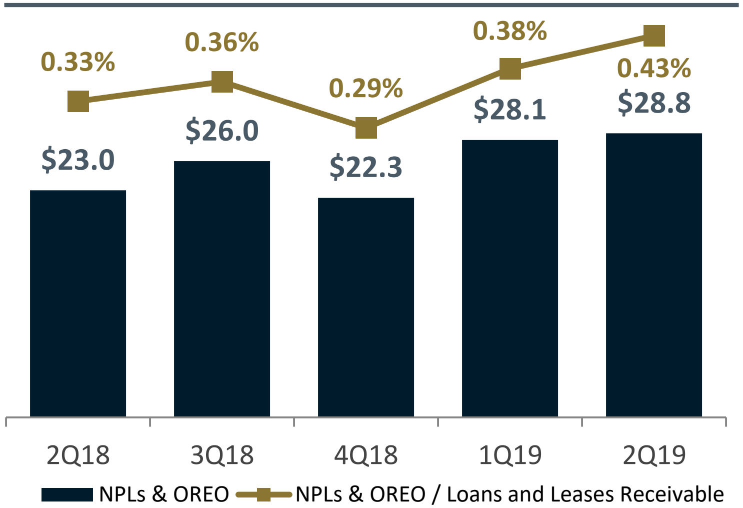


1 Includes $9.6M hedge loss, other non-core items, loss on investments in alternative energy partnerships, and income tax expense required to reach a normalized rate of 20%
2 Non-GAAP measure: Reconciliation table above 3 Gain on investments in alternative energy partnerships create tax credits to offset expense incurred
4 Normalized Q2 adjustments and Q2 operating earnings from core operations tax rate to 20%

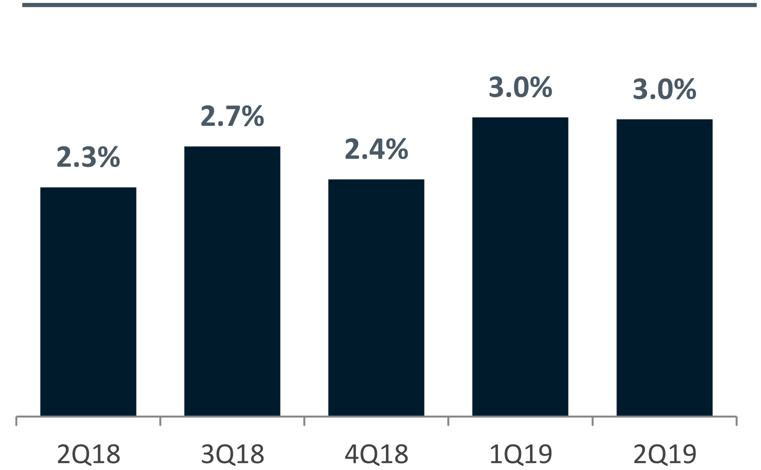
Maintaining Strong Asset Quality

Relationship Banking Focus Increases Asset Underwriting Transparency

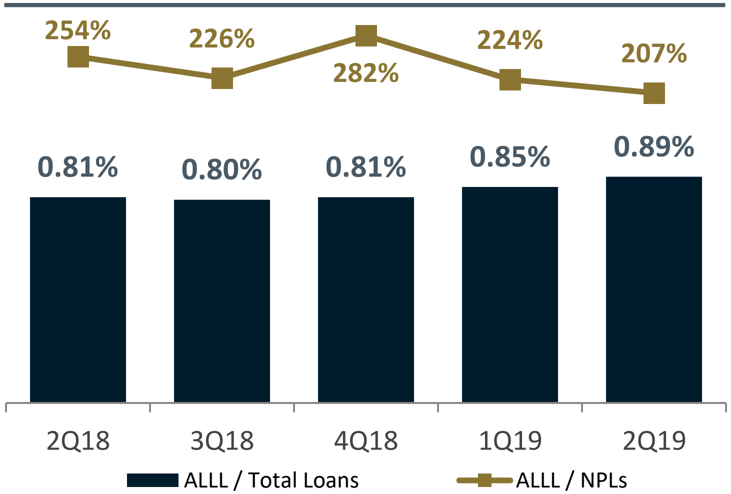
NPLs & OREO[1]



