FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC 20429

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
October 28, 2019

OPUS BANK
(Exact name of registrant as specified in its charter)

California **(State or other jurisdiction of incorporation)**	**33-0564430** **(IRS Employer Identification No.)**

19900 MacArthur
Blvd., 12th Floor
Irvine, CA 92612
(Address, including zip code, of principal executive office)

Registrant's telephone number, including area code: (949) 250-9800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	OPB	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Item 2.02 Results of Operation and Financial Condition.

On October 29, 2019, Opus Bank (the "Bank"), a California state-chartered bank, reported its unaudited financial results for the third quarter ended September 30, 2019. A copy of the Bank's press release containing this information is being furnished as Exhibit 99.1 and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

The Bank intends to hold an investor call and webcast on October 28, 2019 at 8:00 a.m. Pacific Time to discuss these financial results, which will include a webcast that incorporates a slide presentation. A copy of the slide presentation is attached hereto as Exhibit 99.2.

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Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated October 28, 2019, announcing the financial results for the quarter ended September 30, 2019
99.2	Slide Presentation, dated October 28, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 28, 2019

Opus Bank

By: /s/ Paul W. Taylor_________________
Name: Paul W. Taylor
Title: President and Chief Executive Officer

Exhibit No. 99.1

Press Release, dated October 28, 2019, titled: Opus Bank Announces Third Quarter 2019 Financial Results

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Opus Bank Announces Third Quarter 2019 Financial Results

- *Reduced nonperforming assets by $13.7 million, or 65%, from the prior quarter to 0.10% of total assets*
- *Enterprise Value loans decreased 44% from the prior quarter to $35.9 million*
- *Credit improvement resulted in a negative provision for loan losses of $7.7 million*
- *Noninterest expense decreased 13% from the prior quarter following expense reduction initiative undertaken in the second quarter of 2019*

Irvine, Calif. – October 28, 2019 – Opus Bank ("Opus") (Nasdaq: “OPB”) announced today net income of $22.0 million, or $0.57 per diluted share, for the third quarter of 2019, compared to net income of $8.7 million, or $0.23 per diluted share, for the second quarter of 2019. Net income during the third quarter of 2019 included gains of $220,000 on the sale of securities, loans and other assets, and additional income tax expense related to the previously announced expense reduction initiative undertaken in the second quarter of 2019 that increased our effective tax rate by approximately one percentage point. Together, these items negatively impacted earnings by $0.01 per diluted share for the third quarter.

Additionally, Opus announced today that its Board of Directors has approved the payment of a quarterly cash dividend of $0.11 per common share payable on November 21, 2019 to common stockholders of record as of November 7, 2019, and a common-equivalent payment to its Series A Preferred stockholders.

Earnings Summary

(unaudited)

	For the three months ended		
($ in thousands, except per share data)	September 30, 2019	June 30, 2019	September 30, 2018
Net income	$ 21,998	$ 8,686	$ 9,412
Earnings per diluted share	0.57	0.23	0.25
Return on average assets ("ROAA")	1.13%	0.45%	0.51%
Return on average stockholders' equity	8.12%	3.29%	3.59%
Return on average tangible common equity[1] ("ROATCE")	12.88%	5.28%	5.86%
Efficiency ratio[1]	61.82%	71.32%	69.49%
Adjusted Earnings[1]			
Adjusted net income	$ 22,280	$ 13,308	$ 7,636
Adjusted earnings per diluted share	0.58	0.35	0.20
Adjusted return on average assets	1.14%	0.68%	0.42%
Adjusted return on average stockholders' equity	8.24%	5.04%	2.91%
Adjusted return on average tangible common equity	13.06%	8.08%	4.75%
Adjusted efficiency ratio	61.63%	63.55%	68.40%

[1] See reconciliation of non-GAAP financial measures to corresponding GAAP measures on pages 15-16.

