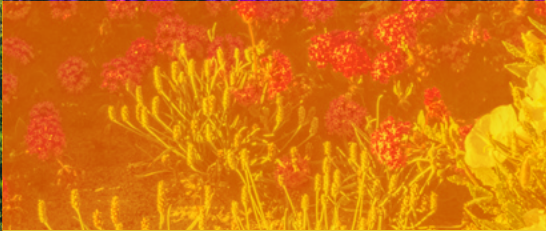
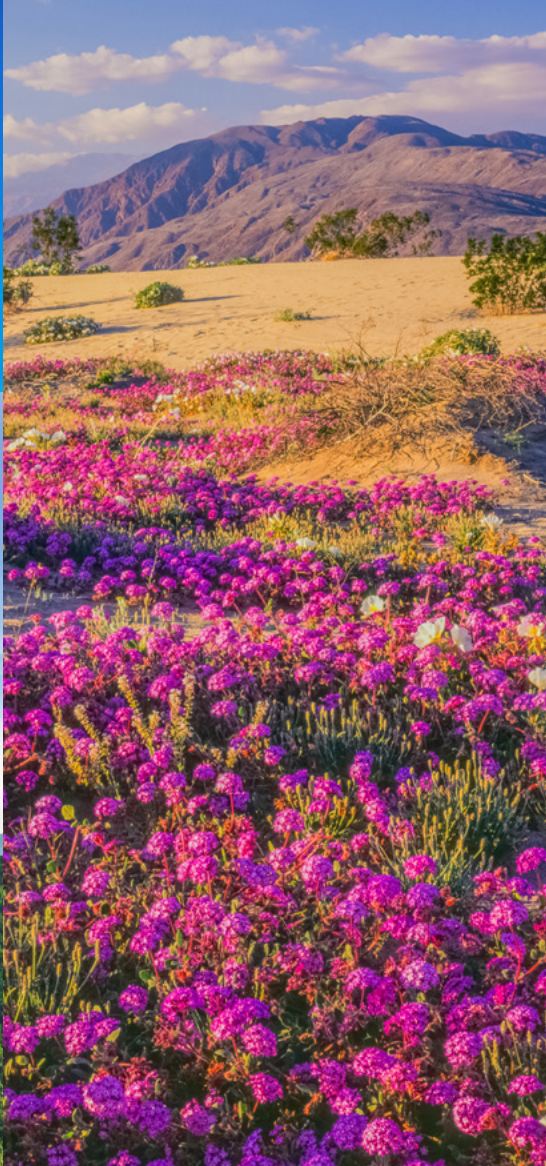


**CORPORATE  
SOCIAL  
RESPONSIBILITY**



**BANC OF  
CALIFORNIA**

**BANC OF CALIFORNIA**



# A LETTER FROM JARED WOLFF

PRESIDENT & CEO, BANC OF CALIFORNIA

When I became CEO of Banc of California in 2019, we established two overarching strategic priorities: 1) transform the Company into a relationship-focused business bank; and 2) consistently demonstrate a commitment to serving and delivering value to all of our stakeholders—employees, clients, stockholders, and the communities where we live and work.



We firmly believe that corporate social responsibility is a core value in building a sustainable franchise over the long term.

**Over the last few years, we have built a foundation and cultivated a culture that:**

|   |   |
|---|---|
| <b>Embraces diversity and inclusiveness and provides a supportive workplace environment for our employees</b> | <b>Strives for excellence in serving our clients and building enduring relationships</b>        |
| <b>Values service to others and giving back to the communities in which we live and work</b>                  | <b>Promotes transparency, sound corporate governance and doing the right thing at all times</b> |

Through our Corporate Social Responsibility Report, we are pleased to provide all of our stakeholders with a deeper understanding of our commitment to these core values and the Banc of California (the Company or the Bank) difference.

## OUR COMMITMENT TO OUR EMPLOYEES

We strive to hire and develop talent that reflects the diversity of the communities we serve. Our employees are provided opportunities to succeed with mentorship and training programs that align with the Bank’s business goals. Over the course of the year, we launched a new Talent Acquisition and Performance Management system to develop an even higher-performing and inclusive workforce. In addition, we formed a special taskforce to identify processes and obstacles that can be streamlined to improve our internal operations and client service. We believe that incorporating insights from our employees and allowing them to play a key role in identifying problems and proposing solutions is essential to creating an inclusive and high-performing environment where all employees can feel vested in the process and outcome.

We are also committed to the physical and mental well-being of our employees. In partnership with our benefits provider, we created a Wellness Program that provides virtual educational and wellness courses to our employees, including fitness classes, monthly meditation sessions, emotional and mental health education, cooking and diet seminars and other topics that promote healthy living. In 2021, we hosted over 60 Health & Wellness webinars with nearly 2,200 participants.

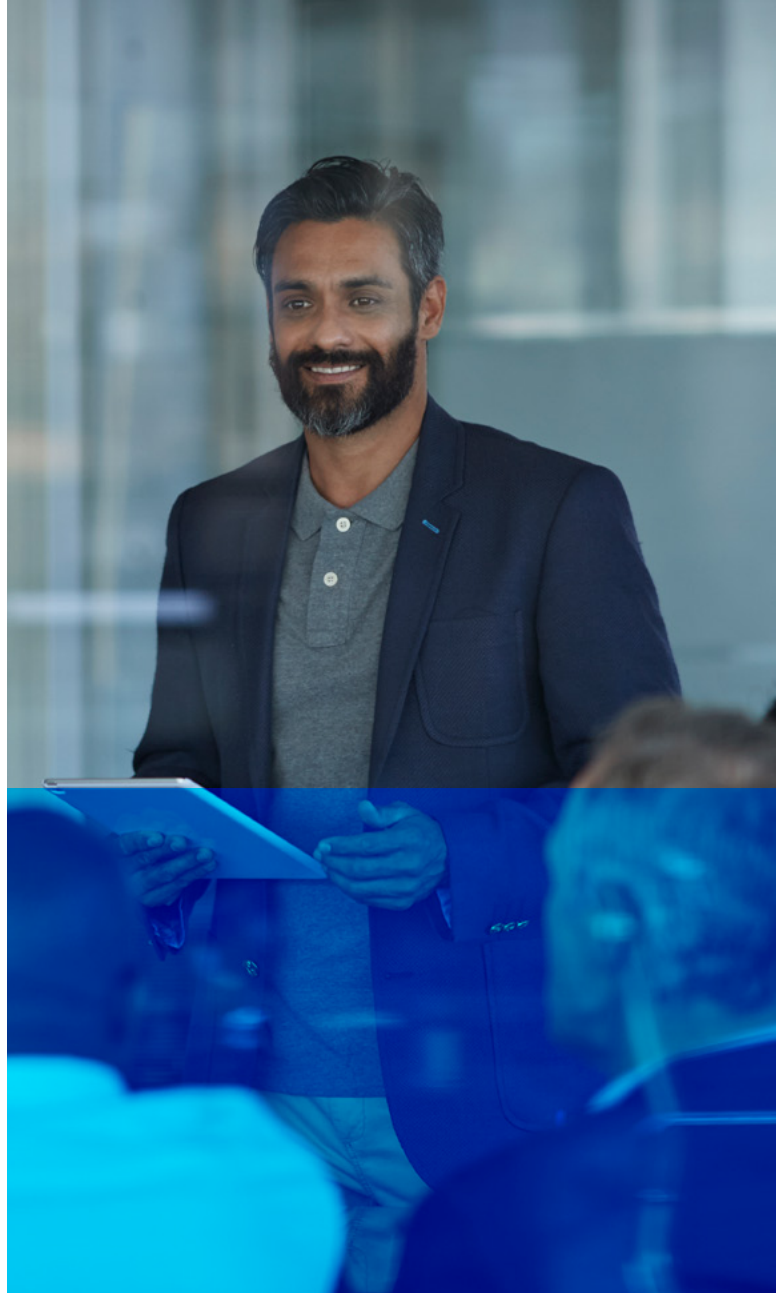
The Inclusion, Diversity, Engagement and Awareness (IDEA) Committee we formed in 2020 has made great strides in bringing together voices and ideas throughout the Bank to help facilitate and ensure a culture of openness and inclusion, including monthly employee spotlights, a mentorship program and the addition of a floating paid cultural holiday.

