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OPUS BANK ANNOUNCES SECOND QUARTER 2017 RESULTS

Irvine, Calif. – July 24, 2017 – Opus Bank ("Opus") (NASDAQ: “OPB”) announced today net income of $18.2 million, or $0.48 per diluted share, for the second quarter of 2017 compared to net income of $7.7 million, or $0.21 per diluted share, for the first quarter of 2017 and net income of $16.1 million, or $0.46 per diluted share, for the second quarter of 2016. Net income for the second quarter of 2017 included strategic initiative related expenses of $371,000 resulting from an expense reduction strategy initiated in the first quarter of 2017 and additional tax expense of $769,000 resulting from the adoption of a new accounting standard for the tax impact associated with stock-based compensation that went into effect in 2017, which increased our effective tax rate by 2.64%. These two items impacted net income for the second quarter of 2017 by $1.0 million, or $0.03 per diluted share.

Stephen H. Gordon, Founding Chairman, Chief Executive Officer and President of Opus Bank, stated, “While we still have more work ahead of us, I look forward to building upon our accomplishments of the first half of the year. I am proud of the results we delivered in the second quarter, driven by contributions from all divisions across the firm. These results included return on average assets of nearly 1% and return on average tangible equity of nearly 12%, improved operating efficiency and leverage, increased net interest margin, a stable cost of deposits, and stronger new loan fundings."

Mr. Gordon continued, "As a result of the tremendous effort by Opus team members during the second quarter, we reduced the levels of criticized loans by 20% and nonperforming assets by 21%, and we meaningfully decreased the portfolio loan balances we previously announced as targeted for planned exits, which we believe will reduce volatility to our earnings. We also further strengthened and effectively managed our balance sheet, ending the quarter with increased capital ratios and over $1.8 billion of cash and government agency investment securities."

Mr. Gordon concluded, “Additionally, we continued to execute our previously announced expense reduction strategy, which contributed to the decline in total noninterest expense and improvement in our efficiency ratio. During the quarter, we also made investments to further enhance our credit administration, enterprise risk management, and banking operations, which are intended to make Opus a stronger institution going forward.”

Second Quarter 2017 Highlights

- Net income increased $10.6 million, or 138%, to $18.2 million for the second quarter of 2017 from $7.7 million for the first quarter of 2017, and increased $2.1 million, or 13%, from $16.1 million for the second quarter of 2016.

- Return on average assets increased to 0.94% for the second quarter of 2017, compared to 0.39% for the first quarter of 2017 and 0.89% for the second quarter of 2016, and return on average tangible equity increased to 11.89% for the second quarter, compared to 5.35% for the first quarter of 2017 and 11.14% for the second quarter of 2016.

- Total criticized loans decreased $70.4 million, or 20%, to $289.0 million as of June 30, 2017 from $359.4 million as of March 31, 2017, and $28.3 million, or 9%, from $317.3 million as of December 31, 2016. The linked-quarter decrease in total criticized loans was driven by a reduction of $84.0 million of criticized commercial business loans, offset by an increase of $13.3 million of criticized real estate secured loans. The increase in criticized real estate secured loans was primarily comprised of $11.2 million of commercial real estate loans and $2.0 million of multifamily loans.

- Enterprise value loans decreased $123.9 million, or 16%, to $654.2 million as of June 30, 2017 from $778.1 million as of March 31, 2017, and decreased $261.2 million, or 29%, from $915.4 million as of December 31, 2016.

- Technology Banking loans decreased $55.8 million, or 46%, to $66.5 million as of June 30, 2017 from $122.2 million as of March 31, 2017, and decreased $124.0 million, or 65%, from $190.5 million as of December 31, 2016. Technology banking loans have decreased $213.0 million, or 76%, from their peak of $279.5 million as of June 30, 2016.

- Nonperforming assets decreased $18.1 million, or 21%, to $69.0 million as of June 30, 2017 from $87.0 million as of March 31, 2017, and decreased $26.1 million, or 27%, from $95.1 million as of December 31, 2016. Nonperforming assets decreased to 0.90% of total assets as of June 30, 2017 from 1.09% of total assets as of March 31, 2017 and 1.21% of total assets as of December 31, 2016.

- Opus recorded a negative provision for loan losses of $7.1 million for the second quarter of 2017 compared to a provision expense of $6.0 million for the first quarter of 2017. Our allowance for loan losses was $87.7 million, or 1.68% of total loans, as of June 30, 2017, compared to $112.2 million, or 2.07% of total loans, as of March 31, 2017, and $111.4 million, or 1.97% of total loans, as of December 31, 2016.

- Net charge-offs were $17.4 million in the second quarter of 2017, compared to $5.1 million in the first quarter of 2017. Net charge-offs in the second quarter were primarily comprised of $12.1 million of Technology Banking loans and $5.1 million of enterprise value loans, and was mainly driven by five loan relationships.

- New loan fundings increased 65% to $362.2 million in the second quarter of 2017 compared to $219.1 million in the first quarter of 2017. Commercial business loans comprised $179.9 million, or 50%, of total new loan fundings. Loan commitments originated totaled $349.7 million in the second quarter of 2017, as compared to $209.7 million in the first quarter.

- During the second quarter of 2017, loan payoffs were $357.0 million, loan sales were $15.8 million and planned exits of previously identified loan relationships were $137.2 million.

- Investment securities increased $240.2 million, or 27%, during the second quarter of 2017 to $1.1 billion as of June 30, 2017, as we deployed lower-yielding excess cash into higher-yielding government agency securities. Cash and investment securities totaled $1.8 billion as of June 30, 2017, compared to $1.9 billion as of March 31, 2017, and contributed $7.3 million of interest income in the second quarter of 2017, compared to $5.0 million in the first quarter of 2017.

- Total deposits decreased $386.1 million, or 6%, during the second quarter of 2017 to $6.3 billion as of June 30, 2017, primarily due to our previously announced intention to reduce higher-cost, more rate sensitive deposits, which totaled $246.8 million with a weighted average interest rate of 0.84%, and seasonal outflows totaling $131.8 million, which are anticipated to rebuild over the course of subsequent quarters. Total demand deposits, including non-interest bearing and interest bearing demand deposits, increased to 53% of total deposits as of June 30, 2017, compared to 52% as of March 31, 2017 and 48% as of June 30, 2016. Opus' cost of deposits was unchanged from the prior quarter at 0.44%, despite two Fed Funds rate increases by the Federal Reserve during the first half of 2017.

- Our loan to deposit ratio was 82% as of June 30, 2017 compared to 81% as of March 31, 2017 and 99% as of June 30, 2016.

- During the second quarter of 2017, our Tier 1 leverage ratio increased 39 basis points to 8.58%, Common Equity Tier 1 ratio increased 73 basis points to 10.60%, and total risk-based capital ratio increased 82 basis points to 14.08%.

- Net interest margin increased six basis points to 3.20% for the second quarter of 2017 compared to 3.14% for the first quarter of 2017.

- Noninterest income increased 18% to $14.7 million in the second quarter of 2017 from $12.5 million in the prior quarter. Opus' multiple and diverse sources of noninterest income drove the increase in the second quarter, including $6.7 million of trust administrative fees, $2.0 million of deposit account fees, $1.5 million of escrow and exchange fees, $912,000 in positive net equity warrant valuation changes, $842,000 of fee income from our Merchant Banking division, $607,000 of commercial loan fees, and a $298,000 dividend from FHLB stock.