Paul W. Taylor, President and Chief Executive Officer of Opus Bank, stated, "I am pleased to announce that Opus recorded quarterly earnings per share of $0.57, an increase from $0.23 in the second quarter. As a result of the progress we made in reducing the balances of Enterprise Value loans and nonperforming assets, we recorded a negative provision for loan losses of $7.7 million in the third quarter. Additionally, we significantly reduced overhead expenses after taking the painful but necessary actions in the second quarter to

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bring Opus more in line with peer efficiency levels. We also generated greater noninterest income from PENSCO and our Escrow and Exchange divisions in the third quarter. These accomplishments resulted in an ROAA of 1.13%, ROATCE of 12.9%, and efficiency ratio of 61.8% for the third quarter of 2019."

Mr. Taylor continued, "Overall loan growth slowed in the third quarter, due to rate management and elevated payoffs. Yet, our Commercial Banking division originated $99.1 million of loans during the quarter and is continuing to gain traction, despite heavy competition from peers. The intentional runoff of Enterprise Value loans has clouded the progress we are making in remixing our loan portfolio toward a greater percentage of Commercial Business loans, but we expect this headwind will lessen in 2020. In spite of the challenging interest rate environment, I am confident that our profitability will continue to improve."

Loans

Average loans increased $72.3 million, or 1.3%, from the prior quarter to $5.8 billion for the third quarter of 2019, and increased $725.9 million, or 14.3%, from $5.1 billion for the third quarter of 2018. The increase in loans during the third quarter of 2019 compared to the prior quarter was driven by new loan fundings of $406.1 million, partially offset by loan payoffs of $300.0 million.

Loan Balance Roll Forward

(unaudited)	Three Months Ended				
($ in millions)	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Beginning loan balance	$ 5,789.0	$ 5,461.5	$ 5,165.2	$ 5,159.9	$ 5,072.4
New loan fundings	406.1	703.6	538.0	412.3	435.7
Loan payoffs	(300.0)	(192.8)	(173.7)	(265.3)	(197.4)
Other[1]	(93.1)	(183.3)	(68.0)	(141.7)	(150.8)
Ending loan balance	$ 5,802.0	$ 5,789.0	$ 5,461.5	$ 5,165.2	$ 5,159.9

[1] Includes amortization, planned exits, charge-offs, and transfers to held-for-sale

New loan fundings in the third quarter of 2019 totaled $406.1 million, a decrease of $297.5 million, or 42%, from the second quarter of 2019 and a decrease of $29.6 million, or 7%, from the third quarter of 2018. The decrease in new loan fundings compared to the prior quarter was primarily driven by fewer multifamily loan originations. Our Commercial Banking division funded $99.1 million of new loans during the third quarter of 2019 and has originated $275.2 million of loans through the first nine months of 2019. Loan growth during the third quarter of 2019 was also impacted by elevated loan payoffs of $300.0 million, compared to payoffs of $192.8 million in the second quarter of 2019 and $197.4 million in the third quarter of 2018.

Investment Securities

The average balance of investment securities decreased $37.2 million, or 3.4%, during the third quarter of 2019 to $1.0 billion compared to the prior quarter, and increased $15.9 million, or 1.5%, compared to the third quarter of 2018. The decrease in investment securities compared to the second quarter of 2019 was primarily driven by the sale of lower yielding securities and accelerated amortization from higher paydowns. Investment securities composed 14.8% of average interest earning assets during the third quarter of 2019, as compared to 15.3% during the second quarter of 2019.

Deposits and Borrowings

Average deposits increased $79.8 million, or 1.3%, during the third quarter of 2019 to $6.2 billion compared to the prior quarter, and increased $234.1 million, or 3.9%, compared to the third quarter of 2018. Deposit growth during the third quarter of 2019 was primarily driven by interest-bearing demand, money market, and savings deposits generated by our Retail Banking division, Commercial Banking division, and PENSCO. The average balance of certificates of deposit decreased $13.9 million, or 1.6%, from the prior quarter, and average noninterest-bearing demand deposits decreased $9.6 million, or 1.3%, from the prior quarter. Noninterest-bearing demand deposits measured 12.2% of total deposits as of September 30, 2019, as compared to 11.9% of total deposits as of June 30, 2019.

