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DIVISIONS OF GRANDPOINT BANK

Grandpoint Capital, Inc., Reports Third Quarter 2016 Earnings

Los Angeles, October 25, 2016 – 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 \$8.0 million for the quarter ended September 30, 2016, compared to \$7.1 million in the prior year quarter. Total assets at the end of the third quarter were \$3.3 billion. In addition, the board of directors declared its fourth consecutive quarterly cash dividend payment of \$0.12 per share, payable on or about November 17, 2016, to shareholders of record as of November 3, 2016.

“We continued to experience steady growth during the third quarter 2016, and all of our key performance measures demonstrated the sustained financial strength of Grandpoint Capital,” said Don M. Griffith, Chairman and CEO of Grandpoint Capital, Inc., and Grandpoint Bank. “Our return on average assets for the first nine months of 2016 was 1.03%, and our return on average tangible equity was 10.8%. At September 30, 2016, we reported basic earnings per share of \$0.24, and \$0.75 for the first nine months of 2016, and achieved tangible book value per share of \$9.67. We continue to manage our expenses carefully, which is reflected in our efficiency ratio of 53.5% at the end of the third quarter.”

Total deposits at September 30, 2016, were \$2.6 billion with continued growth in core deposits. Loans totaled \$2.3 billion and asset quality remained strong during the quarter as the Bank continued to maintain a prudent and disciplined risk strategy. Grandpoint’s capital ratios remain far in excess of the regulatory minimums, with a Leverage Ratio of 9.9% and Total Risk-Based Capital Ratio of 13.7% at September 30, 2016.

In September 2016, Grandpoint Bank received a superior 5-star rating from independent rating and research firm BauerFinancial for the thirteenth consecutive quarter. The latest rating was based on June 30, 2016, 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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Contact:

Penny Maines

Grandpoint Bank

213-542-2716

pmaines@grandpointbank.com

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
Cash and due from banks	\$ 3,501	\$ 27,791	\$ 22,324	\$ 43,714	\$ 41,177	\$ 37,688	\$ 25,113	\$ 38,547
Interest-bearing deposits in banks	72,825	33,604	127,803	291,545	171,408	314,005	171,625	182,286
Cash and Cash Equivalents	76,326	61,395	150,127	335,259	212,585	351,693	196,738	220,833
Investment Securities	3,284	97,399	208,939	318,501	230,591	266,479	573,260	621,034
Loans:								
Construction	481	18,327	20,324	54,315	79,588	110,286	130,801	177,842
Single family residential	-	32,753	86,257	193,913	248,727	281,678	269,823	243,476
Multifamily loans	2,513	26,097	60,718	135,966	215,956	397,712	599,470	675,881
Commercial real estate	7,792	248,343	429,224	738,540	777,875	814,430	862,014	865,108
Commercial and industrial	2,005	83,847	136,492	295,199	371,341	375,607	412,051	344,768
Consumer	-	3,673	6,226	21,984	23,289	12,846	9,138	7,445
Total Loans	12,791	413,040	739,241	1,439,917	1,716,776	1,992,559	2,283,297	2,314,520
Deferred loan fees, costs and discounts	(137)	(13,861)	(15,580)	(25,373)	(18,410)	(4,543)	3,550	3,853
Allowance for loan losses	-	(1,050)	(5,722)	(8,867)	(12,087)	(14,018)	(17,245)	(17,858)
Net Loans	12,654	398,129	717,939	1,405,677	1,686,279	1,973,998	2,269,602	2,300,515
Goodwill	2,563	17,923	37,863	51,432	53,101	53,323	53,323	53,323
Core deposit and other intangibles	133	2,724	6,857	11,822	12,765	11,063	9,209	7,922
Deferred Tax Assets	-	4,056	12,011	30,997	30,981	30,206	24,749	23,920
Other assets	2,981	19,005	24,959	50,195	48,987	79,210	70,107	69,844
Total Assets	\$ 97,941	\$ 600,631	\$ 1,158,695	\$ 2,203,883	\$ 2,275,289	\$ 2,765,972	\$ 3,196,988	\$ 3,297,391
Deposits:								
Demand deposits	\$ 3,664	\$ 136,024	\$ 327,638	\$ 736,831	\$ 764,936	\$ 792,896	\$ 852,263	\$ 925,128
NOW accounts	547	22,651	57,302	88,994	132,743	136,003	139,660	137,638
Money market accounts	7,984	246,043	473,107	723,125	689,318	1,029,519	1,165,748	1,134,316
Savings accounts	1,353	4,703	9,403	20,587	36,914	35,505	39,979	41,572
Time deposits	5,618	78,353	112,407	298,226	313,788	411,908	348,068	335,716
Total Deposits	19,166	487,774	979,857	1,867,763	1,937,699	2,405,831	2,545,718	2,574,370
Other liabilities	2,840	10,400	14,084	18,596	15,496	27,233	10,594	12,537
Other Borrowings	-	-	3,000	10,500	11,000	-	275,000	325,000
Subordinated debenture payable	-	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
Additional Paid-In Capital	88,729	108,628	171,236	306,060	308,882	310,860	316,623	318,241
Unrealized gain (loss) on investment securities	23	(52)	150	1,410	(3,756)	(1,090)	(3,834)	1,374
Retained earnings (deficit)	(12,912)	(16,073)	(21,233)	(5,924)	489	17,659	47,403	60,384
Total Grandpoint Capital Shareholders' Equity	75,935	92,619	150,334	301,869	305,939	327,753	360,521	380,329
Noncontrolling interest	-	4,683	6,265	-	-	-	-	-
Total Shareholders' Equity	75,935	97,302	156,599	301,869	305,939	327,753	360,521	380,329
Total Liabilities and Shareholders' Equity	\$ 97,941	\$ 600,631	\$ 1,158,695	\$ 2,203,883	\$ 2,275,289	\$ 2,765,972	\$ 3,196,988	\$ 3,297,391
Tangible book value	\$ 73,239	\$ 76,655	\$ 107,764	\$ 238,615	\$ 240,073	\$ 263,367	\$ 297,989	\$ 319,084
Shares outstanding	9,543,057	11,660,098	18,183,867	32,353,019	32,424,261	32,445,179	32,894,185	32,988,199
Book value per share	\$ 7.96	\$ 7.94	\$ 8.27	\$ 9.33	\$ 9.44	\$ 10.10	\$ 10.96	\$ 11.53
Tangible book value per share	\$ 7.67	\$ 6.57	\$ 5.93	\$ 7.38	\$ 7.40	\$ 8.12	\$ 9.06	\$ 9.67

