



DIVISIONS OF GRANDPOINT BANK

Grandpoint Capital, Inc., Reports First Quarter 2018 Earnings

Los Angeles, April 19, 2018 – Grandpoint Capital, Inc., the holding company for Grandpoint Bank and its divisions, Bank of Tucson, Regents Bank and The Biltmore Bank of Arizona, reported net income of \$8.9 million and total assets of \$3.3 billion for the quarter ended March 31, 2018. In addition, the board of directors declared its tenth consecutive quarterly cash dividend. The cash dividend of \$0.15 per share will be payable on or about May 10, 2018, to shareholders of record as of April 30, 2018.

“We continued to demonstrate the sustained financial strength of Grandpoint Capital in the first quarter,” said Don M. Griffith, Chairman and CEO of Grandpoint Capital, Inc., and Grandpoint Bank. “Our key performance measures remain strong with a return on average assets of 1.13% and a return on average tangible equity of 12.51% at the end of the first quarter. At March 31, 2018, we reported basic earnings per share of \$0.27, and we achieved tangible book value per share of \$8.83.”

At March 31, 2018, deposits totaled \$2.4 billion, of which 46% is comprised of core business demand deposits, signaling the strength and depth of the Bank’s long-standing client relationships. Total loans were \$2.4 billion, and asset quality remained strong during the quarter as the Bank continued to maintain a prudent and disciplined risk strategy. Grandpoint Bank’s capital ratios remain in excess of the regulatory minimums, with a Leverage Ratio of 9.29% and Total Risk-Based Capital Ratio of 11.63% at March 31, 2018.

In March 2018, Grandpoint Bank received a superior 5-star rating from independent rating and research firm BauerFinancial for the nineteenth consecutive quarter. The latest rating was based on December 31, 2017, financial data. The 5-star rating, for strength, stability and soundness, is only awarded to the nation’s strongest banks.

Grandpoint Capital, Inc. and Grandpoint Bank are headquartered in Los Angeles, Calif. Grandpoint Bank and its divisions operate in southern California, Arizona and Vancouver, Wash. In February 2018, Grandpoint Capital and Pacific Premier Bancorp, Inc. (NASDAQ: PPBI) announced a definitive agreement under which Pacific Premier will acquire Grandpoint in an all-stock transaction. The transaction is expected to close in the third quarter of 2018.

More information about Grandpoint is available at www.grandpointbank.com.

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Grandpoint Capital, Inc. and Subsidiaries
Consolidated Balance Sheets
Dollars in \$1,000's