Our loan to deposit ratio was 92.5% as of September 30, 2019, compared to 93.0% as of June 30, 2019 and 84.0% as of September 30, 2018.

The average balance of Federal Home Loan Bank (FHLB) advances decreased 38% during the third quarter of 2019 to $217.9 million, compared to $351.9 million in the second quarter of 2019, and increased from a zero balance in the third quarter of 2018.

Net Interest Income

Net interest income decreased 1.9% to $49.6 million for the third quarter of 2019, compared to $50.5 million for the second quarter of 2019, and increased 1.4% compared to $48.9 million for the third quarter of 2018. Interest income from loans increased 0.8% to $61.7 million for the third quarter of 2019, compared to $61.2 million for the second quarter of 2019, driven primarily by a net benefit from loan prepayments during the quarter and an increase in the average balance of loans, while interest income from investment securities and interest-earning cash decreased 14.6% to $8.4 million for the third quarter of 2019, compared to $9.8 million for the second quarter of 2019, driven primarily by lower average balances and higher premium amortization.

Interest expense increased 0.1% to $20.5 million for the third quarter of 2019, compared to $20.4 million for the second quarter of 2019, and increased 62% compared to $12.6 million for the third quarter of 2018. Interest expense on deposits increased 5.3% from the prior quarter to $17.2 million, driven by higher average balances and cost of deposits, partially offset by an $849,000 decrease in interest expense on FHLB advances during the third quarter of 2019 due to lower average balances.

Net Interest Margin

The current interest rate environment, including the Federal Reserve's rate cuts in the third quarter of 2019 and the flattening yield curve, continue to negatively impact our net interest margin (NIM). Taxable equivalent NIM decreased six basis points to 2.82% in the third quarter of 2019 from 2.88% in the second quarter of 2019, and decreased 16 basis points from 2.98% in the third quarter of 2018. The linked-quarter change was primarily driven by a seven basis point decrease in the yield on interest earning assets to 3.97%, primarily resulting from a 26 basis point decrease in the yield on investment securities to 2.84%. Our cost of funds was unchanged from the prior quarter at 1.23%. While our cost of deposits increased three basis points during the third quarter of 2019 to 1.09%, primarily due to higher rates paid on money market and time deposits, our cost of borrowings decreased due to lower average balances of FHLB advances.

Noninterest Income

Noninterest income increased 9% to $13.1 million in the third quarter of 2019 from $12.0 million in the second quarter of 2019, and increased 14% from $11.5 million in the third quarter of 2018. The increase in noninterest income compared to the prior quarter was primarily driven by a 6% increase in trust administrative fees from PENSCO, our alternative asset IRA custodian subsidiary, to $7.2 million, and an 8% increase in escrow and exchange fees to $1.6 million. Noninterest income for third quarter of 2019 included $220,000 in gains on the sale of securities, loans, and other assets, compared to a loss of $50,000 for the second quarter of 2019.

Noninterest Expense

Noninterest expense decreased 13% to $40.1 million in the third quarter of 2019, compared to $46.3 million in the second quarter of 2019, and decreased 8% compared to $43.7 million in the third quarter of 2018. During the second quarter of 2019, we executed a cost reduction initiative and incurred other strategic action related expenses totaling $4.9 million. On an adjusted basis, after giving effect to the expenses described above, noninterest expense decreased 4% compared to the second quarter of 2019. During the third quarter of 2019, the FDIC issued small bank assessment credits based on the reserve ratio of the Deposit Insurance Fund exceeding 1.38%, which resulted in a $397,000 decrease in our deposit insurance and regulatory assessments expense compared to the second quarter of 2019. Our efficiency ratio for the third quarter of 2019 was 61.8%, or 61.6% on an adjusted basis, compared to 71.3% for the second quarter of 2019, or 63.5% on an adjusted basis.