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

	Year Ended December 31,						Nine
	2010	2011	2012	2013	2014	2015	Months Ended September 30, 2016
Interest Income	\$ 2,117	\$ 44,715	\$ 69,166	\$ 93,618	\$ 102,882	\$ 114,714	\$ 91,576
Interest Expense	204	4,174	4,109	4,248	4,826	5,883	6,085
Net Interest Income	1,913	40,541	65,057	89,370	98,056	108,831	85,491
Provision for Loan Losses	1,050	6,046	5,494	3,799	4,317	3,732	337
Noninterest Income	5,927	4,726	8,074	7,061	6,049	6,660	4,578
Noninterest Expense:							
Salaries and Benefits	6,898	22,343	34,891	44,292	40,270	38,719	29,874
Occupancy Expenses	1,021	3,102	4,591	5,380	5,569	5,186	4,035
Furniture and Equipment Expenses	883	2,077	2,991	3,352	3,610	3,288	2,470
Promotion Expenses	738	1,178	1,385	1,941	1,620	1,217	913
Data Processing Expenses	307	1,264	2,020	2,580	1,862	1,908	1,500
Professional Services	1,292	2,826	3,820	4,263	2,406	2,709	2,018
M&A, Conversion and Restructuring Costs	2,346	5,984	947	10,304	3,988	-	300
Office Supplies and Costs	293	787	1,284	1,481	1,755	1,422	1,020
Assessments and Insurance	215	1,428	1,880	2,195	2,377	2,464	1,838
Loan Expenses	-	-	1,785	1,703	3,108	1,849	1,268
Other Expenses	259	3,104	2,924	4,400	4,239	3,889	2,991
	14,252	44,093	58,518	81,891	70,804	62,651	48,227
Income before Income Taxes	(7,462)	(4,872)	9,119	10,741	28,984	49,108	41,505
Income Taxes	(374)	-	(6,316)	4,328	11,814	19,364	16,659
Net Income	(7,088)	(4,872)	15,435	6,413	\$ 17,170	\$ 29,744	\$ 24,846
EPS - basic	\$ (1.19)	\$ (0.35)	\$ 0.61	\$ 0.20	\$ 0.53	\$ 0.91	\$ 0.75
ROAA	-2.36%	-0.53%	0.96%	0.29%	0.70%	1.00%	1.03%
ROATE	-11.29%	-4.08%	6.82%	2.10%	5.24%	10.52%	10.81%
Efficiency Ratio	181.79%	97.41%	80.02%	84.92%	68.01%	54.25%	53.54%