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DIVISIONS OF GRANDPOINT BANK

Grandpoint Capital, Inc., Reports Third Quarter 2017 Earnings

Los Angeles, October 23, 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 \$25.1 million and total assets of \$3.2 billion for the first nine months of 2017. In addition, the board of directors declared its eighth consecutive quarterly cash dividend. The quarterly cash dividend of \$0.15 will be payable on or about November 10, 2017, to shareholders of record as of October 30, 2017.

“During the third quarter we saw the strength, and depth, of our core client relationships demonstrated as demand deposits topped \$1 billion,” said Don M. Griffith, Chairman and CEO of Grandpoint Capital, Inc., and Grandpoint Bank. “In addition, our key performance measures document the sustained profitability and financial strength of Grandpoint Capital. Our return on average assets for the first nine months of 2017 was 1.04%, and our return on average tangible equity was 10.2%. At September 30, 2017, we reported basic earnings per share of \$0.76 for the first nine months of 2017, and achieved tangible book value per share of \$10.17. We continue to manage our expenses carefully, which is reflected in our efficiency ratio of 53.9% at the end of the third quarter.”

Total deposits at September 30, 2017, were \$2.5 billion, of which 40% is comprised of non-interest-bearing accounts. Loans totaled \$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 far in excess of the regulatory minimums, with a Leverage Ratio of 10.6% and Total Risk-Based Capital Ratio of 13.1% at September 30, 2017.

In September 2017, Grandpoint Bank received a superior 5-star rating from independent rating and research firm BauerFinancial for the seventeenth consecutive quarter. The latest rating was based on June 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,						September 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	\$ 36,410
Interest-bearing deposits in banks	72,825	33,604	127,803	291,545	171,408	314,005	171,625	213,365	192,107
Cash and Cash Equivalents	76,326	61,395	150,127	335,259	212,585	351,693	196,738	242,284	228,517
Investment Securities	3,284	97,399	208,939	318,501	230,591	266,479	573,260	579,275	451,046
Loans:									
Construction	481	18,327	20,324	54,315	79,588	110,286	130,801	194,471	143,849
Single family residential	-	32,753	86,257	193,913	248,727	281,678	269,823	220,519	188,078
Multifamily loans	2,513	26,097	60,718	135,966	215,956	397,712	599,470	715,786	745,286
Commercial real estate	7,792	248,343	429,224	738,540	777,875	814,430	862,014	905,534	963,036
Commercial and industrial	2,005	83,847	136,492	295,199	371,341	375,607	412,051	322,419	310,829
Consumer	-	3,673	6,226	21,984	23,289	12,846	9,138	7,876	28,018
Total Loans	12,791	413,040	739,241	1,439,917	1,716,776	1,992,559	2,283,297	2,366,605	2,379,096
Deferred loan fees, costs and discounts	(137)	(13,861)	(15,580)	(25,373)	(18,410)	(4,543)	3,550	3,199	1,729
Allowance for loan losses	-	(1,050)	(5,722)	(8,867)	(12,087)	(14,018)	(17,245)	(18,552)	(18,638)
Net Loans	12,654	398,129	717,939	1,405,677	1,686,279	1,973,998	2,269,602	2,351,252	2,362,187
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	6,270
Deferred Tax Assets	-	4,056	12,011	30,997	30,981	30,206	24,749	23,818	22,446
Other assets	2,981	19,005	24,959	50,195	48,987	79,210	70,107	69,491	79,213
Total Assets	\$ 97,941	\$ 600,631	\$ 1,158,695	\$ 2,203,883	\$ 2,275,289	\$ 2,765,972	\$ 3,196,988	\$ 3,326,936	\$ 3,203,002
Deposits:									
Demand deposits	\$ 3,664	\$ 136,024	\$ 327,638	\$ 736,831	\$ 764,936	\$ 792,896	\$ 852,263	\$ 926,594	\$ 1,029,436
NOW accounts	547	22,651	57,302	88,994	132,743	136,003	139,660	148,071	156,534
Money market accounts	7,984	246,043	473,107	723,125	689,318	1,029,519	1,165,748	1,106,229	981,675
Savings accounts	1,353	4,703	9,403	20,587	36,914	35,505	39,979	47,426	46,934
Time deposits	5,618	78,353	112,407	298,226	313,788	411,908	348,068	347,775	299,861
Total Deposits	19,166	487,774	979,857	1,867,763	1,937,699	2,405,831	2,545,718	2,576,095	2,514,440
Other liabilities	2,840	10,400	14,084	18,596	15,496	27,233	10,594	12,696	11,589
Other Borrowings	-	-	3,000	10,500	11,000	-	275,000	350,000	275,000
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	320,475
Unrealized gain (loss) on investment securities	23	(52)	150	1,410	(3,756)	(1,090)	(3,834)	(1,009)	(2)
Retained earnings (deficit)	(12,912)	(16,073)	(21,233)	(5,924)	489	17,659	47,403	64,765	76,013
Total Grandpoint Capital Shareholders' Equity	75,935	92,619	150,334	301,869	305,939	327,753	360,521	382,990	396,818
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	396,818
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	\$ 3,203,002
Tangible book value	\$ 73,239	\$ 76,655	\$ 107,764	\$ 238,615	\$ 240,073	\$ 263,367	\$ 297,989	\$ 322,174	\$ 337,225
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	33,149,492
Book value per share	\$ 7.96	\$ 7.94	\$ 8.27	\$ 9.33	\$ 9.44	\$ 10.10	\$ 10.96	\$ 11.60	\$ 11.97
Tangible book value per share	\$ 7.67	\$ 6.57	\$ 5.93	\$ 7.38	\$ 7.40	\$ 8.12	\$ 9.06	\$ 9.76	\$ 10.17