- Our alternative asset IRA custodian subsidiary has scaled its business significantly since its acquisition by Opus on April 13, 2016. Assets Under Custody ("AUC") increased $1.5 billion during the second quarter of 2017 and have now increased nearly 40% to $15.0 billion as of June 30, 2017, compared to $10.7 billion as of the acquisition date. During that time period, the number of client accounts has increased 17% to over 50,000 and the average account size increased 20% to approximately $300,000.

- Noninterest expense decreased 3% during the second quarter of 2017 to $48.7 million compared to $50.1 million in the first quarter of 2017. We incurred $371,000 of strategic initiative related expenses during the second quarter of 2017.

- Opus' efficiency ratio improved to 68.9% for the second quarter of 2017, compared to 73.0% in the first quarter of 2017.

Net Interest Income

Total net interest income was $56.0 million for the second quarter of 2017 compared to $56.1 million in the first quarter of 2017 and $62.5 million in the second quarter of 2016. Net interest income for the six months ended June 30, 2017 was $112.1 million compared to $121.6 million for the six months ended June 30, 2016.

Interest income from loans decreased $2.4 million, or 4%, to $57.8 million for the second quarter of 2017, as the average balance of loans decreased $242.8 million, or 4%, from the prior quarter due to elevated loan prepayments, payoffs, and sales that included planned exits of certain loan relationships, including enterprise value loans and Technology Banking loans, partially offset by interest recovered on nonaccrual loans and higher net benefit from prepayments. Interest income from the acquired loan portfolio decreased by $802,000 from the prior quarter to $2.0 million and decreased by $6.0 million from the second quarter of 2016. Accretion income from the acquired loan portfolio totaled $111,000 during the second quarter of 2017, compared to $673,000 during the first quarter of 2017 and $4.9 million during the second quarter of 2016.

Interest income from cash and investment securities increased $2.2 million, or 44%, from the prior quarter to $7.3 million, as the average balance of cash and investment securities increased $18.3 million, or 1%, due to the additional purchases of higher-yielding government agency securities, and the two Federal Reserve rate increases in March and June of 2017.

Interest expense was $9.1 million for the second quarter of 2017, compared to $9.2 million in the prior quarter and increased from $7.0 million for the second quarter of 2016. The increase in interest expense from the year-ago period was primarily due to the issuance of $132 million of subordinated debt at the end of the second quarter 2016 and growth in the deposit portfolio.

Net interest margin increased six basis points to 3.20% in the second quarter of 2017 from 3.14% in the first quarter of 2017. The linked-quarter change was primarily due to higher yield and volume on investment securities during the second quarter, higher yield on interest-earning cash balances, interest recovered on nonaccrual loans, higher net benefit from prepayments, and a stable cost of deposits, offset by lower average balances of originated loans and lower accretion on acquired loans.

Total loan yield during the second quarter of 2017 decreased four basis points to 4.35% from 4.39% in the first quarter of 2017 and decreased 31 basis points from 4.66% in the second quarter of 2016. The decrease from the first quarter of 2017 was primarily due to the yield on acquired loans, which declined 153 basis points as a result of lower accretion generated from payoff activity. Accretion income from the acquired loan portfolio had no impact to net interest margin in the second quarter of 2017 compared to 0.04% in the first quarter of 2017 and 0.31% in the second quarter of 2016. The originated loan yield increased two basis points from the linked-quarter to 4.33%, primarily due to interest income recovered on nonaccrual loans, and higher net benefit from prepayment activity.

The yields on cash and investment securities during the second quarter of 2017 increased to 1.07% and 2.28%, respectively, compared to 0.84% and 1.73% during the prior quarter, and 0.51% and 1.62% during the year-ago period. The increase in yield on investment securities was primarily driven by the deployment of lower-yielding excess cash into higher-yielding government agency securities, as well as lower premium amortization on the Freddie Mac security than in the prior quarter as a result of lower prepayments of the underlying loans. The Freddie Mac security relates to the sale of $509.0 million of Opus' multifamily loans through a Freddie Mac sponsored transaction in which one class of Freddie Mac guaranteed Structured Pass-Through Certificates was issued and subsequently purchased entirely by Opus. The increase in yield on interest-bearing cash during the second quarter was primarily driven by the Federal Reserve rate increases announced in March and June 2017.

Our cost of funds was 0.55% for the second quarter of 2017, an increase of one basis point from the prior quarter and an increase of ten basis points from 0.45% for the second quarter of 2016. While our cost of deposits remained unchanged at 0.44% from both the prior quarter and the year-ago second quarter, our cost of funds increased in the second quarter due to a slight increase in the cost of interest-bearing deposits and borrowings, and increased from the prior year due to interest expense on the subordinated debt issued at the end of the second quarter of 2016.

Noninterest Income and Noninterest Expense

Noninterest income increased 18% to $14.7 million in the second quarter of 2017 from $12.5 million in the first quarter of 2017, and increased 12% from $13.2 million in the second quarter of 2016. Noninterest income for the six months ended June 30, 2017 increased 47% to $27.2 million compared to $18.5 million for the six months ended June 30, 2016.

Noninterest income during the second quarter of 2017 included $6.7 million in trust administrative fees generated by our alternative asset IRA custodian subsidiary, compared to $6.4 million in the first quarter of 2017. Opus' Merchant Banking division, which includes its broker-dealer subsidiary, Opus Financial Partners, and its principal investing group, Opus Equity Partners, which manages Opus' bank-sponsored SBIC Fund, generated $842,000 of noninterest fee income during the second quarter of 2017 compared to $829,000 during the first quarter of 2017. Additionally, our Escrow and Exchange divisions generated $1.5 million in noninterest income during each of the first and second quarters of 2017. Other noninterest income items also included $912,000 of net equity warrant valuation increases, $605,000 of additional fees received as a result of the planned exits of two loan relationships during the quarter, and a $298,000 FHLB dividend.

Noninterest expense decreased 3% to $48.7 million for the second quarter of 2017 compared to $50.1 million for the first quarter of 2017, and increased 27% from $38.4 million for the second quarter of 2016. Noninterest expenses during the second quarter of 2017 included strategic initiative related expenses of $371,000, which resulted from an expense reduction strategy initiated in the first quarter of 2017. These efforts, in combination with higher deferrals of loan origination costs, contributed to a $2.4 million, or 8%, decline in compensation and benefits from the prior quarter. Other factors affecting noninterest expense during the second quarter of 2017 were a reduction in deposit insurance expense by $1.3 million, or 61%, offset by an increase in professional services expense of $1.6 million, or 36%, as compared to the first quarter of 2017.

Cash and Investment Securities

Cash and investment securities totaled $1.8 billion as of June 30, 2017, compared to $1.9 billion as of March 31, 2017 and $723.5 million as of June 30, 2016. Investment securities increased $240.2 million, or 27%, during the second quarter of 2017 to $1.1 billion as of June 30, 2017, compared to $900.0 million as of March 31, 2017, and increased $989.8 million, or 658%, compared to $150.4 million as of June 30, 2016. The increase in investment securities during the second quarter of 2017 was driven by the purchase of $328.3 million of government agency mortgage backed securities, offset by the sale of $47.5 million of securities and normal amortization.