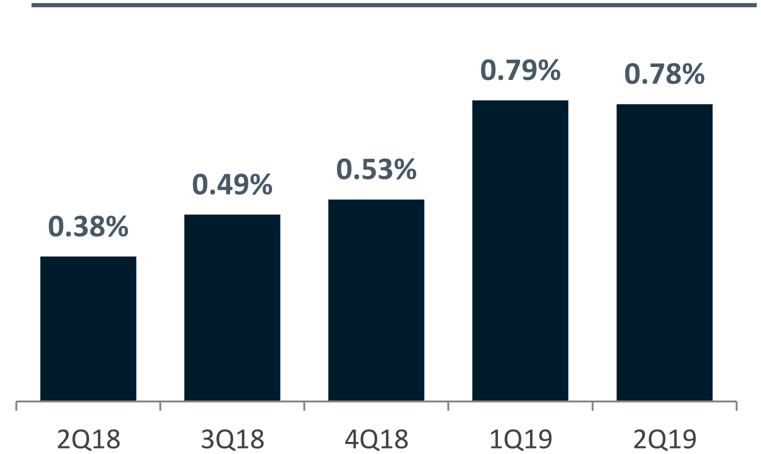
NPAs / Equity



ALLL[2] and NPL Coverage



Total Delinquent Loans / Total Loans



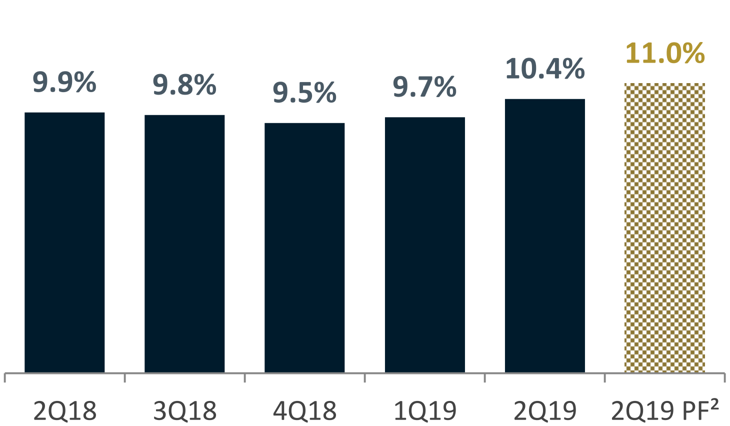
1 NPL: Non-performing loans and leases. OREO: Other real estate owned. Dollars in millions, held for investment

2 ALLL: Allowance for loan and lease losses

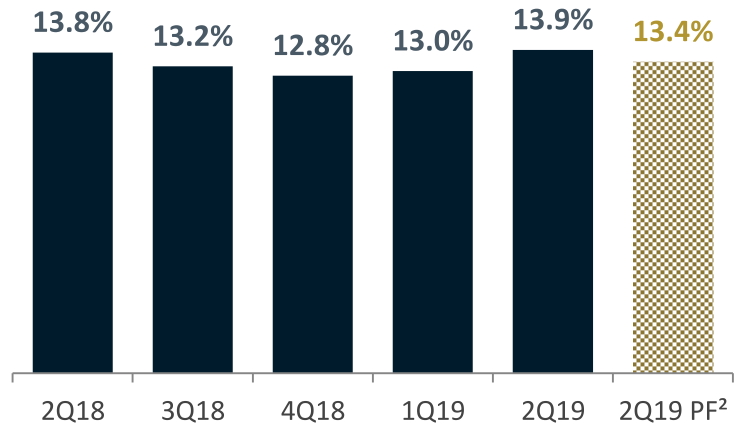
Strengthening Capital Base Supports Business Strategy

