



DIVISIONS OF GRANDPOINT BANK

Grandpoint Capital, Inc., Reports Second Quarter 2017 Earnings

Los Angeles, July 20, 2017 – 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 \$16.6 million and total assets of \$3.3 billion for the first half of 2017. In addition, the board of directors declared its seventh consecutive quarterly cash dividend. The quarterly cash dividend of \$0.15 per share will be payable on or about August 9, 2017, to shareholders of record as of July 31, 2017.

“We continued to experience steady growth during the second 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 1.03% and return on average tangible equity of 10.3% at the end of the second quarter. As we grow, we continue to manage our expenses carefully, as evidenced by our efficiency ratio of 54.2%. At June 30, 2017, we reported basic earnings per share of \$0.50, and we achieved tangible book value per share of \$10.04.”

At June 30, 2017, deposits totaled \$2.5 billion, with demand deposits of \$892.6 million. Total loans were \$2.4 billion and asset quality remained strong. “We continue to operate a very safe bank,” said Griffith, “by adhering to a prudent and disciplined risk strategy.” Grandpoint Bank’s capital ratios remain far in excess of the regulatory minimums with a Tier 1 Leverage Ratio of 10.3% and Total Risk-Based Capital Ratio of 12.6% at June 30, 2017.

In June 2017, Grandpoint Bank received a superior 5-star rating from independent rating and research firm BauerFinancial for the 16th consecutive quarter. The latest rating was based on March 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.

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,						June 30,	
	2010	2010	2011	2012	2013	2014	2015	2016	2017
Cash and due from banks	\$ 3,501	\$ 27,791	\$ 22,324	\$ 43,714	\$ 41,177	\$ 37,688	\$ 25,113	\$ 28,919	\$ 34,386
Interest-bearing deposits in banks	72,825	33,604	127,803	291,545	171,408	314,005	171,625	213,365	177,662
Cash and Cash Equivalents	76,326	61,395	150,127	335,259	212,585	351,693	196,738	242,284	212,048
Investment Securities	3,284	97,399	208,939	318,501	230,591	266,479	573,260	579,275	450,287
Loans:									
Construction	481	18,327	20,324	54,315	79,588	110,286	130,801	194,471	175,245
Single family residential	-	32,753	86,257	193,913	248,727	281,678	269,823	220,519	200,324
Multifamily loans	2,513	26,097	60,718	135,966	215,956	397,712	599,470	715,786	789,607
Commercial real estate	7,792	248,343	429,224	738,540	777,875	814,430	862,014	905,534	943,154
Commercial and industrial	2,005	83,847	136,492	295,199	371,341	375,607	412,051	322,419	326,764
Consumer	-	3,673	6,226	21,984	23,289	12,846	9,138	7,876	12,344
Total Loans	12,791	413,040	739,241	1,439,917	1,716,776	1,992,559	2,283,297	2,366,605	2,447,438
Deferred loan fees, costs and discounts	(137)	(13,861)	(15,580)	(25,373)	(18,410)	(4,543)	3,550	3,199	1,618
Allowance for loan losses	-	(1,050)	(5,722)	(8,867)	(12,087)	(14,018)	(17,245)	(18,552)	(18,455)
Net Loans	12,654	398,129	717,939	1,405,677	1,686,279	1,973,998	2,269,602	2,351,252	2,430,601
Goodwill	2,563	17,923	37,863	51,432	53,101	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	6,675
Deferred Tax Assets	-	4,056	12,011	30,997	30,981	30,206	24,749	23,818	3,287
Other assets	2,981	19,005	24,959	50,195	48,987	79,210	70,107	69,491	95,825
Total Assets	\$ 97,941	\$ 600,631	\$ 1,158,695	\$ 2,203,883	\$ 2,275,289	\$ 2,765,972	\$ 3,196,988	\$ 3,326,936	\$ 3,252,046
Deposits:									
Demand deposits	\$ 3,664	\$ 136,024	\$ 327,638	\$ 736,831	\$ 764,936	\$ 792,896	\$ 852,263	\$ 926,594	\$ 892,625
NOW accounts	547	22,651	57,302	88,994	132,743	136,003	139,660	148,071	163,764
Money market accounts	7,984	246,043	473,107	723,125	689,318	1,029,519	1,165,748	1,106,229	1,012,557
Savings accounts	1,353	4,703	9,403	20,587	36,914	35,505	39,979	47,426	46,480
Time deposits	5,618	78,353	112,407	298,226	313,788	411,908	348,068	347,775	355,192
Total Deposits	19,166	487,774	979,857	1,867,763	1,937,699	2,405,831	2,545,718	2,576,095	2,470,618
Other liabilities	2,840	10,400	14,084	18,596	15,496	27,233	10,594	12,696	9,439
Other Borrowings	-	-	3,000	10,500	11,000	-	275,000	350,000	375,000
Subordinated debenture payable	-	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	331
Additional Paid-In Capital	88,729	108,628	171,236	306,060	308,882	310,860	316,623	318,904	319,465
Unrealized gain (loss) on investment securities	23	(52)	150	1,410	(3,756)	(1,090)	(3,834)	(1,009)	(386)
Retained earnings (deficit)	(12,912)	(16,073)	(21,233)	(5,924)	489	17,659	47,403	64,765	72,424
Total Grandpoint Capital Shareholders' Equity	75,935	92,619	150,334	301,869	305,939	327,753	360,521	382,990	391,834
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	391,834
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	\$ 3,252,046
Tangible book value	\$ 73,239	\$ 76,655	\$ 107,764	\$ 238,615	\$ 240,073	\$ 263,367	\$ 297,989	\$ 322,174	\$ 331,836
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	33,055,742
Book value per share	\$ 7.96	\$ 7.94	\$ 8.27	\$ 9.33	\$ 9.44	\$ 10.10	\$ 10.96	\$ 11.60	\$ 11.85
Tangible book value per share	\$ 7.67	\$ 6.57	\$ 5.93	\$ 7.38	\$ 7.40	\$ 8.12	\$ 9.06	\$ 9.76	\$ 10.04