Loans

Total loans held-for-investment were $5.2 billion as of June 30, 2017, a decrease of $214.0 million, or 4%, from $5.4 billion as of March 31, 2017 and a decrease of $907.0 million, or 15%, from $6.1 billion as of June 30, 2016. The decrease in total loans during the second quarter of 2017 was driven by new loan fundings of $362.2 million being offset by payoffs of $357.0 million, loan sales of $15.8 million, planned exits of $137.2 million and net loan charge-offs of $17.4 million. Technology Banking loans were reduced by $55.8 million, or 46%, during the second quarter of 2017 and totaled $66.5 million as of June 30, 2017. Total enterprise value loans were reduced by $123.9 million, or 16%, during the second quarter of 2017 and totaled $654.2 million as of June 30, 2017. The Healthcare Practice loan portfolio, which was de-emphasized in the fourth quarter of 2016, decreased by $1.1 million from the prior quarter to $43.0 million.

New loan fundings in the second quarter of 2017 increased 65% from the prior quarter to $362.2 million, including $136.4 million from Income Property Banking, $83.4 million from Institutional Syndications, $59.6 million from Public Finance, $28.4 million from Structured Finance, $21.8 million from Healthcare Provider, $17.0 million from Commercial Banking, and $14.2 million from Media and Entertainment. Commercial business loans comprised $179.9 million, or 50%, of total new loan fundings in the second quarter. Loan commitments originated during the second quarter totaled $349.7 million as compared to $209.7 million during the first quarter of 2017 and $767.2 million during the second quarter of 2016. As of June 30, 2017, our unfunded commitments on originated loans totaled $469.4 million.

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Our acquired loan portfolio totaled $149.6 million as of June 30, 2017, a decrease of 7% from $160.3 million as of March 31, 2017 and 28% from $207.3 million as of June 30, 2016. As of June 30, 2017, our acquired loan portfolio had a remaining discount of $3.0 million.

Deposits and Borrowings

Deposits totaled $6.3 billion as of June 30, 2017, a decrease of $386.1 million, or 6%, from $6.7 billion as of March 31, 2017, and an increase of $153.7 million, or 2%, from $6.2 billion as of June 30, 2016. During the second quarter of 2017, Opus initiated its previously announced strategy to intentionally reduce the balances of certain higher-cost, more rate sensitive deposits that comprised $246.8 million of the overall reduction in total deposits. Seasonal outflows totaling $131.8 million of deposits, which are anticipated to rebuild over the course of subsequent quarters, also contributed to the decrease in total deposits. Total demand deposits, including both noninterest-bearing and interest-bearing demand deposit accounts, increased to 53% of total deposits as of June 30, 2017 from 52% as of March 31, 2017 and from 48% as of June 30, 2016. As of June 30, 2017, business deposits represented 54% of total deposits, compared to 53% as of March 31, 2017 and 52% as of June 30, 2016.

Our loan to deposit ratio was 82% as of June 30, 2017 compared to 81% as of March 31, 2017 and 99% as of June 30, 2016.

Federal Home Loan Bank advances were unchanged at $10.0 million as of June 30, 2017 compared to $10.0 million as of March 31, 2017 and decreased from $135.0 million as of June 30, 2016.

Asset Quality

During the second quarter of 2017, we continued to reduce our exposure to previously de-emphasized loan portfolios. The Technology Banking loan portfolio was reduced by $55.8 million, or 46%, to $66.5 million, and loans categorized as enterprise value loans were reduced by $123.9 million, or 16%, to $654.2 million during the second quarter. Planned exits through loan payoffs and sales totaled $137.2 million in the second quarter of 2017, as Opus continued to reduce the balances of loans we previously announced as targeted for planned exits. As a result of the successful exit of previously identified loan relationships, the reserves associated with these loans were released, impacting our overall allowance and contributing to the negative provision for loan losses for the second quarter of 2017 which, in addition to net charge-offs, reduced the allowance for loan losses as required under our methodology.

Our allowance for loan losses was $87.7 million, or 1.68% of our total loan portfolio, as of June 30, 2017 compared to $112.2 million, or 2.07%, as of March 31, 2017 and $59.7 million, or 0.97%, as of June 30, 2016. The reduction in the allowance for loan losses during the second quarter of 2017 was driven by net charge-offs of $17.4 million, a reduction in specific reserves for impaired loans resolved during the quarter, and a decline in loan balances driven by loan sales, payoffs, and pay-downs. Our acquired loan portfolio had a remaining discount of $3.0 million as of June 30, 2017. The coverage ratio for the total loan portfolio, which includes the remaining discount on the acquired loan portfolio, was 1.74% as of June 30, 2017 compared to 2.12% as of March 31, 2017 and 1.07% as of June 30, 2016. Our allowance for loan losses on originated loans resulted in a coverage ratio of 1.72% as of June 30, 2017, compared to 2.12% as of March 31, 2017 and 1.00% as of June 30, 2016.

We recorded a negative provision of $7.1 million in the second quarter of 2017, compared to a provision expense of $6.0 million in the first quarter of 2017 and $10.9 million in the second quarter of 2016. The negative provision during the second quarter was driven by a $22.8 million decline in reserves as a result of the changes in portfolio mix and decline in portfolio balances, including exits of loan relationships, as well as a reduction to specific reserves of $8.0 million. These factors were partially offset by $17.4 million of net charge-offs, $2.7 million from risk rating migration, and $3.6 million in higher reserves for increased loss factors. The allowance reduction on the acquired loan portfolio totaled $2,000 in the second quarter of 2017, $94,000 in the first quarter of 2017 and $145,000 in the second quarter of 2016.

Net charge-offs recorded during the second quarter of 2017 totaled $17.4 million, compared to $5.1 million during the first quarter of 2017 and $24,000 during the second quarter of 2016. Net charge-offs during the second quarter of 2017 included $11.7 million for loans that had specific reserves of $7.3 million recorded in prior quarters. Technology and Commercial Banking loans accounted for $12.1 million and $3.4 million of the current quarter net charge-offs, respectively. The remaining balance of originated loans for which charge-offs were previously recorded was $6.0 million as of June 30, 2017, comprised of three relationships in our Technology and Healthcare Practice divisions.

Total criticized loans decreased $70.4 million, or 20%, to $289.0 million as of June 30, 2017 compared to $359.4 million as of March 31, 2017, and increased $142.5 million, or 97%, from $146.5 million as of June 30, 2016. The net decrease in total criticized loans during the second quarter was comprised of a net decrease in classified loans of $93.5 million and a net increase in special mention loans of $23.1 million. The net decrease in total criticized loans consisted of a $84.1 million decrease in commercial business loans and a $13.3 million increase in real estate secured loans.

The net decrease in criticized loans was driven by $26.0 million of upgrades and $101.3 million of loan exits, including payoffs, loan sales, foreclosures, charge-offs and normal amortization during the quarter, offset by $57.0 million of downgrades. Commercial business and SBA loans comprised $17.7 million of loans upgraded out of criticized categories and $99.6 million of loan exits and foreclosures, offset by $33.8 million of downgrades during the second quarter of 2017. Real estate secured loans comprised $8.3 million of loans upgraded out of criticized categories and $1.6 million of loan exits, offset by $23.2 million of downgrades during the second quarter of 2017.