We are very proud of our employees and their accomplishments. The reputation we have built as a company that values its employees and provides them with opportunities to advance their careers in a supportive workplace environment has enabled Banc of California to become a talent magnet in our markets with highly accomplished banking professionals consistently choosing to join our team in all areas of the organization.

### **OUR COMMITMENT TO OUR CLIENTS**

Our strength and stability, along with the commitment to building deep relationships with our clients and always acting in their best interest, are what make Banc of California the leading relationship-focused business bank in California. We pride ourselves on providing an exceptional client experience with our client-centric approach and holding our employees to the highest standards of integrity and ethical behavior. This has enabled us to become a trusted partner to our clients, who continually come back to Banc of California when they have additional business opportunities and financial needs.

We continually invest in our technology platform to provide our clients with a superior level of service, online access, as well as cybersecurity and fraud prevention tools. Our Treasury Management services include advanced protection programs to help our clients prevent payment fraud, which has become increasingly sophisticated. Our ACH Positive Pay, ACH Block and Check Positive Pay programs specifically enhance protection for payables and receivables transactions, while our enhanced multilayer security system helps protect our clients when accessing our online banking platforms. As data theft and fraud threats continuously evolve, we are committed to protecting our clients and providing them with the highest level of security for their data and payment processes.



### **OUR COMMITMENT TO OUR COMMUNITIES**

As a commercial bank that serves the needs of small and medium-size businesses, we are proud to support the engine that drives our local, regional and national economy forward. Small businesses are the fabric of our community. They employ people, support local organizations and provide opportunities for individuals and families to fulfill their dreams. Our ability to make a positive impact in the community by supporting our clients and the jobs they create is a gratifying mission.

With our 2021 acquisition of Pacific Mercantile Bancorp, we announced a five-year, \$1.4 billion Community Benefits Plan that began in 2022 focusing on community development lending and investments, supporting nonprofit organizations and increasing financial resources to low- and moderate-income people and communities throughout California.



Our passion for serving our communities extends to many initiatives and organizations that we support that are dedicated to important issues such as affordable housing, homelessness, financial literacy, workforce development, and helping small businesses and organizations led by women or people of color, to name a few.

Recently, Banc of California was recognized by National Philanthropy Day of Orange County for our commitment to improving our local communities. We are grateful to be working with many amazing organizations, partners and individuals to support their missions through our Banc of California Charitable Foundation (BANC Foundation) and making a positive impact in the communities we serve. We are also extremely proud of our employees for their tireless commitment and for volunteering their time and expertise to support these organizations and help fellow Californians who are in need of assistance.

#### **OUR COMMITMENT TO OUR STOCKHOLDERS**

We are guided by our core values of honesty and ethics that reinforce our culture of always striving to do the right thing. We are committed to sound and effective corporate governance practices that promote transparency and accountability and are intended to build value for the Company's stockholders. The key components of our corporate governance framework are included within our Corporate Governance Guidelines, Code of Business Conduct and Ethics and Related Party Transaction and Insider Trading policies. In addition, all of our directors stand for election on an annual basis and are subject to our stock ownership guidelines that serve to align the interests of directors with those of the Company's stockholders. We firmly believe that creating value for our stockholders starts with responsible governance and a culture that promotes ethical principles and practices at all levels of the organization.

As always, we remain committed to creating long-term, sustainable franchise value for our stockholders while making a positive impact in our communities. We seek to constantly improve all areas of our organization by listening to our stakeholders and taking action to make a difference in meaningful ways. By maintaining a corporate culture based on the core values of service, inclusiveness, integrity, accountability and performance, we believe Banc of California will continue to be a source of strength for our colleagues, our clients and our communities.

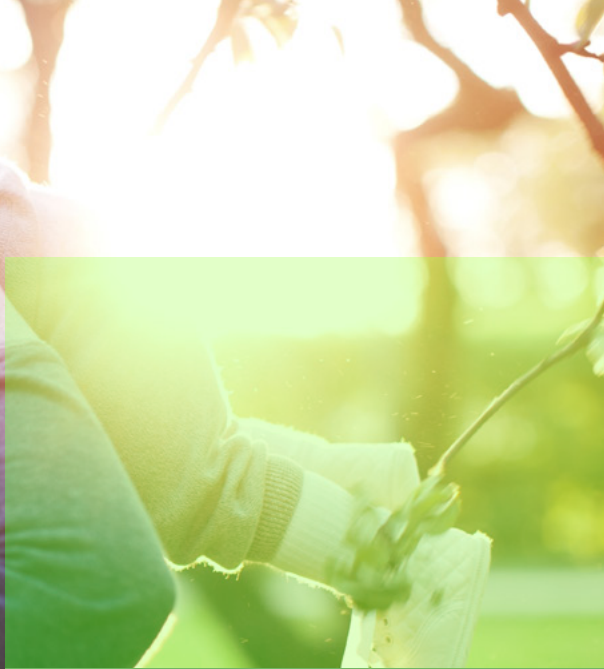
#TogetherWeWin

Sincerely,



**Jared Wolff**  
President & CEO  
Banc of California





**TABLE OF CONTENTS**

**GOVERNANCE & RESPONSIBLE BUSINESS PRACTICES ..... 5**

Environmental, Social & Governance (ESG) Oversight..... 5

Board Diversity & Independence ..... 7

Business Ethics & Compliance ..... 8

Risk Management & Business Continuity..... 9

Data Security & Customer Privacy ..... 13

Supply Chain Management ..... 14

Government Affairs & Community Advocacy..... 14

Incorporation of ESG Factors Within Credit Analysis..... 14

**OUR TEAM MEMBERS ..... 15**

Employee Engagement & Development ..... 15

Employee Health, Safety & Wellness..... 16

Diversity, Equity & Inclusion ..... 16

**OUR SOCIAL RESPONSIBILITY ..... 17**

Small Business, Access & Community Development ..... 19

Community Benefits..... 20

Philanthropy & Volunteerism..... 23

**ENVIRONMENTAL STEWARDSHIP ..... 25**

Environmental Management..... 25

**SUSTAINABILITY ACCOUNTING STANDARDS BOARD ..... 27**

**UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ..... 28**



# OUR COMMITMENT

Banc of California's (the Company or the Bank) dedicated professionals provide innovative banking and lending solutions to businesses, entrepreneurs and growing businesses with customized solutions and sound advice.