Right-Sizing the Balance Sheet has Improved Capital Ratios Across the Board

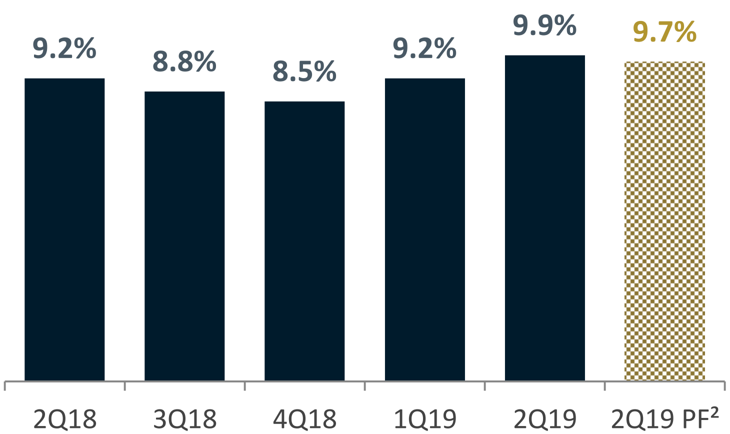
Common Equity Tier 1 Ratio



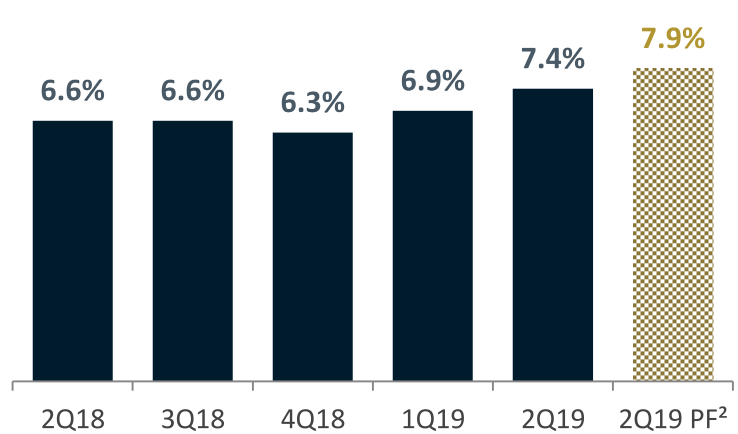
Tier 1 Risk-Based Capital Ratio



Tangible Equity / Tangible Assets[1]



Tangible Common Equity / Tangible Assets[1]



1 Non-GAAP measure. Reconciliation on slide 20 2 Pro forma assumes that as of June 30, 2019, a $75mm aggregate preferred tender offer was completed at a 50/50 mix of D and E and at a price of $26.04 and $26.80 per share, respectively. There are no assurances that the tender offer transaction will be completed on these terms, if at all. Furthermore, the pro forma assumes the $574 million multifamily Freddie Mac securitization was completed as of June 30, 2019.

Appendix

Rate Floors and Timing of Hybrid Rate Resets

IRR Position is Slightly Liability Sensitive in a Decreasing Rate Environment

Variable Rate HFI Loans, Collateralized Loan Obligations and Mortgage Backed Securities[1]

Distance to Floor	1 Month Libor	3 Month Libor	6 Month Libor	1 Year Libor	Prime	Other Index[2]	Total
100+ bps	$ 926.0	$ 0.4	$ 289.8	$ 20.2	$ 184.6	$ 50.6	$ 1,471.6
50 – 100 bps	43.5	-	24.6	-	9.7	44.1	121.9
25 – 50 bps	16.6	-	2.9	-	7.1	18.6	45.2
0 – 25 bps	0.8	-	-	-	13.2	14.8	28.8
Floor	15.3	-	16.9	5.4	3.8	91.4	132.8
No Floor	193.0	69.5	0.4	2.8	150.7	120.0	536.4
CLO – No Floor	-	748.6	-	-	-	-	748.6
MBS[3]	-	-	-	-	-	**3.2**	**3.2**
Variable Rate HFI ARMs and CLOs	**$ 1,195.2**	**$ 818.5**	**$ 334.6**	**$ 28.4**	**$ 369.1**	**$ 342.7**	**$ 3,088.5**

Hybrid / Fixed Rate Loans and Mortgage Backed Securities[1]