Total nonperforming assets were $69.0 million, or 0.90% of total assets, as of June 30, 2017, compared to $87.0 million, or 1.09% of total assets, as of March 31, 2017 and $79.4 million, or 1.06% of total assets, as of June 30, 2016. Other real estate owned and other repossessed assets increased to $5.2 million as of June 30, 2017 from $288,000 as of March 31, 2017 as we received assets as part of the workout plan for one commercial business loan relationship. The ratio of the allowance for loan losses to total nonperforming assets was 127.2% as of June 30, 2017, compared to 129.0% as of March 31, 2017 and 75.2% as of June 30, 2016.

Commercial Business Loans

Commercial business loans accounted for all of our $17.4 million of net charge-offs in the second quarter of 2017, up from $4.7 million in the first quarter of 2017. Of the net charge-offs recorded on commercial business loans during the second quarter of 2017, $12.1 million was related to Technology Banking division loan relationships that had either charge-offs or specific reserves recorded in prior quarters. Two Commercial Banking loans comprised $3.4 million of the net charge-offs recorded on commercial business loans during the second quarter and had specific reserves recorded in prior quarters, but no charge-offs. As of June 30, 2017, commercial business loan relationships that have experienced charge-offs had a remaining balance of $6.0 million.

Commercial business loans on nonaccrual declined to $51.4 million as of June 30, 2017 from $73.7 million as of March 31, 2017 and were mainly comprised of two Technology Banking relationships totaling $24.3 million, one Corporate Finance relationships totaling $9.2 million, three Commercial Banking relationships totaling $12.1

million, and two Healthcare Practice relationships totaling $5.6 million. Total criticized commercial business loans as of June 30, 2017 were $192.5 million, or 13% of total commercial business loans, compared to $276.6 million, or 18%, as of March 31, 2017. As of June 30, 2017, we had specific reserves of $16.6 million on $39.4 million of criticized commercial business loans, compared to $24.6 million of specific reserves on $57.3 million of criticized commercial business loans as of March 31, 2017.

As of June 30, 2017, the total allowance recorded for commercial business loans, which includes general and specific reserves, equaled $66.6 million, or 4.4% of total commercial business loans, compared to $90.6 million, or 5.8% of total commercial business loans, as of March 31, 2017. At June 30, 2017, the $16.6 million of specific reserves for commercial business loans were comprised of $9.0 million for Technology Banking loans, $5.6 million for Commercial Banking loans, and $2.0 million for Corporate Finance loans.

Commercial Real Estate Loans

There were no net charge-offs in Opus' $1.2 billion commercial real estate loan portfolio in the second quarter of 2017, compared to $340,000 in the first quarter of 2017 and none in the second quarter of 2016. Commercial real estate loans on nonaccrual totaled $11.6 million, or 1.0% of total commercial real estate loans as of June 30, 2017, compared to $12.3 million, or 1.0%, in the prior quarter. Total criticized commercial real estate loans were $62.9 million as of June 30, 2017 compared to $51.7 million as of March 31, 2017. The increase in commercial real estate criticized loans was comprised of two loan relationships totaling $11.4 million downgraded into special mention. As of June 30, 2017, commercial real estate loans had no specific reserves and a total allowance of $10.2 million, or 0.9% of total commercial real estate loans, compared to no specific reserves and a total allowance of $10.1 million, or 0.8% of total commercial real estate loans, as of March 31, 2017, and no specific reserves and a total allowance of $6.3 million, or 0.5% of total commercial real estate loans, as of June 30, 2016.

Multifamily Loans

Opus' $2.3 billion multifamily loan portfolio has experienced zero charge-offs since our inception in 2010. There were no multifamily loans on nonaccrual status as of June 30, 2017 and no delinquencies. There were no specific reserves for loans within the multifamily portfolio as of June 30, 2017 and total criticized multifamily loans were $21.1 million, or 0.9% of total multifamily loans, compared to $19.1 million, or 0.8% of total multifamily loans, as of March 31, 2017. The increase in multifamily criticized loans was comprised of three loan relationships totaling $9.8 million downgraded into special mention. As of June 30, 2017, our multifamily portfolio had a total allowance of $9.1 million, or 0.4% of total multifamily loans, as compared to $9.6 million, or 0.4%, in the prior quarter and $9.5 million, or 0.3%, as of June 30, 2016.

Capital

Our capital ratios increased from the prior quarter as a result of increased retained earnings, lower average loan balances from planned loan exits and elevated loan payoffs, higher balances of investment securities at lower risk-weightings, and improvements to the risk weightings of loans in our multifamily portfolio. As of June 30, 2017, our Tier 1 leverage ratio was 8.58%, Common Equity Tier 1 ratio was 10.60% and total risk-based capital ratio was 14.08%, compared to 8.19%, 9.87% and 13.26%, respectively, as of March 31, 2017. As of June 30, 2016, our Tier 1 leverage, Common Equity Tier 1 ratio and total risk-based capital ratios were 8.52%, 9.74% and 12.93%, respectively. Stockholders' equity totaled $1.0 billion as of June 30, 2017, an increase of 2% from $985.6 million as of March 31, 2017 and an increase of 5% from $951.2 million as of June 30, 2016. Our tangible book value per as converted common share increased to $16.63 as of June 30, 2017 from $16.23 as of March 31, 2017 and $16.60 as of June 30, 2016.

During the first quarter of 2017, we adopted ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). Under ASU 2016-09, excess tax benefits and deficiencies relating to employee share-based awards are recorded as income tax expense on a prospective basis as compared to additional paid-in capital in every period prior to 2017. As a result, during the second quarter of 2017 we recognized $769,000 of tax deficiencies in connection with the vesting of restricted stock awards through income tax expense rather than additional paid-in capital, which totaled $0.02 of diluted earnings per share and increased our effective tax rate for the second quarter of 2017 by 2.64%. The adoption of ASU 2016-09 resulted in $248,000 of tax deficiencies in the first quarter of 2017, which totaled $0.01 of diluted earnings per share and increased our effective tax rate for the first quarter by 1.97%. There was no impact to the financial results of any prior periods reported.

Conference Call and Webcast Details
Date: Monday, July 24, 2017
Time: 8:00 a.m. PT (11:00 a.m. ET)

Phone Number: (855) 265-3237
Conference ID: 43753649
Webcast URL: http://investor.opusbank.com/event

Analysts, investors, and the general public may listen to the Bank's discussion of its second quarter performance and participate in the question/answer session by using the phone number listed above or through a live webcast of the conference available through a link on the investor relations page of Opus' website at: http://investor.opusbank.com/event. The webcast will include a slide presentation, enabling conference participants to experience the discussion with greater impact. It is recommended that participants dial into the conference call or log into the webcast approximately 10 minutes prior to the call.

Replay Information: For those who are not able to listen to the call, an archive of the call will be available beginning approximately 2 hours following the completion of the call. To listen to the call replay, dial (855) 859-2056, or for international callers dial (404) 537-3406. The access code for either replay number is 43753649. The call replay will be available through August 24, 2017.