We help improve the communities where we live and work by supporting organizations that provide financial literacy and job training, small business support and affordable housing. With a commitment to service and to building enduring relationships, we provide a higher standard of banking and promote greater opportunities for more Californians.



We believe that governance and responsible business practices strengthen our long-term success through our commitment to ethics, integrity and accountability. We shape these core values into action through our policies and procedures.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) OVERSIGHT

Banc of California is engaged in a range of ESG initiatives and programs designed to strengthen our financial sustainability, drive better business performance and create long-term value for our stockholders. As an overseer of risk and a steward of long-term stockholder value, Banc of California's Board of Directors (Board) has the ultimate responsibility to oversee ESG-related risks and opportunities that impact our business.

The Compensation, Nominating and Corporate Governance (CNG) Committee provides primary oversight of our ESG initiatives and programs. Our executive team is accountable for overall ESG

management and strategic performance across our business. In Fall 2020, we launched an ESG Working Group comprised of leaders representing a broad cross-section of our business, including enterprise risk, finance, legal, credit, human resources, community reinvestment, marketing, facilities and information security teams. This cross-functional group, led by our Legal Department, reports to the CNG Committee and is responsible for our overall ESG program's strategic development and implementation. Our ESG Working Group meets at least quarterly, and through our General Counsel, provides periodic updates to our CNG Committee.

## ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) OVERSIGHT

(continued)

To oversee ESG matters across the Company, the Board works closely with each Board committee, the executive team and various management committees with dedicated ESG-related functions associated with their respective areas of responsibility below:



### CNG COMMITTEE

Oversees executive compensation programs and policies, including oversight of our ESG program and our human capital management, including corporate culture, diversity initiatives and talent management.

**ESG Working Group:** Develops and drives the implementation of ESG initiatives to advance sustainability strategies across our business operations.

**IDEA Committee:** Aims to ensure our workforce represents the diversity of the communities we serve and fosters a culture of Inclusion, Diversity, Engagement and Awareness for team members and clients across our business operations.

### AUDIT COMMITTEE

Oversees and monitors internal controls around the accounting and financial reporting process of the Company, the audits of the Company's financial statements and the effectiveness of corporate governance, including business ethics, the Code of Business Conduct and Ethics and the Whistleblower Policy.

### ENTERPRISE RISK COMMITTEE (RISK COMMITTEE)

Oversees risk management activities, including Enterprise Risk Management framework and associated policies and practices associated with our key ESG-related risks, including systemic risk, business continuity, information security and data management and privacy.

**CRA Program:** Reviews the current Community Reinvestment Act (CRA) investment, lending and service goals and performance, and oversees community development and engagement opportunities.

**Enterprise Risk Management Committee:** Oversees management's framework to assess, monitor and mitigate risks associated with our business strategy.

### ASSET AND LIABILITY COMMITTEE (ALCO)

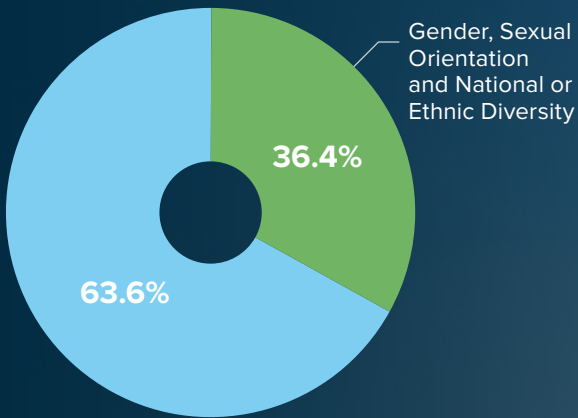
Assists the Board in their monitoring and oversight of asset and liability strategies, liquidity and capital management to maintain compliance with applicable regulatory requirements, as well as manage financial sustainability factors and appropriate balance sheet and earnings risk management.



## BOARD DIVERSITY & INDEPENDENCE

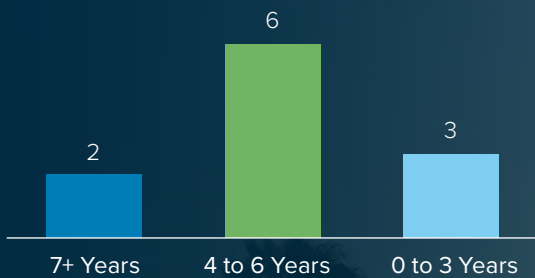
Our Board is composed of directors who actively contribute to the evolving needs of the Company with a diversity of perspectives, while maintaining the invaluable institutional knowledge brought by more tenured directors. The charts below illustrate the composition of our Board following the Annual Meeting of Stockholders, assuming the reelection of all of our director nominees.

### DIVERSITY



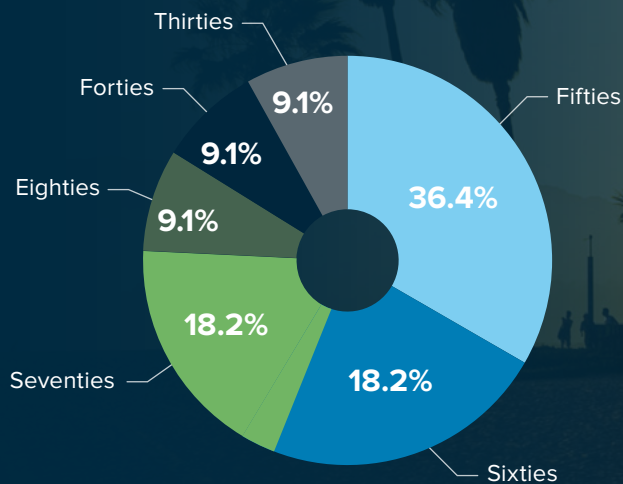
**10** OUT OF **11**

Directors Are Independent



**4.4** YEARS

Average Director Tenure



### AGE DISTRIBUTION

**60** YEARS OLD

Average Age of Directors



## **BUSINESS ETHICS & COMPLIANCE**

We are guided by our core values of honesty and ethics that reinforce our culture of always striving to do the right thing.

We are committed to sound and effective corporate governance practices that promote transparency and accountability and are intended to build value for the Company's stockholders. Our strength and stability, along with the commitment to building deep relationships with our clients and always acting in their best interest, are what make Banc of California the leading relationship-focused business bank in California.

### **Code of Conduct**

We have adopted a Code of Business Conduct and Ethics (Ethics Code) that applies to all directors and employees of the Company. The Ethics Code requires that all employees and directors adhere to high ethical standards and is reviewed by the Board on a regular basis.