	June 30,	December 31,								March 31,
	2010	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cash and due from banks	\$ 3,501	\$ 27,791	\$ 22,324	\$ 43,714	\$ 41,177	\$ 37,688	\$ 25,113	\$ 28,919	\$ 32,238	\$ 51,427
Interest-bearing deposits in banks	72,825	33,604	127,803	291,545	171,408	314,005	171,625	213,365	151,556	197,737
Cash and Cash Equivalents	76,326	61,395	150,127	335,259	212,585	351,693	196,738	242,284	183,794	249,164
Investment Securities	3,284	97,399	208,939	318,501	230,591	266,479	573,260	579,275	502,615	499,098
Loans:										
Construction	481	18,327	20,324	54,315	79,588	110,286	130,801	194,471	137,165	143,659
Single family residential	-	32,753	86,257	193,913	248,727	281,678	269,823	220,519	171,360	142,090
Multifamily loans	2,513	26,097	60,718	135,966	215,956	397,712	599,470	715,786	719,698	709,206
Commercial real estate	7,792	248,343	429,224	738,540	777,875	814,430	862,014	905,534	946,072	962,430
Commercial and industrial	2,005	83,847	136,492	295,199	371,341	375,607	412,051	322,419	345,475	358,753
Consumer	-	3,673	6,226	21,984	23,289	12,846	9,138	7,876	43,712	49,801
Total Loans	12,791	413,040	739,241	1,439,917	1,716,776	1,992,559	2,283,297	2,366,605	2,363,482	2,365,939
Deferred loan fees, costs and discounts	(137)	(13,861)	(15,580)	(25,373)	(18,410)	(4,543)	3,550	3,199	65	(850)
Allowance for loan losses	-	(1,050)	(5,722)	(8,867)	(12,087)	(14,018)	(17,245)	(18,552)	(18,939)	(18,710)
Net Loans	12,654	398,129	717,939	1,405,677	1,686,279	1,973,998	2,269,602	2,351,252	2,344,608	2,346,379
Goodwill	2,563	17,923	37,863	51,432	53,101	53,323	53,323	53,323	53,323	53,323
Core deposit and other intangibles	133	2,724	6,857	11,822	12,765	11,063	9,209	7,493	5,865	5,480
Deferred Tax Assets	-	4,056	12,011	30,997	30,981	30,206	24,749	23,818	15,686	16,292
Other assets	2,981	19,005	24,959	50,195	48,987	79,210	70,107	69,491	88,043	88,531
Total Assets	\$ 97,941	\$ 600,631	\$ 1,158,695	\$ 2,203,883	\$ 2,275,289	\$ 2,765,972	\$ 3,196,988	\$ 3,326,936	\$ 3,193,934	\$ 3,258,267
Deposits:										
Demand deposits	\$ 3,664	\$ 136,024	\$ 327,638	\$ 736,831	\$ 764,936	\$ 792,896	\$ 852,263	\$ 926,594	\$ 1,090,900	\$ 1,099,105
NOW accounts	547	22,651	57,302	88,994	132,743	136,003	139,660	148,071	145,591	164,550
Money market accounts	7,984	246,043	473,107	723,125	689,318	1,029,519	1,165,748	1,106,229	843,920	843,700
Savings accounts	1,353	4,703	9,403	20,587	36,914	35,505	39,979	47,426	44,837	47,320
Time deposits	5,618	78,353	112,407	298,226	313,788	411,908	348,068	347,775	251,681	259,886
Total Deposits	19,166	487,774	979,857	1,867,763	1,937,699	2,405,831	2,545,718	2,576,095	2,376,929	2,414,561
Other liabilities	2,840	10,400	14,084	18,596	15,496	27,233	10,594	12,696	12,353	11,707
Other Borrowings	-	-	3,000	10,500	11,000	-	275,000	350,000	450,000	475,000
Subordinated debenture payable	-	5,155	5,155	5,155	5,155	5,155	5,155	5,155	5,155	5,155
Shareholders' Equity:										
Common stock, par value	95	116	181	323	324	324	329	330	332	332
Additional Paid-In Capital	88,729	108,628	171,236	306,060	308,882	310,860	316,623	318,904	320,935	320,949
Unrealized gain (loss) on investment securities	23	(52)	150	1,410	(3,756)	(1,090)	(3,834)	(1,009)	(788)	(2,409)
Retained earnings (deficit)	(12,912)	(16,073)	(21,233)	(5,924)	489	17,659	47,403	64,765	29,018	32,972
Total Grandpoint Capital Shareholders' Equity	75,935	92,619	150,334	301,869	305,939	327,753	360,521	382,990	349,497	351,844
Noncontrolling interest	-	4,683	6,265	-	-	-	-	-	-	-
Total Shareholders' Equity	75,935	97,302	156,599	301,869	305,939	327,753	360,521	382,990	349,497	351,844
Total Liabilities and Shareholders' Equity	\$ 97,941	\$ 600,631	\$ 1,158,695	\$ 2,203,883	\$ 2,275,289	\$ 2,765,972	\$ 3,196,988	\$ 3,326,936	\$ 3,193,934	\$ 3,258,267
Tangible book value	\$ 73,239	\$ 76,655	\$ 107,764	\$ 238,615	\$ 240,073	\$ 263,367	\$ 297,989	\$ 322,174	\$ 290,309	\$ 293,041
Shares outstanding	9,543,057	11,660,098	18,183,867	32,353,019	32,424,261	32,445,179	32,894,185	33,022,742	33,174,924	33,174,924
Book value per share	\$ 7.96	\$ 7.94	\$ 8.27	\$ 9.33	\$ 9.44	\$ 10.10	\$ 10.96	\$ 11.60	\$ 10.53	\$ 10.61
Tangible book value per share	\$ 7.67	\$ 6.57	\$ 5.93	\$ 7.38	\$ 7.40	\$ 8.12	\$ 9.06	\$ 9.76	\$ 8.75	\$ 8.83