Months to Reset	1 Month Libor	3 Month Libor	6 Month Libor	1 Year Libor	Prime	Other Index[4]	Total
> 0 <= 6	$ -	$ -	$ -	$ 21.9	$ 0.3	$ 3.5	$ 25.7
> 6 <= 12	-	-	0.8	34.8	-	20.7	56.3
> 12 <= 25	-	-	36.9	194.4	7.8	24.0	263.1
> 24	4.7	-	894.2	2,185.6	9.7	38.1	3,132.3
Hybrid Rate Loans	**$ 4.7**	**$ -**	**$ 931.9**	**$ 2,436.7**	**$ 17.8**	**$ 86.3**	**$ 3,477.4**
Fixed Rate Loans	-	-	-	-	-	-	**900.5**
Fixed MBS	-	-	-	-	-	-	**421.9**

1 Dollars in millions 2 1 Year CMT 29.6%, 5 Year Swap 29.2%, COFI 26.5%, 12 MTA 5.5%, 5 Year CMT 2.8%, 10 Year CMT 1.9%, 3 Year CMT 1.6%, 7 Year Swap 1.5%, 2 Year FHLB SF .9%, 5 Year FHLB SF .2%, 7 Year CMT .2%, 1o Year Swap .1% 3 Two GNMA MBS indexed to CMT. Currently 100+ bps over floor 4 COFI 43.1%, 10 Year Swap 19.67%, 7 Year Swap 10.3%, 10 Year CMT 9.9%, 5 Year Swap 9.3%, 5 Year CMT 6.1%, 3 Year Swap 1.0%, 5 Year CMT .7%

Timing and Costs of Funding Liabilities

Deposits and FHLB Borrowing Maturities[1]

Funding Type	0 <= 6 Months		7 <= 12 Months		>12 <= 24		> 24 Months		Total	
	Balance	Avg. Cost	Balance	Avg. Cost	Balance	Avg. Cost	Balance	Avg. Cost	Balance	Avg. Cost
Money Market	$ 800.9	1.71%	-	-	-	-	-	-	$ 800.9	1.71%
Demand Deposits	1,577.9	1.22%	-	-	-	-	-	-	1,577.9	1.22%
NonInt Demand Deposits	993.7	0.00%	-	-	-	-	-	-	993.7	0.00%
Savings	1,061.1	1.85%	-	-	-	-	-	-	1,061.1	1.85%
CD's	1,098.5	2.31%	508.7	2.42%	229.5	2.58%	22.0	2.58%	1,858.7	2.38%
FHLB	1,145.0	2.39%	24.0	2.40%	145.0	2.14%	511.0	2.90%	1,825.0	2.51%
Total	**$ 6,697.1**	**1.57%**	**$ 532.7**	**2.42%**	**$ 374.5**	**2.42%**	**$ 533.0**	**2.89%**	**$ 8,117.3**	**1.75%**

1 Dollars in millions

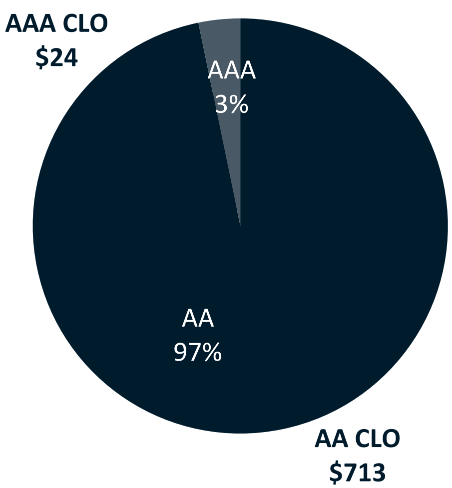
Securities Portfolio Balances, Composition and Yields

Securities Portfolio Detail[1]