#### **The Code addresses:**

- Protection of Company and Customer Information
- Corporate Opportunities
- Conflicts of Interest
- Compliance with Laws, Rules and Regulations
- Outside Activities
- Gifts and Fees
- Personal Conduct
- Integrity of Reports

Every employee certifies that they have read, understand and agree to comply with the Ethics Code.

---

### **Whistleblower Policy**

Our Whistleblower Policy affirms our commitment to being proactive in detecting and preventing violations of law, regulations and policies and procedures, including but not limited to the principles in our Ethics Code. Our EthicsPoint Hotline is accessible via the intranet or telephone if employees want to make reports anonymously and/or confidentially. We will not take retaliatory action against any employee who has, in good faith, reported an alleged violation or other improper action.

For more information, please review our [Code of Business Conduct and Ethics Policy](#) and [Whistleblower Policy](#).

# Good stewardship makes everything else possible.

The Board, as a whole and through its standing committees, oversees the risk profile of the Company and its subsidiaries and management's process for assessing and managing risks.

The ALCO Committee, CNG Committee, Audit Committee, Risk Committee and the full Board routinely receive reports from executive management and employees who oversee day-to-day risk management duties on the most critical strategic issues and risks facing the Company.

The Board and each of the committees also receive reports from the Company's Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Credit Officer, Chief Compliance Officer, General Counsel, Chief Information Security Officer, Chief Internal Audit Officer, Chief Human Resources Officer, other officers of the Bank, the Company's independent auditors and third-party advisors regarding compliance with applicable laws and regulations, risk-related policies, procedures and limits to evaluate the effectiveness of the Company's risk controls.

For more information, please review the current [proxy statement](#).



### Enterprise Risk Management

Our Enterprise Risk Management Program is more than simply a collection of policies, procedures, limits and models. We believe that effective enterprise risk management requires a strong risk culture and risk governance.

Risk culture is the system of values and behaviors within the organization that shape the day-to-day decisions we all make. Developing a sound risk culture is a continuous process and is consistent with, and builds upon, our core values, leadership competencies and our Ethics Code, which are based on a common understanding that managing risk is everyone's responsibility. It creates an environment that encourages the open exchange of ideas and a willingness to elevate concerns and commitment to "doing the right thing."

A sound risk culture establishes an environment that is conducive to ensuring that emerging risks with potentially material impacts on the Bank and any risk-taking activities beyond the Bank's risk appetite are recognized, escalated and addressed in a timely manner.



## Enterprise Risk Management (continued)

# Critical to our enterprise risk management governance approach is a Risk Appetite Framework.

The Bank's Risk Appetite Framework has been designed to document and support prudent and measured risk-taking across the Bank, including a risk appetite statement, qualitative risk statements for each risk category, quantitative metrics supporting each risk category and a defined governance process for monitoring and reporting.

### Risk Categories include:

- Strategic
- Earnings
- Capital
- Liquidity
- Market (interest rate)
- Credit and Credit Concentrations
- Operational
- Compliance
- BSA/AML
- Reputation

In addition, to maintain adequate levels of capital, we continuously assess projected sources and uses of capital to support projected asset growth, operating needs and credit risk. We consider, among other things, earnings generated from operations and access to capital from financial markets. We perform capital stress tests annually to assess the impact of adverse changes in the economy on our capital base.

For more information, please review our [2021 Annual Report on Form 10-K](#).

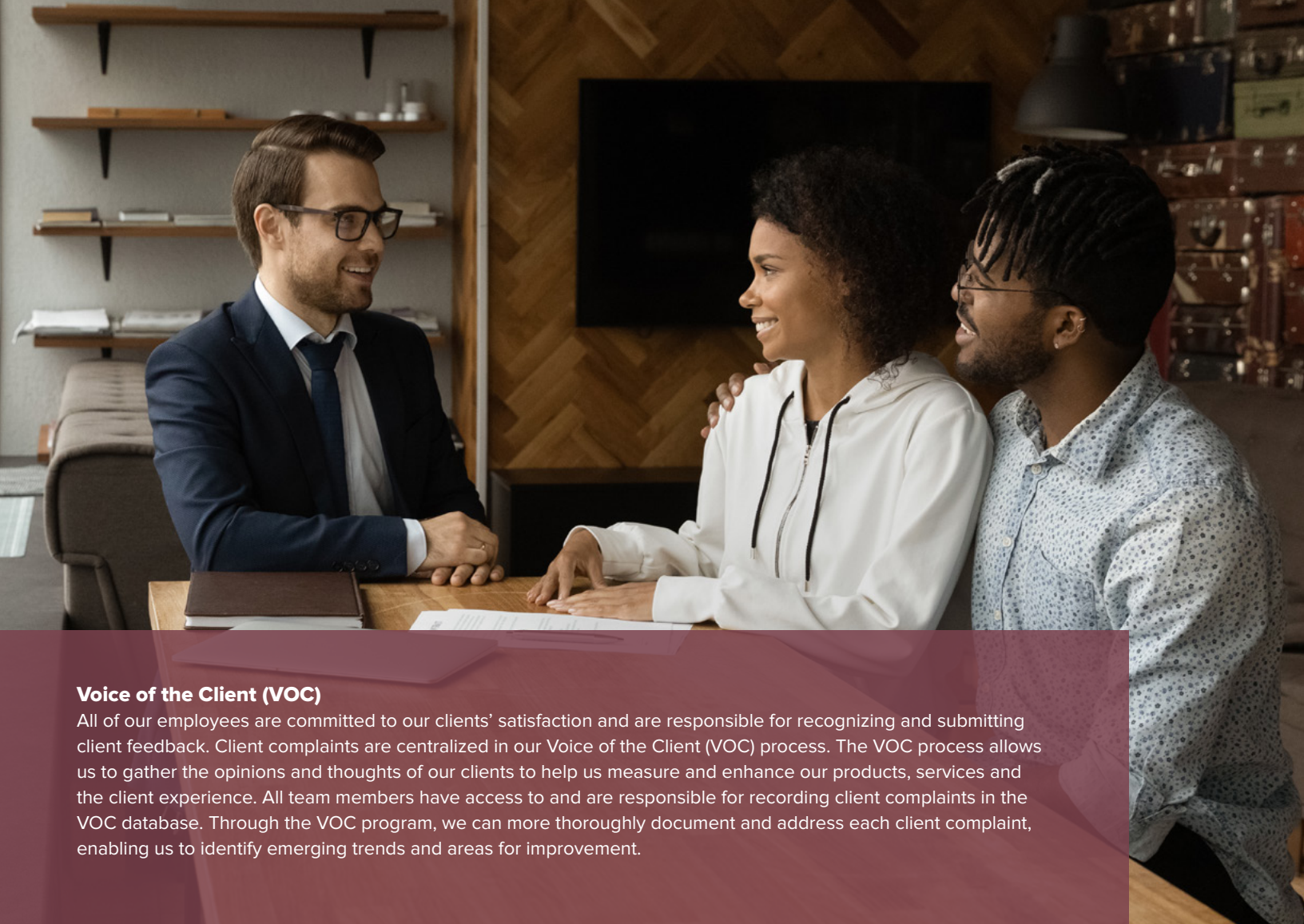
## Fair and Responsible Banking

To ensure a responsible, clear and inclusive approach, we have embedded our strong governance routines into our product development and marketing processes.

