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ARIZONA

DIVISIONS OF GRANDPOINT BANK

Grandpoint Capital, Inc., Reports Year-End 2017 Earnings

Los Angeles, January 25, 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 \$24.4 million for the year ended December 31, 2017. Total assets at December 31, 2017, were \$3.2 billion. In addition, the board of directors declared its ninth consecutive quarterly cash dividend. The cash dividend of \$0.15 per share will be payable on or about February 14, 2018, to shareholders of record as of January 31, 2018.

“We had a strong year in 2017 as we continued to build our business at a sustainable, measured pace,” said Don M. Griffith, Chairman and CEO of Grandpoint Capital, Inc., and Grandpoint Bank. “We saw substantial growth in our core deposits, which speaks to the strength of our long-standing client relationships, and we continued to operate a very safe bank, building our balance sheet with quality assets.

“During the fourth quarter 2017, we had several nonrecurring items that reduced our tangible book value, capital ratios and earnings,” said Griffith. “In November, we declared a one-time special dividend of \$1.25 per share, and in December, we had to charge off \$6.6 million of our deferred tax assets to reflect the reduction in federal income tax rates on corporations. In spite of these major adjustments, we still achieved a return on average assets of 0.76% and a return on average tangible equity of 7.52%, and we reported basic earnings per share of \$0.74 and tangible book value per share of \$8.75.” The lower federal tax rate will increase earnings by almost 20% in 2018 and beyond.

At December 31, 2017, deposits totaled \$2.4 billion of which 46% is comprised of non-interest-bearing deposits. During 2017, we focused on developing a more liquid and stable deposit base by replacing non-core high-cost money market accounts with core business demand deposit 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 9.18% and Total Risk-Based Capital Ratio of 11.30% at December 31, 2017.

In December 2017, Grandpoint Bank received a superior 5-star rating from independent rating and research firm BauerFinancial for the eighteenth consecutive quarter. The latest rating was based on September 30, 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,							
	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	\$ 32,238
Interest-bearing deposits in banks	72,825	33,604	127,803	291,545	171,408	314,005	171,625	213,365	151,556
Cash and Cash Equivalents	76,326	61,395	150,127	335,259	212,585	351,693	196,738	242,284	183,794
Investment Securities	3,284	97,399	208,939	318,501	230,591	266,479	573,260	579,275	502,615
Loans:									
Construction	481	18,327	20,324	54,315	79,588	110,286	130,801	194,471	137,165
Single family residential	-	32,753	86,257	193,913	248,727	281,678	269,823	220,519	171,360
Multifamily loans	2,513	26,097	60,718	135,966	215,956	397,712	599,470	715,786	719,698
Commercial real estate	7,792	248,343	429,224	738,540	777,875	814,430	862,014	905,534	946,072
Commercial and industrial	2,005	83,847	136,492	295,199	371,341	375,607	412,051	322,419	345,475
Consumer	-	3,673	6,226	21,984	23,289	12,846	9,138	7,876	43,712
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
Deferred loan fees, costs and discounts	(137)	(13,861)	(15,580)	(25,373)	(18,410)	(4,543)	3,550	3,199	65
Allowance for loan losses	-	(1,050)	(5,722)	(8,867)	(12,087)	(14,018)	(17,245)	(18,552)	(18,939)
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
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	11,063	11,063	9,209	7,493	5,865
Deferred Tax Assets	-	4,056	12,011	30,997	30,981	30,206	24,749	23,818	15,686
Other assets	2,981	19,005	24,959	50,195	48,987	79,210	70,107	69,491	88,043
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
Deposits:									
Demand deposits	\$ 3,664	\$ 136,024	\$ 327,638	\$ 736,831	\$ 764,936	\$ 792,896	\$ 852,263	\$ 926,594	\$ 1,090,900
NOW accounts	547	22,651	57,302	88,994	132,743	136,003	139,660	148,071	145,591
Money market accounts	7,984	246,043	473,107	723,125	689,318	1,029,519	1,165,748	1,106,229	843,920
Savings accounts	1,353	4,703	9,403	20,587	36,914	35,505	39,979	47,426	44,837
Time deposits	5,618	78,353	112,407	298,226	313,788	411,908	348,068	347,775	251,681
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
Other liabilities	2,840	10,400	14,084	18,596	15,496	27,233	10,594	12,696	12,353
Other Borrowings	-	-	3,000	10,500	11,000	-	275,000	350,000	450,000
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	332
Additional Paid-In Capital	88,729	108,628	171,236	306,060	308,882	310,860	316,623	318,904	320,935
Unrealized gain (loss) on investment securities	23	(52)	150	1,410	(3,756)	(1,090)	(3,834)	(1,009)	(646)
Retained earnings (deficit)	(12,912)	(16,073)	(21,233)	(5,924)	489	17,659	47,403	64,765	28,876
Total Grandpoint Capital Shareholders' Equity	75,935	92,619	150,334	301,869	305,939	327,753	360,521	382,990	349,497
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
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
Tangible book value	\$ 73,239	\$ 76,655	\$ 107,764	\$ 238,615	\$ 240,073	\$ 263,367	\$ 297,989	\$ 322,174	\$ 290,309
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
Book value per share	\$ 7.96	\$ 7.94	\$ 8.27	\$ 9.33	\$ 9.44	\$ 10.10	\$ 10.96	\$ 11.60	\$ 10.53
Tangible book value per share	\$ 7.67	\$ 6.57	\$ 5.93	\$ 7.38	\$ 7.40	\$ 8.12	\$ 9.06	\$ 9.76	\$ 8.75

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

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