Grandpoint Capital, Inc. and Subsidiaries
Consolidated Income Statements
Dollars in \$1,000's

	Year Ended December 31,								Three Months Ended March 31,
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Interest Income	\$ 2,117	\$ 44,715	\$ 69,166	\$ 93,618	\$ 102,882	\$ 114,714	\$ 123,511	\$ 128,367	\$ 32,865
Interest Expense	204	4,174	4,109	4,248	4,826	5,883	8,256	12,242	3,861
Net Interest Income	1,913	40,541	65,057	89,370	98,056	108,831	115,255	116,125	29,004
Provision for Loan Losses	1,050	6,046	5,494	3,799	4,317	3,732	1,135	335	(5)
Noninterest Income	5,927	4,726	8,074	7,061	6,049	6,660	5,946	7,955	1,244
Noninterest Expense:									
Salaries and Benefits	6,898	22,343	34,891	44,292	40,270	38,719	40,462	47,406	11,322
Occupancy Expenses	1,021	3,102	4,591	5,380	5,569	5,186	5,405	5,439	1,352
Furniture and Equipment Expenses	883	2,077	2,991	3,352	3,610	3,288	3,283	3,435	921
Promotion Expenses	738	1,178	1,385	1,941	1,620	1,217	1,292	1,358	420
Data Processing Expenses	307	1,264	2,020	2,580	1,862	1,908	2,015	2,120	548
Professional Services	1,292	2,826	3,820	4,263	2,406	2,709	2,683	3,105	1,173
M&A, Conversion and Restructuring Costs	2,346	5,984	947	10,304	3,988	-	300	236	-
Office Supplies and Costs	293	787	1,284	1,481	1,755	1,422	1,358	1,390	348
Assessments and Insurance	215	1,428	1,880	2,195	2,377	2,464	2,388	1,859	508
Loan Expenses	-	-	1,785	1,703	3,108	1,849	1,499	1,227	363
Other Expenses	259	3,104	2,924	4,400	4,239	3,889	3,909	4,055	945
	14,252	44,093	58,518	81,891	70,804	62,651	64,594	71,630	17,900
Income before Income Taxes	(7,462)	(4,872)	9,119	10,741	28,984	49,108	55,472	52,115	12,353
Income Taxes	(374)	-	(6,316)	4,328	11,814	19,364	22,286	27,673	3,423
Net Income	(7,088)	(4,872)	15,435	6,413	\$ 17,170	\$ 29,744	\$ 33,186	\$ 24,442	\$ 8,930
EPS - basic	\$ (1.19)	\$ (0.35)	\$ 0.61	\$ 0.20	\$ 0.53	\$ 0.91	\$ 1.01	\$ 0.74	\$ 0.27
ROAA	-2.36%	-0.53%	0.96%	0.29%	0.70%	1.00%	1.03%	0.76%	1.13%
ROATE	-11.29%	-4.08%	6.82%	2.10%	5.24%	10.52%	10.71%	7.52%	12.51%
Efficiency Ratio	181.79%	97.41%	80.02%	84.92%	68.01%	54.25%	53.29%	57.73%	59.18%