This includes providing accurate, complete, clear and transparent communications with our clients during everyday business.

Our New Products Working Group is responsible for ensuring that a full and robust review/assessment of all internal controls has occurred before any new product or service is launched or before any material changes occur in existing products. The group includes representation from operations, information technology, finance, legal, risk/compliance and credit (as needed).





### Voice of the Client (VOC)

All of our employees are committed to our clients' satisfaction and are responsible for recognizing and submitting client feedback. Client complaints are centralized in our Voice of the Client (VOC) process. The VOC process allows us to gather the opinions and thoughts of our clients to help us measure and enhance our products, services and the client experience. All team members have access to and are responsible for recording client complaints in the VOC database. Through the VOC program, we can more thoroughly document and address each client complaint, enabling us to identify emerging trends and areas for improvement.

### Compliance Training

Our compliance management system policy program establishes that compliance with all applicable state and federal statutes, regulations and supervisory guidance is the responsibility of every director, officer, employee and agent of the Bank. Our compliance training program encompasses three focal areas:

- 1. Online training of the regulations that are essential for Bank personnel's job functions
- 2. Targeted risk-based role-specific training for Bank personnel
- 3. Ongoing compliance and job training

All new hires receive, review and acknowledge our Company Policies and Employee Guide, which covers our Labor Policies, including Working Hours, Meal and Rest Period Requirements, Paid Overtime, Minimum Wage Compensation, Anti-Discrimination, Harassment and Retaliation, Freedom of Association, Grievance Procedures and Health & Safety policies.

In addition, new hires also receive and acknowledge our Information Security Policy, Ethics Code and the Outside Business Activities Policy.

Ensuring our employees have the proper compliance training is of the utmost importance. Within the first 30 days of employment and periodically throughout the year, all employees complete mandatory compliance training, which includes the following topics:

- Bank Secrecy Act and Anti-Money Laundering (BSA/AML): Essentials
- Business Continuity Planning
- California Consumer Privacy Act
- Frontline: Identity Theft and Elder Abuse
- Identity Theft Prevention: Safeguarding Information
- Office of Foreign Asset Controls: Addressing Risks and Red Flags
- Preventing Elder Financial Abuse
- Sexual Harassment Training and Anti-Bullying Training for Supervisors (biannual)



## Business Continuity

We maintain a comprehensive Business Continuity Management program designed to protect the Bank, employees and clients from the impacts of crises, emergencies and operational disruptions.

### Our Business Continuity Program is built on three main capabilities:

**Crisis Management** – providing Executive and Departmental Leadership with guidance on how to identify, respond to, escalate, communicate and contain the impacts of crises and emerging crises with the potential to impact the safety and well-being of employees and/or cause harm to the Bank.



**Business Continuity Planning** – planning that is designed to focus on tactical decision-making during an operational disruption or crisis, while the Crisis Management Plan focuses on strategic decision-making at the executive level.



**Disaster Recovery Planning** – plans that complement our business continuity plans by including steps to recover business-critical applications and infrastructure components.





## DATA SECURITY & CUSTOMER PRIVACY

Protecting and educating our clients and employees about cybersecurity is a constant focus at the Bank.

Through our client-focus and operational risk management efforts, we spend a significant amount of time promoting risk-mitigating best practices to our clients as well as training our employees to detect fraud and risk situations.

The Board maintains oversight of our security program through its Risk Committee, which oversees our information technology management program and reviews risks related to information security and cybersecurity as well as the steps taken by management to control such risks.

The Risk Committee oversees and reviews quarterly reports on significant matters of corporate security, including cybersecurity, data privacy and vulnerability management. Specifically, this includes testing and training to guard against phishing and other potential cyber breaches. The Company also maintains specific cyber insurance through its corporate insurance program, the adequacy of which is subject to review and oversight by the Board. We maintain a formal information security management program under the direction of our Chief Information Security Officer.

Given the nature of the Bank's operations and businesses, including our reliance on relationships with various third-party providers, cybersecurity is an enterprise-wide risk that is subject to control and monitoring at various levels of management throughout the Bank.

We continuously improve our cybersecurity and business resilience capabilities and have controls in place to help safeguard our clients' information and privacy. Our Privacy Policy provides our clients with contact information to have their information reviewed, modified or deleted. We continually seek to enhance our layers of defense as cyber threats evolve. We work with law enforcement, regulatory agencies, industry experts and trade organizations to prepare for emerging threats and conduct full-scale exercises to test our capabilities to detect, respond to and recover from security events. In 2021, we enhanced our security program by conducting a cybersecurity breach and ransomware simulation for our executive team.

We recently enhanced our data loss prevention program to provide additional protection against unauthorized use of customer information. Our vulnerability management program was upgraded to reduce the number and duration of cybersecurity vulnerabilities on systems in the Bank's network. In addition, we deployed new networking technology to provide on-premises security controls (e.g., always-on VPN) to devices operating off-premises and multifactor authentication across all Bank-hosted services exposed to the internet.

All of our employees serve as a critical first line of defense against cyber threats. Every employee receives and acknowledges our Written Information Security Program and Policy, which contains important information related to ensuring the confidentiality, integrity and availability of the Bank's systems and information. In addition, employees are required to successfully complete an annual training program that includes coverage of cybersecurity, physical security of information, fraud, anti-money laundering and customer identification. This training program helps ensure that our employees are well informed and prepared to safeguard customer information.

For more information, please review our [Joint Enterprise Risk Committee Charter](#) and [Privacy Policy](#).

## SUPPLY CHAIN MANAGEMENT

Our suppliers must abide by our Third-Party Provider Code of Conduct and Supplier Onsite Protocols.

The Bank is committed to sourcing products and services from third-party providers who respect human rights and have responsible policies and practices. Our Third-Party Provider Code of Conduct sets out the minimum principles we expect our suppliers to follow while providing products or services to Banc of California.

Suppliers are further required to comply with all applicable laws and regulations concerning data security as well as anti-discrimination and equal employment opportunity in hiring and employment practices. In addition, we require vendors to comply with our on-site protocols, which follow the Centers for Disease Control and Prevention, state and local guidance for reducing the spread of infectious diseases.

## GOVERNMENT AFFAIRS & COMMUNITY ADVOCACY

True business leadership extends beyond the business. Many of our executives and leaders serve on the boards of nonprofit organizations and industry associations that help shape the direction of the banking industry or promote the interest of social initiatives that impact our communities. These include organizations focused on alleviating hunger, reducing homelessness, providing financial and legal services to individuals in need and other missions. In addition, the Bank and the BANC Foundation support many organizations by donating, lending and—through our employees—volunteering.

## INCORPORATION OF ESG FACTORS WITHIN CREDIT ANALYSIS

We aim to manage the risks within our business by incorporating ESG considerations, including climate-related risks, into our processes for managing and governing risk across our financial services and investments. For example, as part of our normal-course due diligence, our credit team reviews wildfire and flood zone reports and continues to develop ongoing climate-related risk analysis for environmental events throughout its credit and underwriting processes. The credit team reports its credit risk analysis across our loan portfolio at least quarterly to the management and Risk Committees.