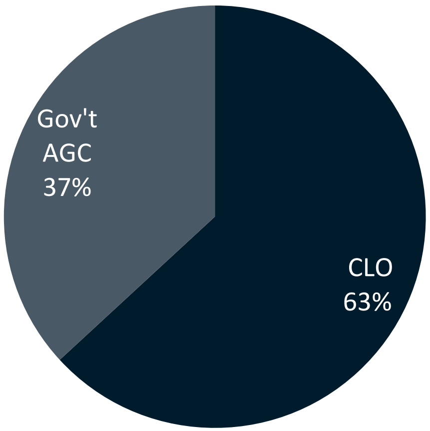
Security Type	Amortized Cost 1Q19	Amortized Cost 2Q19	2Q Change	Fair Value 2Q19	Book Yield 2Q19	Duration 2Q19 (years)
Gov't & Agency (Agency MBS)	$ 449	$ 436	($ 13)	$ 429	2.50%	6.06
CLOs	1,047	749	(298)	737	4.24%	0.07
Total Securities	**1,496**	**1,185**	**(311)**	**1,166**	**3.60%**	**2.28**

Portfolio Profile[1]

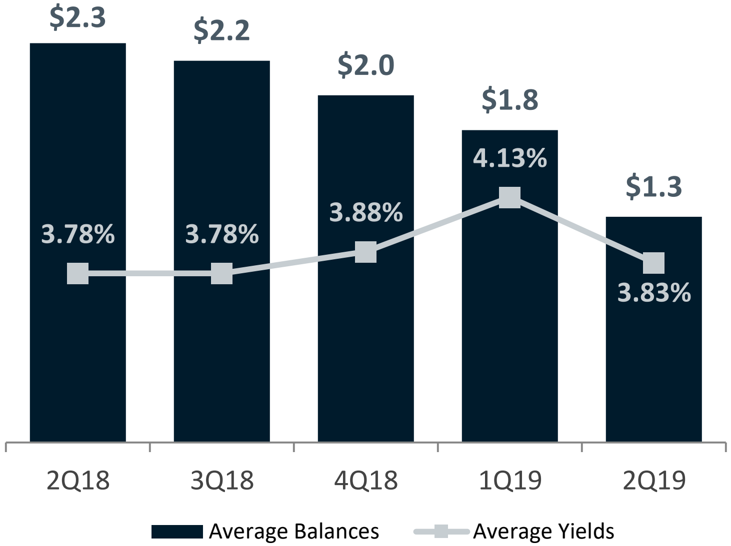
Credit Rating



Composition



Portfolio Average Balances and Yields[2]



1 Dollars in millions. Values that are greater than $0.0 million (or 0.0%) but less than $0.5 million (or 0.5%) are not shown
2 Dollars in billions

BANC Fast Facts & Preferred Equity Capital Structure

(Dollars in millions)[1]	2Q19	1Q19	4Q18	3Q18	2Q18
Total assets[2]	$ 9,360	$ 9,887	$ 10,630	$ 10,261	$ 10,319
Securities available-for-sale	1,168	1,471	1,993	2,060	2,297
Loans and leases receivable	6,720	7,557	7,701	7,253	7,036
Total deposits	6,292	7,725	7,917	7,402	7,136
Net interest income	64.8	67.8	70.7	71.2	72.8
Provision for loan and lease losses	(2.0)	2.5	6.7	1.4	2.7
Total noninterest income	(2.3)	6.3	2.4	4.8	8.1
Noninterest expense[3,4]	43.9	59.9	48.8	58.4	60.7
Loss on investments in alternative energy partnerships	(0.3)	2.0	0.8	2.5	1.8
Total noninterest expense	43.6	61.8	49.6	60.9	62.5
Net Income	16.6	7.0	10.8	10.4	13.9
Diluted earnings per common share	$ 0.23	$ 0.05	$ 0.12	$ 0.06	$ 0.16
Return on average assets[2]	0.69%	0.28%	0.43%	0.43%	0.58%
Adjusted Efficiency Ratio[2,5]	67.84%	83.00%	67.09%	77.88%	73.50%

Preferred Equity	Class / Series	CUSIP	Issue Date	Amount Out ($000)	Dividend Rate / Coupon (%)	First Callable Date
Preferred Equity: Non-Cumulative, Perpetual	E	05990K874	2/8/2016	125,000	7.000%	3/15/2021
Preferred Equity: Non-Cumulative, Perpetual	D	05990K882	4/8/2015	115,000	7.375%	6/15/2020
Total Preferred Equity				**$240,000**		