About Opus Bank
Opus Bank is an FDIC insured California-chartered commercial bank with $7.7 billion of total assets, $5.2 billion of total loans, and $6.3 billion in total deposits as of June 30, 2017. Opus Bank provides superior ideas and solutions, and banking products to its clients through its Retail Bank, Commercial Bank, Merchant Bank and Correspondent Bank. Opus Bank offers a suite of treasury and cash management and depository solutions and a wide range of loan products, including commercial, healthcare, media and entertainment, corporate finance, multifamily residential, commercial real estate and structured finance, and is an SBA preferred lender. Opus Bank offers commercial escrow services and facilitates 1031 Exchange transactions through its Escrow and Exchange divisions. Opus Bank provides clients with financial and advisory services related to raising equity capital, targeted acquisition and divestiture strategies, general mergers and acquisitions, debt and equity financing, balance sheet restructuring, valuation, strategy and performance improvement through its Merchant Banking Division and its broker-dealer subsidiary, Opus Financial Partners, LLC, Member FINRA/SIPC. Opus Bank's alternative asset IRA custodian subsidiary has over $15 billion of custodial assets and approximately 50,000 client accounts, which are comprised of self-directed investors, financial institutions, capital raisers and financial advisors. Opus Bank operates 56 banking offices, including 32 in California, 21 in the Seattle/Puget Sound region in Washington, two in the Phoenix metropolitan area of Arizona and one in Portland, Oregon.

Opus Bank is an Equal Housing Lender. For additional information about Opus Bank, please visit our website: www.opusbank.com.

Forward Looking Statements

This release and the aforementioned conference call and webcast may include forward-looking statements related to Opus' plans, beliefs and goals, which involve certain risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors: competitive pressure in the banking industry; changes in the interest rate environment; the health of the economy, either nationally or regionally; the deterioration of credit quality, which would cause an increase in the provision for possible loan and lease losses; changes in the regulatory environment; changes in business conditions, particularly in California real estate; volatility of rate sensitive deposits; asset/liability matching risks and liquidity risks; and changes in the securities markets. For a discussion of these and other risks and uncertainties, see Opus' filings with the Federal Deposit Insurance Corporation, including, but not limited to, the risk factors in Opus' annual report on Form 10-K. These filings are available on the Investor Relations page of Opus' website at: http://investor.opusbank.com.

Opus undertakes no obligation to revise or publicly release any revision to these forward-looking statements.

Contacts:

Nicole M. Carrillo
EVP, Chief Financial Officer
Telephone: (949) 251-8133

Brett G. Villaume
SVP, Director of Investor Relations
Telephone: (949) 224-8866

Source: Opus Bank

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Consolidated Statements of Income

(unaudited) ($ in thousands, except per share amounts)	For the three months ended June 30, 2017	For the three months ended March 31, 2017	For the three months ended June 30, 2016	For the six months ended June 30, 2017	For the six months ended June 30, 2016
Interest income:					
Loans	$ 57,834	$ 60,232	$ 68,231	$ 118,066	$ 133,370
Investment securities	5,212	3,069	599	8,280	1,044
Due from banks	2,055	1,961	739	4,016	1,314
Total interest income	65,101	65,262	69,569	130,362	135,728
Interest expense:					
Deposits	7,122	7,181	6,496	14,303	12,830
Federal Home Loan Bank advances	25	67	489	92	1,211
Subordinated debt	1,923	1,923	41	3,845	41
Total interest expense	9,070	9,171	7,026	18,240	14,082
Net interest income	56,031	56,091	62,543	112,122	121,646
Provision (negative provision) for loan losses	(7,098)	5,968	10,930	(1,130)	15,873
Net interest income after provision (negative provision) for loan losses	63,129	50,123	51,613	113,252	105,773
Noninterest income:					
Fees and service charges on deposit accounts	1,984	1,922	1,929	3,907	3,867
Escrow and exchange fees	1,487	1,450	1,989	2,937	3,609
Trust administrative fees	6,717	6,382	6,265	13,099	6,265
Gain (loss) on sale of loans	93	(299)	313	(206)	313
Loss on sale of assets	(82)	(2)	(16)	(84)	(22)
Gain (loss) from OREO and other repossessed assets	78	(147)	(28)	(69)	(52)
Gain on sale of investment securities	39	519	—	557	—
Bank-owned life insurance, net	886	890	935	1,775	1,747
Other income	3,523	1,788	1,819	5,312	2,802
Total noninterest income	14,725	12,503	13,206	27,228	18,529
Noninterest expense:					
Compensation and benefits	26,753	29,197	22,174	55,949	39,902
Professional services	6,189	4,540	2,603	10,729	4,897
Occupancy expense	4,108	3,780	3,436	7,887	6,435
Depreciation and amortization	1,789	1,884	1,806	3,674	3,280
Deposit insurance and regulatory assessments	812	2,062	1,247	2,874	2,307
Insurance expense	356	355	406	711	732
Data processing	821	783	799	1,604	1,668
Software licenses and maintenance	1,127	1,157	803	2,285	1,433
Office services	1,817	2,400	1,923	4,216	2,813
Amortization of other intangible assets	1,479	1,479	1,195	2,959	1,822
Advertising and marketing	584	660	366	1,244	594
Litigation expense (recovery)	(88)	129	(270)	42	(320)
Other expenses	2,980	1,635	1,918	4,615	3,696
Total noninterest expense	48,727	50,061	38,406	98,789	69,259
Income before income tax expense	29,127	12,565	26,413	41,691	55,043
Income tax expense	10,888	4,908	10,264	15,795	21,614
Net income	$ 18,239	$ 7,657	$ 16,149	$ 25,896	$ 33,429
Basic earnings per common share	$ 0.49	$ 0.21	$ 0.47	$ 0.71	$ 1.00
Diluted earnings per common share	0.48	0.21	0.46	0.69	0.97
Weighted average shares - basic	37,318,962	35,755,228	34,032,042	36,541,414	33,277,007
Weighted average shares - diluted	38,037,452	36,687,680	35,453,621	37,367,238	34,621,246

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Consolidated Balance Sheets

(unaudited)

($ in thousands, except share amounts)	As of June 30, 2017	As of March 31, 2017	As of June 30, 2016
Assets			
Cash and due from banks	$ 56,168	$ 47,747	$ 41,873
Due from banks – interest-bearing	599,169	978,416	531,239
Investment securities available-for-sale, at fair value	1,140,182	899,967	150,419
Loans held-for-investment	5,218,091	5,432,108	6,125,073
Less allowance for loan losses	(87,745)	(112,230)	(59,694)
Loans held-for-investment, net	5,130,346	5,319,878	6,065,379
OREO and other repossessed assets	5,208	288	1,415
Premises and equipment, net	33,684	33,941	38,206
Goodwill	331,832	331,832	328,285
Other intangible assets, net	47,759	49,239	53,677
Deferred tax assets, net	51,807	56,830	31,481
Cash surrender value of bank owned life insurance, net	122,635	121,908	119,179
Accrued interest receivable	19,463	20,098	20,341
Federal Home Loan Bank stock	17,250	17,250	17,250
Other assets	120,956	106,288	69,339
Total assets	$ 7,676,459	$ 7,983,682	$ 7,468,083
Liabilities and Stockholders' Equity			
Deposits:			
Noninterest-bearing demand	$ 935,321	$ 1,023,891	$ 964,045
Interest-bearing demand	2,410,155	2,453,251	2,032,461
Money market and savings	2,538,588	2,748,181	2,637,804
Time deposits	449,995	494,829	546,006
Total deposits	6,334,059	6,720,152	6,180,316
Federal Home Loan Bank advances	10,000	10,000	135,000
Subordinated debt, net	132,612	132,546	132,331
Accrued interest payable	3,921	2,053	223
Other liabilities	194,096	133,303	69,022
Total liabilities	6,674,688	6,998,054	6,516,892
Stockholders' equity:			
Preferred stock:			
Authorized 200,000,000 shares; issued 612 and 612 and 612 shares, respectively	581	581	581
Common stock, no par value per share:			
Authorized 200,000,000 shares; issued 37,790,356 and 37,547,040 and 34,537,724 shares, respectively	728,749	728,749	678,291
Additional paid-in capital	60,173	59,041	52,695
Retained earnings	223,259	205,020	226,198
Treasury stock, at cost; 408,987 and 328,666 and 268,145 shares, respectively	(10,198)	(8,344)	(6,884)
Accumulated other comprehensive income (loss)	(793)	581	310
Total stockholders' equity	1,001,771	985,628	951,191
Total liabilities and stockholders' equity	$ 7,676,459	$ 7,983,682	$ 7,468,083