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

	Year Ended December 31,							Nine Months Ended September 30,
	2010	2011	2012	2013	2014	2015	2016	2017
Interest Income	\$ 2,117	\$ 44,715	\$ 69,166	\$ 93,618	\$ 102,882	\$ 114,714	\$ 123,511	\$ 95,945
Interest Expense	204	4,174	4,109	4,248	4,826	5,883	8,256	9,196
Net Interest Income	1,913	40,541	65,057	89,370	98,056	108,831	115,255	86,749
Provision for Loan Losses	1,050	6,046	5,494	3,799	4,317	3,732	1,135	340
Noninterest Income	5,927	4,726	8,074	7,061	6,049	6,660	5,946	5,749
Noninterest Expense:								
Salaries and Benefits	6,898	22,343	34,891	44,292	40,270	38,719	40,462	32,244
Occupancy Expenses	1,021	3,102	4,591	5,380	5,569	5,186	5,405	4,063
Furniture and Equipment Expenses	883	2,077	2,991	3,352	3,610	3,288	3,283	2,596
Promotion Expenses	738	1,178	1,385	1,941	1,620	1,217	1,292	1,015
Data Processing Expenses	307	1,264	2,020	2,580	1,862	1,908	2,015	1,578
Professional Services	1,292	2,826	3,820	4,263	2,406	2,709	2,683	2,066
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	1,026
Assessments and Insurance	215	1,428	1,880	2,195	2,377	2,464	2,388	1,416
Loan Expenses	-	-	1,785	1,703	3,108	1,849	1,499	952
Other Expenses	259	3,104	2,924	4,400	4,239	3,889	3,909	2,739
	14,252	44,093	58,518	81,891	70,804	62,651	64,594	49,857
Income before Income Taxes	(7,462)	(4,872)	9,119	10,741	28,984	49,108	55,472	42,301
Income Taxes	(374)	-	(6,316)	4,328	11,814	19,364	22,286	17,163
Net Income	(7,088)	(4,872)	15,435	6,413	\$ 17,170	\$ 29,744	\$ 33,186	\$ 25,138
EPS - basic	\$ (1.19)	\$ (0.35)	\$ 0.61	\$ 0.20	\$ 0.53	\$ 0.91	\$ 1.01	\$ 0.76
ROAA	-2.36%	-0.53%	0.96%	0.29%	0.70%	1.00%	1.03%	1.04%
ROATE	-11.29%	-4.08%	6.82%	2.10%	5.24%	10.52%	10.71%	10.24%
Efficiency Ratio	181.79%	97.41%	80.02%	84.92%	68.01%	54.25%	53.29%	53.90%