1 All figures from Reported operations unless noted; dollars in millions unless noted per share or percentage
2 Consolidated operations; Efficiency ratio adjusted for including the pre-tax effect of investments in alternative energy partnerships
3 Excluding loss on investments in alternative energy partnerships 4 Non-GAAP measure. Reconciliation within table above 5 Non-GAAP measure. Reconciliation on slide 19

Non-GAAP Financial Information

This presentation contains certain financial measures determined by methods other than in accordance with U.S. generally accepted accounting principles (GAAP). These measures include noninterest expense from Core operations, operating expense from Core operations, noninterest expense to average assets, and diluted earnings per common share from Core operations, adjusted for non-core items, each excluding loss on investments in alternative energy partnerships and the latter three adjusted for non-core items. Management believes that these particular measures provide useful supplemental information in understanding our core operating performance. These measures should not be viewed as substitutes for measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP measures that may be presented by other companies. Reconciliations of these measures to measures determined in accordance with GAAP are contained on slides 9, 10, 17, 19-22 of this presentation.

Non-GAAP measures in this presentation also include tangible equity to tangible assets, tangible common equity to tangible assets, return on average tangible common equity, and adjusted efficiency ratio including the pre-tax effect of investments in alternative energy partnerships. These particular measures are used by management in its analysis of the Company's capital strength and the performance of the Company's businesses. Banking and financial institution regulators also exclude goodwill and other intangible assets from total stockholders' equity when assessing the capital adequacy of a financial institution. Management believes the presentation of these measures excluding the impact of these items provides useful supplemental information that is essential to a proper understanding of the capital and financial strength of the Company and the performance of its businesses. These measures should not be viewed as substitutes for results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP measures that may be presented by other companies. Reconciliations of these measures to measures determined in accordance with GAAP are contained on slides 19-22 of this presentation.

Non-GAAP Reconciliation

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

(Dollars in thousands)	2Q19	1Q19	4Q18	3Q18	2Q18
Noninterest expense	$ 43,587	$ 61,835	$ 49,578	$ 60,977	$ 62,554
(Loss) gain on investments in alternative energy partnerships	355	(1,950)	(786)	(2,484)	(1,808)
Adjusted noninterest expense	$ 43,942	$ 59,885	$ 48,792	$ 58,493	$ 60,746
Net interest income	$ 64,780	$ 67,808	$ 70,842	$ 71,322	$ 72,953
Noninterest income	(2,290)	6,295	2,644	5,718	9,168
Total revenue	62,490	74,103	73,486	77,040	82,121
Tax credit from investments in alternative energy partnerships	1,680	-	-	412	1,912
Deferred tax expense on investments in alternative energy partnerships	(176)	-	-	(43)	(211)
Tax effect on tax credit and deferred tax expense	426	-	26	180	631
(Loss) gain on investments in alternative energy partnerships	355	(1,950)	(786)	(2,484)	(1,808)
Total pre-tax adjustments for investments in alternative energy partnerships	2,285	(1,950)	(760)	(1,935)	524
Adjusted total revenue	$ 64,775	$ 72,153	$ 72,726	$ 75,105	$ 82,645
Efficiency ratio	69.75%	83.44%	67.47%	79.15%	76.17%
Adjusted efficiency ratio including the pre-tax effect of investments in alternative energy partnerships	67.84%	83.00%	67.09%	77.88%	73.50%
Effective tax rate utilized for calculating tax effect on tax credit and deferred tax expense	22.07%	27.00%	27.42%	32.81%	27.07%