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Selected Financial Data

	For the three months ended			For the six months ended	
(unaudited)	June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Return on average assets	0.94%	0.39%	0.89%	0.67%	0.96%
Return on average stockholders' equity	7.35	3.23	6.90	5.33	7.39
Return on average tangible equity (1)	11.89	5.35	11.14	8.74	11.30
Efficiency ratio (2)	68.87	72.98	50.70	70.89	49.41
Noninterest expense to average assets	2.52	2.58	2.12	2.55	1.99
Yield on interest-earning assets	3.72	3.66	4.22	3.69	4.26
Cost of deposits (3)	0.44	0.44	0.44	0.44	0.46
Cost of funds (4)	0.55	0.54	0.45	0.55	0.47
Net interest margin	3.20	3.14	3.80	3.17	3.82
Loan to deposits	82.38	80.83	99.11	82.38	99.11

(1) See computation in "Non-GAAP Financial Measures" section.
(2) The efficiency ratio is calculated by dividing noninterest expense by the sum of net interest income before provision for loan losses and noninterest income.
(3) Calculated as interest expense on deposits divided by total average deposits.
(4) Calculated as total interest expense divided by average total deposits, FHLB advances and subordinated debt.

Capital Ratios

	As of		
(unaudited)	June 30, 2017 (1)	March 31, 2017	June 30, 2016
Tier 1 leverage ratio	8.58%	8.19%	8.52%
Tier 1 risk-based capital ratio	10.60	9.87	9.74
Total risk-based capital ratio	14.08	13.26	12.93
Common Equity Tier 1 ratio	10.60	9.87	9.74

(1) Ratios are preliminary until filing of our June 30, 2017 call report.

Loan Fundings

(unaudited)	For the three months ended			For the six months ended	
($ in thousands)	June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Loans funded:					
Real estate mortgage loans:					
Single-family residential	$ —	$ —	$ —	$ —	$ —
Multifamily residential	148,842	111,272	285,563	260,114	505,082
Commercial real estate	12,135	15,473	71,622	27,608	183,242
Construction and land loans	13,591	15,556	12,504	29,147	26,891
Commercial business loans	179,889	75,661	290,947	255,550	492,902
Small Business Administration loans	7,693	1,181	—	8,874	4,215
Consumer and other loans	—	—	—	—	—
Total loan fundings	$ 362,150	$ 219,143	$ 660,636	$ 581,293	$ 1,212,332

Composition of Loan Portfolio

(unaudited)	As of June 30, 2017		As of March 31, 2017		As of June 30, 2016	
($ in thousands)	Amount	% of Total loans	Amount	% of Total loans	Amount	% of Total loans
Originated loans held-for-investment						
Real estate mortgage loans:						
Single-family residential	$ 66,484	1.3%	$ 69,046	1.3%	$ 93,550	1.5%
Multifamily residential	2,250,464	43.1	2,285,039	42.1	2,773,243	45.3
Commercial real estate	1,161,241	22.3	1,251,877	23.0	1,241,827	20.3
Construction and land loans	84,687	1.6	100,303	1.8	82,959	1.3
Commercial business loans	1,484,361	28.4	1,550,120	28.5	1,700,713	27.8
Small Business Administration loans	20,962	0.4	15,123	0.3	25,082	0.4
Consumer and other loans	282	0.0	296	0.0	376	0.0
Total originated loans	5,068,481	97.1	5,271,804	97.0	5,917,750	96.6
Acquired loans held-for-investment						
Real estate mortgage loans:						
Single-family residential	28,670	0.5	30,457	0.6	43,317	0.7
Multifamily residential	53,906	1.0	56,480	1.1	71,330	1.2
Commercial real estate	33,518	0.7	37,205	0.8	50,927	0.9
Construction and land loans	1,457	0.0	1,980	0.0	2,032	0.0
Commercial business loans	13,604	0.2	14,864	0.2	16,850	0.2
Small Business Administration loans	12,097	0.2	12,862	0.2	15,324	0.3
Consumer and other loans	6,358	0.1	6,456	0.1	7,543	0.1
Total acquired loans	149,610	2.9	160,304	3.0	207,323	3.4
Total gross loans	$ 5,218,091	100.0%	$ 5,432,108	100.0%	$ 6,125,073	100.0%

Composition of Deposits

(unaudited)	As of June 30, 2017		As of March 31, 2017		As of June 30, 2016	
($ in thousands)	Amount	% of Total deposits	Amount	% of Total deposits	Amount	% of Total deposits
Noninterest bearing	$ 935,321	14.77%	$ 1,023,891	15.24%	$ 964,045	15.60%
Interest bearing demand	2,410,155	38.05	2,453,251	36.51	2,032,461	32.89
Money market and savings	2,538,588	40.08	2,748,181	40.89	2,637,804	42.68
Time deposits	449,995	7.10	494,829	7.36	546,006	8.83
Total deposits	$ 6,334,059	100.00%	$ 6,720,152	100.00%	$ 6,180,316	100.00%

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Consolidated average balance sheet, interest, yield and rates