For more information, please review our [2021 Annual Report on Form 10-K](#).





# TOGETHER WE CAN BENEFIT FROM DIVERSE PERSPECTIVES



We believe that our employees are vital to our success. Because we are a relationship-focused business bank, the long-term success of Banc of California is tied to our people.

## EMPLOYEE ENGAGEMENT & DEVELOPMENT

Our human capital strategy empowers people to build a high-performing culture. Among our core business objectives are talent development and creating an environment where everyone has an opportunity to succeed. We're focused on recruiting and retaining talent, encouraging internal mobility, promoting inclusion and diversity, recognizing and rewarding performance and supporting the health and wellness of our team members. We have conducted Company-wide employee engagement surveys to solicit feedback from our employees to help us understand what we are doing well and what we can be doing better. These opportunities have made Banc of California a talent magnet with a deep bench of professionals to support our growth.

Our employees represent the diverse communities in which we live and work; we believe that a broad range of viewpoints and perspectives helps inform and improve our strategic decision-making.

We provide our team members with:

A pay-for-performance compensation philosophy, rewarding high achievement

Enhanced training centered on building strong relationships and always striving to be client focused

More than 700 training resources online to foster personal and professional development

Technology they can leverage to drive efficiency and cultivate continuous process improvement

More than 70 interactive training workshops with nearly 3,000 participants

Career development resources, including Individual Development Plans, a mentor program and tuition reimbursement

## EMPLOYEE HEALTH, SAFETY & WELLNESS

The well-being of our people is vital to the well-being of our business. We launched important new health and wellness initiatives:

- Prioritized our employees' health and wellness by hosting more than 60 **Wellness Together** sessions
- Prioritized the health and wellness of our employees by supporting them during the COVID-19 pandemic with hybrid work schedules, training and resources to guide their health decisions

**In 2021, Banc of California was recognized by our health insurance provider as a Health and Well-Being Award Winner.**

## DIVERSITY, EQUITY & INCLUSION

In 2020, we formed an employee-led Inclusion, Diversity, Engagement and Awareness (IDEA) Committee to bring together voices and ideas to help fuel and foster a culture of openness and inclusion in all that we do.

Our IDEA Committee works closely with our Human Resources team to ensure our recruitment and talent development efforts promote an environment of inclusion and reflect the communities we serve.

In our recruiting efforts, we strive to have a diverse group of candidates to consider for our roles who reflect the diversity of the Southern California communities we serve.

We post our open positions to dozens of minority-specific recruiting websites to attract a diverse group of candidates. The effort is a resounding success; we have filled nearly 60% of open positions with qualified female and/or minority candidates.

**IDEA has provided an opportunity for our employees to learn and develop individually and from one another. Since the launch of the IDEA Committee, we have:**

- published monthly Diversity Spotlights of our employees
- published monthly educational/cultural holiday communications
- provided a "Floating Holiday/Cultural Holiday" for employees to use as a paid day off
- launched a mentorship program
- engaged in employee listening sessions
- designed an internal website portal dedicated to inclusion and diversity resources
- conducted unconscious bias training for senior and executive management and incorporated D&I training for all new hires
- launched a tuition reimbursement program

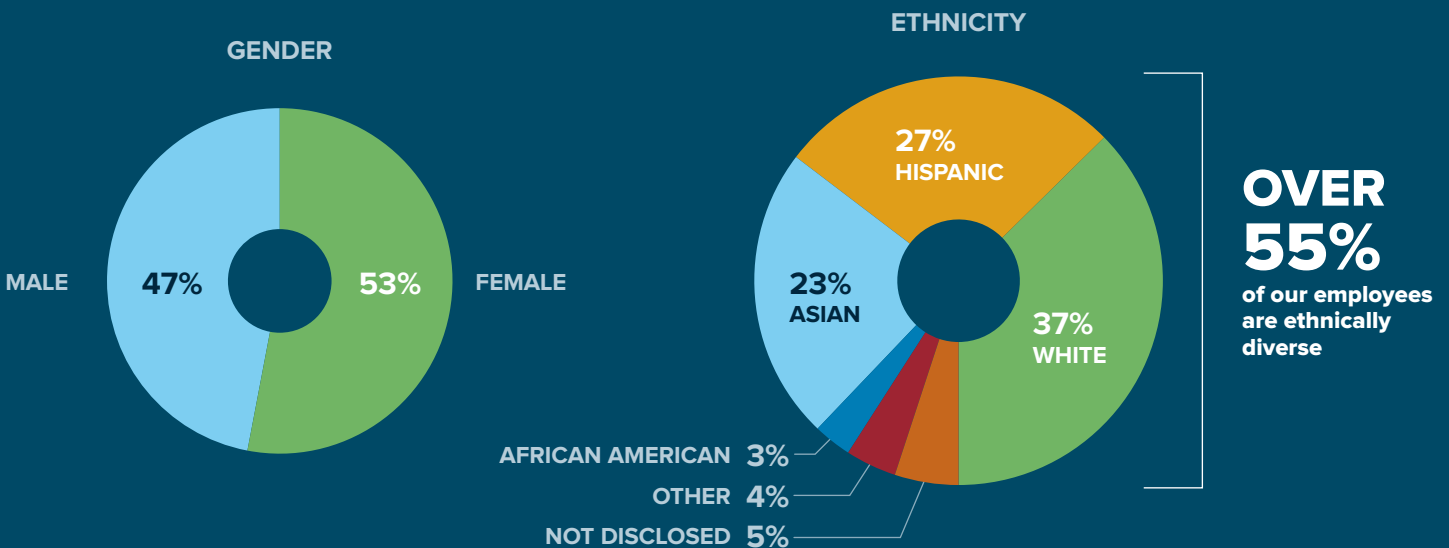
## In 2021, we accelerated our diversity and inclusion:

**FILLED OVER 60%**  
of requisitions with  
**diverse candidates**

**FILLED 50%**  
of open requisitions  
**by females**

**PROMOTED OVER 10%**  
of our **team members**

**As of December 2021, our Gender and Diversity makeup is:**



# TOGETHER WE CAN LEND OUR NEIGHBORS A HAND

Throughout our history, Banc of California has helped our communities by providing both financial and human resources.

We proudly serve and strive to make a positive impact through various programs designed to advance and promote financial literacy, affordable housing, community services and economic growth.



We devote a great deal of time, attention and resources to these important initiatives. We seek to make a positive impact on our communities, embrace diversity, provide a supportive and inclusive workplace environment and act in environmentally conscious ways.