Non-GAAP Reconciliation

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

(Dollars in thousands)	2Q19	1Q19	4Q18	3Q18	2Q18
Tangible common equity to tangible assets ratio					
Total assets	$ 9,359,931	$ 9,886,525	$ 10,630,067	$ 10,260,822	$ 10,319,280
Less goodwill	(37,144)	(37,144)	(37,144)	(37,144)	(37,144)
Less other intangible assets	(5,105)	(5,726)	(6,346)	(6,990)	(7,683)
Tangible assets	$ 9,317,682	$ 9,843,655	$ 10,586,577	$ 10,216,688	$ 10,274,453
Total stockholders' equity	$ 963,544	$ 948,325	$ 945,534	$ 946,678	$ 988,688
Less goodwill	(37,144)	(37,144)	(37,144)	(37,144)	(37,144)
Less other intangible assets	(5,105)	(5,726)	(6,346)	(6,990)	(7,683)
Tangible equity	921,295	905,455	902,044	902,544	943,861
Less preferred stock	231,128	(231,128)	(231,128)	(231,128)	(269,071)
Tangible common equity	$ 690,167	$ 674,327	$ 670,916	$ 671,416	$ 674,790
Total stockholders' equity to total assets	10.29%	9.59%	8.89%	9.23%	9.58%
Tangible equity to tangible assets	9.89%	9.20%	8.52%	8.83%	9.19%
Tangible common equity to tangible assets	7.41%	6.85%	6.34%	6.57%	6.57%

Non-GAAP Reconciliation

Return on Average Tangible Common Equity

(Dollars in thousands)	2Q19	1Q19	4Q18	3Q18	2Q18
Return on tangible common equity					
Average total stockholders' equity	$ 962,933	$ 956,700	$ 960,242	$1,000,819	$1,000,856
Less average preferred stock	(231,128)	(231,128)	(231,128)	(260,822)	(269,071)
Less average goodwill	(37,144)	(37,144)	(37,144)	(37,144)	(37,144)
Less average other intangible assets	(5,503)	(6,128)	(6,731)	(7,412)	(8,110)
Average tangible common equity	$ 689,158	$ 682,300	$ 685,239	$ 695,441	$ 686,531
Net income	$ 16,582	$ 7,037	$ 11,038	$ 11,096	$ 14,780
Less preferred stock dividends and impact of preferred stock redemption	(4,308)	(4,308)	(4,308)	(7,277)	(5,113)
Add amortization of intangible assets	621	620	644	693	827
Add impairment on intangible assets	-	-	-	-	-
Less tax effect on amortization and impairment of intangible assets	(130)	(130)	(135)	(146)	(174)
Net income available to common stockholders	$ 12,765	$ 3,219	$ 7,239	$ 4,366	$ 10,320
Return on average equity	6.91%	2.98%	4.56%	4.40%	5.92%
Return on average tangible common equity	7.43%	1.91%	4.19%	2.49%	6.03%
Statutory tax rate utilized for calculating tax effect on amortization and impairment of intangible assets	21.00%	21.00%	21.00%	21.00%	21.00%

Non-GAAP Reconciliation

Noninterest Expense / Average Assets

(in millions)	2Q19	1Q19	4Q18	3Q18	2Q18
Operating Expense (NIE)					
Total noninterest expense	$ 43.6	$ 61.8	$ 49.6	$ 60.9	$ 62.5
Less gain/(loss) on investments in alternative energy partnerships	0.4	(2.0)	(0.8)	(2.5)	(1.8)
Less non-core items	5.6	(5.8)	3.4	(8.0)	(6.4)
Salaries and employee benefits	*-*	*-*	*-*	*-*	*-*
Data processing fees	*(0.8)*	*-*	*-*	*-*	*-*
Professional fees	*6.2*	*(3.0)*	*2.7*	*(5.9)*	*(1.5)*
Restructuring expense	*0.2*	*(2.8)*	*0.1*	*(0.6)*	*(4.0)*
Other expense	*-*	*-*	*0.6*	*(1.5)*	*(0.9)*
Total operating expense (NIE)	$ 49.5	$ 54.0	$ 52.2	$ 50.4	$ 54.3
Total operating expense (NIE) annualized	$ 198.1	$ 216.1	$ 208.6	$ 201.8	$ 217.2
NIE[1] / Average Assets	2.06%	2.10%	2.04%	1.99%	2.12%

1. Core operations noninterest expenses excluding loss on investments in alternative energy partnerships, annualized, over average consolidated assets