Income Tax Expense

We recorded an income tax expense of $8.3 million in the third quarter of 2019, compared to an income tax expense of $4.2 million in the second quarter of 2019 and a negative income tax expense of $972,000 in the third quarter of 2018. Our effective tax rate for the third quarter of 2019 was 27.3%, compared to 32.7% for the second quarter of 2019 and (11.5)% for the third quarter of 2018. The previously announced expense reduction initiative in the second quarter of 2019 increased our effective tax rate in the third quarter of 2019 by approximately one percentage point due to annual compensation that exceeded the deductible threshold under Internal Revenue Code Section 162(m).

Asset Quality

Total nonperforming assets decreased 65% to $7.4 million as of September 30, 2019, compared to $21.2 million as of June 30, 2019, and decreased 84% compared to $45.1 million as of September 30, 2018. Our ratio of nonperforming assets to total assets decreased to 0.10% as of September 30, 2019, compared to 0.27% and 0.61% as of June 30, 2019 and September 30, 2018, respectively. Total criticized loans decreased $36.6 million, or 27%, to $101.4 million as of September 30, 2019, compared to $137.9 million as of June 30, 2019. Classified loans decreased $40.1 million in the third quarter of 2019, while special mention loans increased $3.5 million from the prior quarter. Total Enterprise Value loans decreased $28.6 million, or 44%, during the third quarter of 2019 compared to the prior quarter and totaled $35.9 million as of September 30, 2019.

Our allowance for loan losses was $45.2 million, or 0.78% of loans, as of September 30, 2019, compared to $57.7 million, or 1.00% of loans, as of June 30, 2019, and $59.0 million, or 1.14% of loans, as of September 30, 2018. Net charge-offs during the third quarter of 2019 were $4.9 million, or 0.33% of average loans annualized, compared to net charge-offs of $4.0 million, or 0.28% of average loans annualized, for the second quarter of 2019, and $8.4 million, or 0.66% of average loans annualized, for the third quarter of 2018.

The ratio of the allowance for loan losses to total nonaccrual loans was 609% as of September 30, 2019, compared to 273% as of June 30, 2019 and 131% as of September 30, 2018.

We recorded a negative provision for loan losses of $7.7 million in the third quarter of 2019, compared to a provision expense of $3.3 million and $8.2 million in the second quarter of 2019 and third quarter of 2018, respectively. The negative provision expense during the third quarter of 2019 was primarily driven by planned loan exits and the release of specific reserves related to Enterprise Value loan relationships resolved during the quarter, partially offset by net charge-offs and new loan production.

Capital

As of September 30, 2019, Opus exceeded all minimum regulatory capital requirements under Basel III and was considered to be a "well-capitalized" financial institution, as summarized in the table below:

Capital Ratios	**As of**			**Well-Capitalized Regulatory Requirements**
(unaudited)	**September 30, 2019[1]**	**June 30, 2019**	**September 30, 2018**	
Tier 1 leverage ratio	9.70%	9.30%	9.89%	5.00%
Common Equity Tier 1 ratio	11.71	11.07	11.75	6.50
Tier 1 risk-based capital ratio	12.20	11.56	12.27	8.00
Total risk-based capital ratio	15.26	14.77	15.75	10.00
Tangible equity to tangible assets ratio	9.67	9.26	9.47	NA
Tangible common equity to tangible assets ratio	9.28	8.87	9.05	NA

[1] Regulatory capital ratios are preliminary until filing of our September 30, 2019 FDIC call report.

Stockholders' equity totaled $1.1 billion as of September 30, 2019 and increased $21.7 million and $46.0 million compared to June 30, 2019 and September 30, 2018, respectively. Our tangible book value per common share increased $0.62 to $18.94 as of September 30, 2019, compared to $18.32 as of June 30, 2019 and increased $1.31 compared to $17.63 as of September 30, 2018.

Conference Call and Webcast Details

Date: Monday, October 28, 2019
Time: 8:00 a.m. PT (11:00 a.m. ET)

Phone Number: (833) 628-4594
Conference ID: 2222128
Webcast URL: http://investor.opusbank.com/event

Analysts, investors, and the general public may listen to our discussion of Opus' third 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. 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 archived recording will be available beginning approximately two 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 2222128. The call replay will be available through November 28, 2019.