**Social Initiatives — Clients & Communities**

In 2021, we made significant contributions to enhance the communities in which we do business and support:

- Hosted 101 community events, including financial literacy, technical assistance and community services for 17 different nonprofit organizations and reached nearly 3,100 participants
- Committed to funding \$30.3 million in community development investments
- Originated \$369.2 million in community development loans
- Made \$161 million in small business CRA loans in California
- Donated over \$700,000 to community organizations that support (i) the development of affordable housing; (ii) economic growth; and (iii) low-moderate income (LMI) services, including financial literacy and career training programs, as well as supporting community services and social programs
- Contributed nearly 2,100 employee volunteer and service hours

We are focused on supporting our communities in which we live and work. Over the last three years (2019–2021) as part of our commitment to the Community Redevelopment Act, our investments and activities in four key areas have reached:



**\$210m+**

Community Development Investments



**\$1b+**

Community Development Loans



**\$360m+**

Small Business CRA Loans in California



**\$1.9m+**

Donations & Grants to Community Investments



**6,400+ hrs**

Employee Volunteer & Service

## SMALL BUSINESS, ACCESS & COMMUNITY DEVELOPMENT

As the premier relationship-focused business bank, we're a major resource for financing and banking services for businesses and organizations of all kinds.

We have specialized expertise in numerous key industries that help our communities thrive, including the following:

|   |  |
|---|--|
|  <b>HEALTHCARE</b> |  <b>NONPROFIT</b>             |
|  <b>EDUCATION</b>  |  <b>ENTERTAINMENT</b>         |
|  <b>GOVERNMENT</b> |  <b>SERVICE PROFESSIONALS</b> |

### Partner Profiles



For the last four years, we have partnered with Food Finders to connect donated perishable food to hundreds of nonprofit pantries and local agencies.

*"Food Finders is mobilizing during this unique health crisis to provide shelf-stable food items to our partner pantries and shelters that are remaining open to serve people in need. Banc of California's generous funding will ensure that we can help address the demand."*

**Patti Larson**  
Executive Director



RaiseAChild recruits, educates and encourages prospective foster and adoptive parents in Southern California. In addition to financial support, Banc of California serves on the Board of Directors, donates marketing services and provides financial tools and information to new and prospective parents.

*"Managing a nonprofit presents multiple challenges every day, and Banc of California is the exact partner we need to fight the good fight."*

**Rich Valenza**  
Executive Director



Banc of California has been a proud supporter of JVS (Jobs. Vision. Success.) for over five years, hiring graduates from the award-winning JVS BankWork\$® career training program.

*"As a former banking executive, I am privileged to work with Banc of California and the financial services community to provide free career training and placement to highly motivated individuals in our communities who simply lack resources and access to opportunity."*

**Neal Mendelsohn**  
Chief Strategy Officer



## COMMUNITY BENEFITS

As we expand our operations, we're expanding our community benefit commitments.

With our acquisition of Pacific Mercantile Bancorp in 2021, we announced a five-year, \$1.4 billion Community Benefits Plan that commits to meeting the needs of the communities we serve and to building on our strong relationships with the groups and partners who advocate for these communities.

We embrace our commitment to meeting the investment, lending and financial product and service needs of low- and moderate-income and majority-minority communities, including their individual and business needs. We recognize that our organization and community as a whole progress when communities of color thrive and where race is never a barrier to economic opportunity. We have made certain commitments and goals that we believe are reasonably and fairly designed to help meet the needs of our communities. These commitments and goals were developed based on feedback from community organizations and are indicative of our mutually aligned goals.

Our Community Benefits Plan highlights include: **Community Development Lending and Investment, Small Business Lending, Consumer Services, Charitable Donations, Supplier Diversity**

### Community Development Lending and Investment

We're making significant commitments, including:



**\$1.4 billion of Community Development Lending**



**\$125 million in community development investments inclusive of supporting nonprofit, community land trust and community efforts to acquire and preserve distressed assets**



**Supporting nonprofit legal services and fair housing organizations in our service areas to help prevent and address evictions and discrimination**

### Small Business Lending

We are committed to support small businesses through numerous initiatives, including:

- increasing Small Business Lending to achieve a target of 30% of our Small Business Loans (by count) to businesses with \$1 million or less in revenue
- increasing our Small Business Lending to achieve a target of 30% of Small Business Loans in amounts less than \$150,000
- developing a formalized referral program for small business loan declinations by working with the Community Development Financial Institutions program (CDFI) and other microlenders that operate in our service area
- providing approximately \$150 million in new loan originations of Small Business Administration and State Guarantee Loan programs, including targeted support in low-moderate income (LMI) neighborhoods



### Consumer Services

We will help our clients succeed by providing access to flexible banking services by:

- launching our bank account, which serves the banking needs of the unbanked, underbanked and LMI communities and meets the Bank On National Account Standards
- continuing to waive out-of-network surcharges for California public assistance recipients who use Electronic Benefits Transfer cards (EBT)
- reducing the number of overdrafts permitted per day and limiting or waiving negative balance and overdraft fees for debit purchases under certain minimum dollar amounts

## Charitable Donations

We're committed to making \$1 million per year in contributions to charitable programs and organizations that change the lives of the communities we serve, including:

### Homeownership

Homeownership is a primary need for LMI communities and communities of color. We commit 15% of annual contributions to efforts that support housing programs, homeownership counseling and foreclosure prevention efforts.

### Homelessness

Addressing homelessness is a critical need of the community and we are committed to contributing Community Development loans to help address homelessness and provide supportive transition housing.

### Faith-Based Organizations

We are committed to funding and volunteering with faith-based Community Development Coalitions, including support for capacity-building grants for faith-based organizations engaged in community development and advocacy efforts.

### Small Business Owners

We support small business owners in underserved communities by committing 15% of contributions toward the stabilization and growth of small businesses in our assessment area.

### Technical Assistance

We engage and support nonprofits and CDFIs that provide technical assistance to small businesses as well as provide our own technical expertise when applicable.

### Organizations Led by Women and People of Color

We are committed to increasing the amount of support to organizations led by women and people of color.

## Supplier Diversity

We will increase our diversity-targeted procurement spend to achieve a target of 8%.







## PHILANTHROPY & VOLUNTEERISM

Banc of California was a National Philanthropy Day of Orange County honoree for our commitment and dedication to improving our local communities.

Our team members are encouraged to volunteer in the community and are granted 8 hours of paid time off to do so. In 2021, team members volunteered nearly 2,100 hours across 88 nonprofit organizations.

## 2021 Philanthropy and Volunteerism Highlights

### Assisting Public Service Organizations

We take great pride in supporting organizations and activities that enhance the quality of life in the communities where our clients and employees work, live and do business. By developing financial solutions and meaningful partnerships with a broad array of nonprofit organizations, we serve our diverse population and positively impact at-risk youth programs, affordable housing, veteran services, community revitalization, financial literacy education and workforce development.

### Promoting Financial Literacy

Through the [BANC Foundation](#), we provide educational tools and resources to people of all ages, from pre-K to adulthood. In the past, we set two Guinness World Records® for Financial Literacy Training Teaching 6,000 At-Risk Youths, the largest Financial Literacy training ever done. We have the tools to connect economic concepts with practical money management skills and a network of partners who are committed to promoting financial literacy for people of all ages and learning abilities.

Together with our partners, we help teach the fundamentals to children and help adults understand the more complex concepts of financial management and wealth building.

