

DENVER BUSINESS JOURNAL

BANKING & FINANCIAL SERVICES

Regional bank eyes Colorado growth after PacWest purchase

Following a deal last year, a midsize bank is eyeing opportunity in Colorado.

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What was previously the sole Colorado branch of Pacific Western Bank could transition to something much larger in future years.

Following Banc of California's acquisition of PacWest Bancorp – the parent company of Pacific Western – last year, the Los Angeles-based regional bank is positioning itself for growth in Colorado.

Banc of California Inc. (NYSE: BANC) is a \$36 billion bank holding company and parent company of Banc of California. The company earlier this month announced the newly created role of Colorado region president, underscoring goals to grow and diversify businesses at the Pacific Western branch that was inherited through the acquisition.

The bank named Chris Erickson, who formerly led Pacific Western's commercial real estate banking team in Denver, as Colorado region president.

It's a strategic move following the merger, which closed in November 2023. After the collapse of Silicon Valley Bank, PacWest experienced plummeting shares as fears about the solvency of midsize banks grew.

"With our transformational merger, it really allowed us to jump to the front of the line, as far as a bank that has addressed concerns that were in the marketplace," Erickson said.

Banc of California intends to refocus on deposit growth in Colorado, where Erickson said there is a major opportunity to garner a larger share of Colorado deposits. Historically, he said Pacific Western's Denver office was more of an outreach of its strong California presence.

With just one location at the Denver Tech Center, Pacific Western's Colorado market share last year was behind dozens of other banks. As of June 2023, it had about 0.07% of the state's market share with \$137 million in deposits, according to the Federal Deposit Insurance Corp.

Still, Erickson said the last five years at Pacific Western brought in "meaningful and large" real estate transactions that will give Banc of California



Chris Erickson, Colorado region president for Banc of California

solid roots in Colorado. He said part of his growth strategy will be to widen that focus on real estate and build broader relationships that bring in deposits.

Colorado's flourishing small business community offers a "tremendous" growth opportunity as well, Erickson said.

"Very hands-on, high-touch service is what we're focusing on," he said.

Having a president who can act in the interest of local clients and as the face of the bank should also help, Erickson said.

"Before, it was very business-line focused with no real point person in the Colorado market," he said.

In addition to real estate lending, the Denver location offers commercial and industrial loans, fund financing, some private banking and a Small Business Administration office, he said.

Erickson said he has about 10 people under his direct purview and about 30 Banc of California employees working in the Denver area market.