(unaudited)	For the three months ended June 30, 2017			For the three months ended March 31, 2017			For the three months ended June 30, 2016		
($ in thousands)	Average Balance	Interest	Yields/ Rates	Average Balance	Interest	Yields/ Rates	Average Balance	Interest	Yields/ Rates
Assets:									
Interest-earning assets:									
Due from banks	$ 772,900	$ 2,055	1.07%	$ 951,235	$ 1,961	0.84%	$ 586,542	$ 739	0.51%
Investment securities	916,362	5,212	2.28	719,754	3,069	1.73	148,945	599	1.62
Acquired loans	155,404	2,029	5.24	169,511	2,831	6.77	232,857	7,993	13.81
Originated Loans	5,171,997	55,805	4.33	5,400,662	57,401	4.31	5,659,767	60,238	4.28
Total loans	$ 5,327,401	$ 57,834	4.35	$ 5,570,173	$ 60,232	4.39	$ 5,892,624	$ 68,231	4.66
Total interest-earning assets	$ 7,016,663	$ 65,101	3.72	$ 7,241,162	$ 65,262	3.66	$ 6,628,111	$ 69,569	4.22
Noninterest-earning assets	728,489			634,841			649,774		
Total assets	$ 7,745,152			$ 7,876,003			$ 7,277,885		
Liabilities and stockholders' equity:									
Interest-bearing deposits									
Interest-bearing demand	$ 2,393,563	$ 1,154	0.19%	$ 2,495,540	$ 1,133	0.18%	$ 1,839,069	$ 748	0.16%
Money market and savings	2,657,816	4,856	0.73	2,762,146	4,957	0.73	2,648,183	4,618	0.70
Time deposits	472,716	1,112	0.94	503,673	1,091	0.88	550,381	1,130	0.83
Total interest bearing deposits	$ 5,524,095	$ 7,122	0.52	$ 5,761,359	$ 7,181	0.51	$ 5,037,633	$ 6,496	0.52
Subordinated debt	132,575	1,923	5.82	132,507	1,923	5.89	2,907	41	5.67
FHLB advances	10,000	25	1.00	27,722	67	0.98	351,648	489	0.56
Total interest-bearing liabilities	$ 5,666,670	$ 9,070	0.64	$ 5,921,588	$ 9,171	0.63	$ 5,392,188	$ 7,026	0.52
Noninterest-bearing deposits	934,961			921,208			883,769		
Other liabilities	147,980			71,180			61,105		
Total liabilities	$ 6,749,611			$ 6,913,976			$ 6,337,062		
Total stockholders' equity	$ 995,541			$ 962,027			$ 940,823		
Total liabilities and stockholders' equity	$ 7,745,152			$ 7,876,003			$ 7,277,885		
Net interest income		$ 56,031			$ 56,091			$ 62,543	
Net interest spread [1]			3.08%			3.03%			3.70%
Net interest margin [2]			3.20%			3.14%			3.80%

(1) Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.
(2) Net interest margin is computed by dividing net interest income by total average interest-earning assets.

Consolidated average balance sheet, interest, yield and rates

	For the six months ended June 30,					
	2017			2016		
(In thousands)	Average Balance	Interest	Yields/ Rates	Average Balance	Interest	Yields/ Rates
Assets:						
Interest-earning assets						
Due from banks	$ 861,574	$ 4,016	0.94%	$ 522,556	$ 1,314	0.51%
Investment securities	818,601	8,280	2.04	149,087	1,044	1.41
Acquired loans	162,419	4,860	6.03	246,549	15,272	12.46
Originated Loans	5,285,698	113,206	4.32	5,493,567	118,098	4.32
Total loans	$ 5,448,117	$ 118,066	4.37	$ 5,740,116	$ 133,370	4.67
Total interest-earning assets	$ 7,128,292	$ 130,362	3.69	$ 6,411,759	$ 135,728	4.26
Noninterest-earning assets	681,924			602,633		
Total assets	$ 7,810,216			$ 7,014,392		
Liabilities and stockholders' equity:						
Interest-bearing deposits						
Interest-bearing deposits	$ 2,444,270	$ 2,287	0.19%	$ 1,522,093	$ 1,434	0.19%
Money market and savings	2,709,693	9,813	0.73	2,618,143	9,124	0.70
Time deposits	488,109	2,203	0.91	556,602	2,272	0.82
Total interest bearing deposits	$ 5,642,072	$ 14,303	0.51	$ 4,696,838	$ 12,830	0.55
Subordinated debt	132,541	3,845	5.85	1,453	41	5.67
FHLB advances	18,812	92	0.99	445,632	1,211	0.55
Total interest-bearing liabilities	$ 5,793,425	$ 18,240	0.63	$ 5,143,923	$ 14,082	0.55
Noninterest-bearing deposits	928,123			899,646		
Other liabilities	109,791			61,307		
Total liabilities	$ 6,831,339			$ 6,104,876		
Total stockholders' equity	$ 978,877			$ 909,516		
Total liabilities and stockholders' equity	$ 7,810,216			$ 7,014,392		
Net interest income		$ 112,122			$ 121,646	
Net interest spread (1)			3.06%			3.71%
Net interest margin (2)			3.17%			3.82%

(1) Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.
(2) Net interest margin is computed by dividing net interest income by total average interest-earning assets.

Allowance for Loan Losses

(unaudited)

($ in thousands)	For the three months ended June 30, 2017	For the three months ended March 31, 2017	For the three months ended June 30, 2016	For the six months ended June 30, 2017	For the six months ended June 30, 2016
Allowance for loan losses-balance at beginning of period	$ 112,230	$ 111,410	$ 48,788	$ 111,410	$ 44,147
(Recapture) Provision for loan losses:					
Acquired loans	(2)	(94)	(145)	(96)	(296)
Originated loans	(7,096)	6,062	11,075	(1,034)	16,169
Total provision for loan losses	(7,098)	5,968	10,930	(1,130)	15,873
Charge-offs:					
Acquired loans	—	—	—	—	—
Originated loans	(17,799)	(5,716)	(32)	(23,515)	(365)
Total charge-offs	(17,799)	(5,716)	(32)	(23,515)	(365)
Recoveries:					
Acquired loans	—	—	—	—	—
Originated loans	412	568	8	980	39
Total recoveries	412	568	8	980	39
Total net charge-offs	(17,387)	(5,148)	(24)	(22,535)	(326)
Allowance for loan losses-balance at end of period	$ 87,745	$ 112,230	$ 59,694	$ 87,745	$ 59,694

Asset Quality Information

(unaudited)

($ in thousands)	As of June 30, 2017	As of March 31, 2017	As of June 30, 2016
Nonperforming assets			
Nonaccrual loans	$ 63,754	$ 86,740	$ 77,964
OREO and other repossessed assets	5,208	288	1,415
Total nonperforming assets	68,962	87,028	79,379
Nonperforming assets to total assets	0.90%	1.09%	1.06%
Accruing loans 90 days or more past due	$ 503	$ 296	$ 1,244
Accruing troubled debt restructured loans	155	160	373
Allowance for loan losses - Originated loans	87,277	111,760	58,909
Allowance for loan losses - Acquired loans	468	470	785
Total allowance for loan losses	$ 87,745	$ 112,230	$ 59,694
Remaining acquisition discount on acquired loans	$ 2,971	$ 3,082	$ 6,140
Allowance for loan losses to non-accrual loans	137.6%	129.4%	76.6%
Allowance for loan losses acquired loans to acquired loans	0.31	0.29	0.38
Allowance for loan losses originated loans to originated loans	1.72	2.12	1.00
Total allowance for loan losses to total loans	1.68	2.07	0.97
Allowance for loan losses and remaining acquisition discount on acquired loans to gross acquired loans (1)	2.25	2.17	3.24
Allowance for loan losses and remaining acquisition discount to total gross loans (1)	1.74	2.12	1.07

(1) Remaining acquisition discount is added back to acquired loans held for investment to calculate gross loans and added to allowance for loan losses to calculate the coverage ratios.