In 2021, over 1,900 community members attended Financial Literacy programs and approximately 300 hours of Financial Literacy education were provided.



# PROTECT OUR PLANET



# TOGETHER WE CAN HELP PROTECT OUR PLANET

## ENVIRONMENTAL MANAGEMENT

We're taking action today to help power a brighter future

The state of California is a leader in the drive toward clean, renewable energy and greater efficiency in how we use it. We support that drive in the investments we make and in how we conduct our everyday operations.



Our operational measures are making a difference:

Our Bank-owned headquarters received an EPA Energy Star Certification score of 85. This designation means that our headquarters building is more energy efficient than 85% of similar properties nationwide.

All corporate offices are Leadership in Energy and Environmental Design (LEED)-Certified.

Since 2020, the shift to LED lighting in our facilities has provided an annual savings of approximately 85,000 kWh.

We have 16 dedicated electric vehicle charging stations available for employee use and provide employees transit subsidies to cover group and public transportation costs.

We have invested in technologies that enable remote and hybrid work environments, thus reducing the need for commuting and lowering our corporate water, energy usage and physical waste.



**Digital Banking:  
Conserving Resources As It Transforms Services**

We encourage our clients to transition to digital banking to receive many online benefits such as digital delivery of documents, electronic signature functionality and real-time, 24/7 account access and alerts.

In addition to being more convenient than in-person banking, digital banking also reduces customer travel to bank locations. We also notice reductions in water, energy, paper and other consumables at our branches.

In 2021:

- eStatement-only use grew 25% both for business and for personal accounts; approximately 66% of business clients use eStatements only
- We transitioned savings and money market deposit accounts from monthly statements to quarterly statements, resulting in significant reductions in statement production

According to our digital signature platform vendor, we were able to achieve the following savings or reductions in 2021:



**171,165 lbs**  
of wood



**503,984 gals**  
of water



**401,761 lbs**  
of carbon



**27,814 lbs**  
of waste

**Managing Electronic Waste**

Our end-point Information Technology assets (desktops, laptops, monitors, keyboards, printers, etc.) that are returned from former employees are redeployed until they reach their estimated useful life or are no longer supported by the manufacturer.

Technology assets that reach end of life or are no longer supported are e-wasted. These include network resource assets (servers, switches, routers, firewalls, etc.) that reach end of life or are no longer supported by the manufacturer.

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD

The table below incorporates accounting standards from the Sustainability Accounting Standards Board (SASB) related to Commercial Banks (FN-CB). It includes references where specific topics are discussed.

| TOPIC   | ACCOUNTING METRIC  | SASB CODE    | RESPONSE   |
|---|--|--------------|--|
| <b>Data Security</b>  | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected  | FN-CB-230a.1 | Consistent with SEC guidance, we disclose any material cybersecurity incidents and risks in our public filings. We currently do not have any material data breaches to report.   |
|   | Description of approach to identifying and addressing data security risks  | FN-CB-230a.2 | See Governance & Responsible Business Practices section of this Corporate Social Responsibility Report   |
| <b>Financial Inclusion &amp; Capacity Building</b>  | (1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development  | FN-CB-240a.1 | For the year ended December 31, 2021, the number of CRA-eligible loans to small businesses was 1,478, with a total value of \$270 million.<br><br>CRA-eligible loans for community development was 213 loans, with a total value of \$626 million. |
|   | (1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development  | FN-CB-240a.2 | The Company does not disclose the number and amount of past due and nonaccrual loans for small business lending or community development.  |
|   | Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers  | FN-CB-240a.3 | In 2022, Banc of California, N.A., will launch a bank product which will serve the banking needs of the previously unbanked or underbanked customers. See Our Social Responsibility section of this Corporate Social Responsibility Report.        |
|   | Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers  | FN-CB-240a.4 | See Our Social Responsibility section of this Corporate Social Responsibility Report.  |
| <b>Incorporation of Environmental, Social &amp; Governance Factors in Credit Analysis</b> | Commercial and industrial credit exposure, by industry   | FN-CB 410a.1 | See <a href="#">2021 Annual Report on Form 10-K</a> .  |
|   | Description of approach to the incorporation of environmental, social and governance (ESG) factors in credit analysis  | FN-CB-410a.2 | See Governance & Responsible Business Practices section of this Corporate Social Responsibility Report.  |
| <b>Business Ethics</b>  | Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations | FN-CB-510a.1 | Consistent with SEC guidance, we disclose any material legal proceedings in Item 3, Legal Proceedings section of our <a href="#">2021 Annual Report on Form 10-K</a> .   |
|   | Description of whistleblower policies and procedures   | FN-CB-510a.2 | For information, please review our <a href="#">Whistleblower Policy</a> .  |
| <b>Systemic Risk Management</b>   | Global Systematically Important Bank (G-SIB) score, by category  | FN-CB-550a.1 | According to the Basel Committee on Banking Supervision's assessment methodology, the Company is not considered to be a G-SIB and accordingly does not have a G-SIB score.   |
|   | Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities   | FN-CB-550a.2 | See <a href="#">2021 Annual Report on Form 10-K</a> .  |

# TOGETHER WE CAN BUILD A BETTER WORLD FOR ALL PEOPLE

We are committed to doing our part to help create a better world and life for our stakeholders.

That is why the United Nations Sustainable Development Goals (SDGs) are important to us. The SDGs tackle what many believe are the greatest threats facing humanity, including poverty, hunger, inequality and climate change. In support of this effort, we apply our resources to the following SDGs most closely aligned with our ESG priorities:



|  |   |   |   |   |   |
|--|---|---|---|---|---|
| <b>3</b> GOOD HEALTH AND WELL-BEING<br> | <b>4</b> QUALITY EDUCATION<br> | <b>5</b> GENDER EQUALITY<br> | <b>8</b> DECENT WORK AND ECONOMIC GROWTH<br> | <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES<br> | <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION<br> |
|--|---|---|---|---|---|

An aerial night view of a city skyline, likely Los Angeles, with numerous skyscrapers and city lights glowing against a dark blue sky. The lights are primarily white and yellow, with some blue and red accents. The city extends far into the distance, creating a dense field of lights.

# A BETTER WORLD

TOGETHER **WE WIN**<sup>®</sup>

**CLIENT CARE FOR YOUR  
PERSONAL & BUSINESS  
ONLINE BANKING SUPPORT**

[ClientCareCenter@bancofcal.com](mailto:ClientCareCenter@bancofcal.com)

**CLIENT CARE CENTER  
Consumer Accounts and Services  
877-770-BANC (2262)**

Outside U.S. Call 949-236-5436  
Monday–Friday: 8 a.m.–5:30 p.m. PT  
Saturday: 9 a.m.–1 p.m. PT

**HEADQUARTERS**

11611 San Vicente Blvd., Suite 500  
Los Angeles, CA 90049

**BUSINESS ONLINE BANKING SUPPORT  
Business Accounts and Services  
Treasury Management Services  
855-351-BANC (2262)**

Outside U.S. Call 949-825-8991  
Monday–Friday: 8 a.m.–5 p.m. PT