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

	Year Ended December 31,							Six Months
	2010	2011	2012	2013	2014	2015	2016	Ended June 30, 2017
Interest Income	\$ 2,117	\$ 44,715	\$ 69,166	\$ 93,618	\$ 102,882	\$ 114,714	\$ 123,511	\$ 63,287
Interest Expense	204	4,174	4,109	4,248	4,826	5,883	8,256	5,764
Net Interest Income	1,913	40,541	65,057	89,370	98,056	108,831	115,255	57,523
Provision for Loan Losses	1,050	6,046	5,494	3,799	4,317	3,732	1,135	242
Noninterest Income	5,927	4,726	8,074	7,061	6,049	6,660	5,946	3,955
Noninterest Expense:								
Salaries and Benefits	6,898	22,343	34,891	44,292	40,270	38,719	40,462	21,497
Occupancy Expenses	1,021	3,102	4,591	5,380	5,569	5,186	5,405	2,670
Furniture and Equipment Expenses	883	2,077	2,991	3,352	3,610	3,288	3,283	1,722
Promotion Expenses	738	1,178	1,385	1,941	1,620	1,217	1,292	729
Data Processing Expenses	307	1,264	2,020	2,580	1,862	1,908	2,015	1,047
Professional Services	1,292	2,826	3,820	4,263	2,406	2,709	2,683	1,312
M&A, Conversion and Restructuring Costs	2,346	5,984	947	10,304	3,988	-	300	162
Office Supplies and Costs	293	787	1,284	1,481	1,755	1,422	1,358	672
Assessments and Insurance	215	1,428	1,880	2,195	2,377	2,464	2,388	995
Loan Expenses	-	-	1,785	1,703	3,108	1,849	1,499	701
Other Expenses	259	3,104	2,924	4,400	4,239	3,889	3,909	1,815
	14,252	44,093	58,518	81,891	70,804	62,651	64,594	33,322
Income before Income Taxes	(7,462)	(4,872)	9,119	10,741	28,984	49,108	55,472	27,914
Income Taxes	(374)	-	(6,316)	4,328	11,814	19,364	22,286	11,338
Net Income	(7,088)	(4,872)	15,435	6,413	\$ 17,170	\$ 29,744	\$ 33,186	\$ 16,576
EPS - basic	\$ (1.19)	\$ (0.35)	\$ 0.61	\$ 0.20	\$ 0.53	\$ 0.91	\$ 1.01	\$ 0.50
ROAA	-2.36%	-0.53%	0.96%	0.29%	0.70%	1.00%	1.03%	1.03%
ROATE	-11.29%	-4.08%	6.82%	2.10%	5.24%	10.52%	10.71%	10.26%
Efficiency Ratio	181.79%	97.41%	80.02%	84.92%	68.01%	54.25%	53.29%	54.20%