Risk Rating by Loan Product

(Unaudited)

($ in thousands)	Pass	Special Mention	Classified	Total Loans	Nonaccrual loans	Total allowance
As of June 30, 2017						
Real estate mortgage loans:						
Single-family residential	$ 94,347	$ 82	$ 725	$ 95,154	$ —	$ 247
Multifamily residential	2,283,268	16,556	4,546	2,304,370	—	9,127
Commercial real estate	1,131,835	46,231	16,693	1,194,759	11,581	10,220
Construction and land loans	78,685	7,459	—	86,144	—	1,327
Commercial business loans	1,305,418	35,286	157,261	1,497,965	51,409	66,551
Small Business Administration loans	29,896	898	2,265	33,059	—	249
Consumer and other loans	5,621	63	956	6,640	764	24
Total loans	$ 4,929,070	$ 106,575	$ 182,446	$ 5,218,091	$ 63,754	$ 87,745
As of March 31, 2017						
Real estate mortgage loans:						
Single-family residential	$ 98,684	$ 83	$ 736	$ 99,503	$ —	$ 254
Multifamily residential	2,322,418	8,318	10,783	2,341,519	—	9,631
Commercial real estate	1,237,392	34,514	17,176	1,289,082	12,276	10,087
Construction and land loans	94,931	7,352	—	102,283	—	1,469
Commercial business loans	1,288,371	32,210	244,403	1,564,984	73,708	90,569
Small Business Administration loans	25,152	983	1,850	27,985	—	191
Consumer and other loans	5,736	65	951	6,752	756	29
Total loans	$ 5,072,684	$ 83,525	$ 275,899	$ 5,432,108	$ 86,740	$ 112,230
As of June 30, 2016						
Real estate mortgage loans:						
Single-family residential	$ 133,282	$ 2,382	$ 1,203	$ 136,867	$ —	$ 406
Multifamily residential	2,838,355	6,218	—	2,844,573	—	9,503
Commercial real estate	1,275,513	4,954	12,287	1,292,754	10,049	6,286
Construction and land loans	84,965	26	—	84,991	—	819
Commercial business loans	1,603,015	29,623	84,925	1,717,563	67,269	42,422
Small Business Administration loans	36,915	1,076	2,415	40,406	—	183
Consumer and other loans	6,523	227	1,169	7,919	646	75
Total loans	$ 5,978,568	$ 44,506	$ 101,999	$ 6,125,073	$ 77,964	$ 59,694

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Risk Rating by Lending Division

(Unaudited)

($ in thousands)	Pass	Special Mention	Classified	Total Loans	Nonaccrual loans
As of June 30, 2017					
Income Property Banking	$ 2,920,926	$ 21,465	$ 991	$ 2,943,382	$ —
Commercial Banking	443,247	33,697	60,962	537,906	12,078
Structured Finance	347,451	17,912	15,201	380,564	11,581
Healthcare Provider	305,456	25,466	18,633	349,555	—
Healthcare Practice	33,830	527	8,692	43,049	5,614
Corporate Finance	308,003	—	37,103	345,106	9,192
Institutional Syndication	297,382	—	(241) [1]	297,141	—
Technology Banking	21,810	6,205	38,437	66,452	24,313
Other divisions [(2)]	250,965	1,303	2,668	254,936	976
Total loans	$ 4,929,070	$ 106,575	$ 182,446	$ 5,218,091	$ 63,754
As of March 31, 2017					
Income Property Banking	$ 2,910,884	$ 20,132	$ 7,803	$ 2,938,819	$ 696
Commercial Banking	476,078	24,301	69,900	570,279	15,946
Structured Finance	441,257	10,945	15,322	467,524	11,580
Healthcare Provider	354,611	13,480	55,057	423,148	—
Healthcare Practice	35,260	539	8,358	44,157	5,624
Corporate Finance	346,405	2,389	52,668	401,462	24,932
Institutional Syndication	289,162	(322) [1]	(274) [1]	288,566	—
Technology Banking	47,296	10,818	64,108	122,222	26,968
Other divisions [(2)]	171,731	1,243	2,957	175,931	994
Total loans	$ 5,072,684	$ 83,525	$ 275,899	$ 5,432,108	$ 86,740
As of June 30, 2016					
Income Property Banking	$ 3,440,318	$ 6,715	$ —	$ 3,447,033	$ —
Commercial Banking	587,893	7,470	26,749	622,112	11,619
Structured Finance	513,298	26	—	513,324	—
Healthcare Provider	372,248	—	—	372,248	—
Healthcare Practice	57,783	6,291	24,840	88,914	20,666
Corporate Finance	333,512	19,267	3,176	355,955	—
Institutional Syndication	275,269	(482)	(371) [1]	274,416	—
Technology Banking	234,466	—	45,032	279,498	45,032
Other divisions [(2)]	163,781	5,219	2,573	171,573	646
Total loans	$ 5,978,568	$ 44,506	$ 101,999	$ 6,125,073	$ 77,963

(1) Represents unamortized net deferred loan origination fees on syndicated lines of credit that have no outstanding principal balances at period end.

(2) Other divisions is comprised of single family residential loans, consumer and other loans, and specialty banking divisions including Business Banking, Media and Entertainment Banking and Public Finance.

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Non-GAAP Financial Measures

Our accounting and reporting policies conform to generally accepted accounting principles in the United States ("GAAP"). We believe that the presentation of certain non-GAAP financial measures assists investors in evaluating our financial results. These non-GAAP measures include our return on average tangible equity and tangible book value per as converted common share. These non-GAAP measures should be taken together with the corresponding GAAP measures and should not be considered a substitute of the GAAP measures.

The following tables present a reconciliation of the most comparable GAAP financial measures and ratios to the non-GAAP financial measures and ratios:

Non-GAAP return on average tangible equity

(unaudited)	For the three months ended			For the six months ended	
($ in thousands)	June 30, 2017	March 31, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Average tangible equity:					
Average stockholders' equity	$ 995,541	$ 962,027	$ 940,823	$ 978,877	$ 909,516
Less:					
Average goodwill	331,832	331,832	335,135	331,832	298,625
Average other intangible assets	48,583	50,112	22,643	49,343	16,223
Average tangible equity	615,126	580,083	583,045	597,702	594,668
Net income	$ 18,239	$ 7,657	$ 16,149	$ 25,896	$ 33,429
Return on average stockholders' equity	7.35%	3.23%	6.90%	5.33%	7.39%
Non-GAAP return on average tangible equity	11.89	5.35	11.14	8.74	11.30

Non-GAAP tangible book value per as converted common share

(unaudited)	As of		
($ In thousands, except share amounts)	June 30, 2017	March 31, 2017	June 30, 2016
Tangible equity:			
Total stockholders' equity	$ 1,001,771	$ 985,628	$ 951,191
Less:			
Goodwill	331,832	331,832	328,285
Other intangible assets, net	47,759	49,239	53,677
Tangible equity	622,180	604,557	569,229
Shares of common stock outstanding	37,381,369	37,218,374	34,269,579
Shares of common stock to be issued upon conversion of preferred stock	30,600	30,600	30,600
Total as converted shares of common stock outstanding (1)	37,411,969	37,248,974	34,300,179
Book value per as converted common share	26.78	26.46	27.73
Tangible book value per as converted common share	16.63	16.23	16.60

(1) Common stock outstanding includes additional shares of common stock that would be issued upon conversion of all outstanding shares of preferred stock to common stock and excludes shares issuable upon exercise of warrants and options.