About Opus Bank

Opus Bank is an FDIC insured California-chartered commercial bank with $7.8 billion of total assets, $5.8 billion of total loans, and $6.3 billion in total deposits as of September 30, 2019. Opus Bank provides commercial and retail banking products and solutions to its clients in western markets from its headquarters in Irvine, California and through 46 banking offices, including 28 in California, 16 in the Seattle/Puget Sound region in Washington, one in the Phoenix metropolitan area of Arizona and one in Portland, Oregon. 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. Additionally, Opus Bank's wholly-owned subsidiary, PENSCO Trust Company, has approximately $14 billion of custodial IRA assets and approximately 46,000 client accounts, which are comprised of self-directed investors, financial institutions, capital raisers and financial advisors. 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 includes forward-looking statements related to Opus' plans, beliefs and goals. Forward-looking statements are neither historical facts nor assurances of future performance. Opus generally identifies forward-looking statements by terminology such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "could," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of those words or other comparable words. Any forward-looking statements contained in this release and the aforementioned conference call and webcast are based on the historical performance of Opus and its subsidiaries or on its current plans, beliefs, estimates, expectations and goals, including without limitation: our expectations regarding lessening headwinds related to the intentional runoff of Enterprise Value loans and expectations regarding improvement in our profitability. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity that could cause actual results to differ materially from those indicated by the forward-looking statements, including, without limitation: market and economic conditions, changes in interest rates, our liquidity position, the management of our growth, the risks associated with our loan portfolio, risks that our expected efficiencies and savings from our expense reduction initiatives will be less than anticipated, local economic conditions affecting retail and commercial real estate, our geographic concentration in the western region of the United States, competition within the industry, dependence on key personnel, government legislation and regulation, the risks associated with any future acquisitions, the effect of natural disasters, risks related to our technology and information systems, and the management of our operating expenses, including the effectiveness of certain strategic cost reduction initiatives. 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 filed with the Federal Deposit Insurance Corporation on February 28, 2019. If one or more of these or other risks or uncertainties materialize, or if Opus' underlying assumptions prove to be incorrect, Opus' actual results may vary materially from those indicated in these statements. These filings are available on the Investor Relations page of Opus' website at: investor.opusbank.com.

Opus undertakes no obligation to revise or publicly release any revision to these forward-looking statements, whether as a result of new information, future developments or otherwise.

Contacts:

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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 September 30, 2019	For the three months ended June 30, 2019	For the three months ended September 30, 2018	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Interest income:					
Loans	$ 61,655	$ 61,157	$ 54,110	$ 179,819	$ 162,554
Investment securities	7,471	8,359	5,280	24,407	15,422
Due from banks	900	1,447	2,113	3,671	4,390
Total interest income	70,026	70,963	61,503	207,897	182,366
Interest expense:					
Deposits	17,225	16,359	10,702	47,010	26,125
Federal Home Loan Bank advances	1,316	2,165	(5)	4,237	374
Subordinated debt	1,923	1,923	1,923	5,768	5,768
Total interest expense	20,464	20,447	12,620	57,015	32,267
Net interest income	49,562	50,516	48,883	150,882	150,099
Provision (negative provision) for loan losses	(7,698)	3,281	8,241	(2,219)	11,942
Net interest income after provision (negative provision) for loan losses	57,260	47,235	40,642	153,101	138,157
Noninterest income:					
Fees and service charges on deposit accounts	1,483	1,505	1,735	4,428	5,240
Escrow and exchange fees	1,623	1,506	1,548	4,482	4,407
Trust administrative fees	7,244	6,829	6,884	20,758	20,703
Gain (loss) on sale of loans	218	(56)	—	52	(169)
Gain (loss) on sale of assets	1	—	—	1	—
Gain (loss) from OREO and other repossessed assets	—	—	—	—	203
Gain (loss) on sale of investment securities	1	6	—	120	182
Bank-owned life insurance, net	1,014	994	1,048	2,987	3,145
Other income	1,485	1,211	246	3,336	3,986
Total noninterest income	13,069	11,995	11,461	36,164	37,697
Noninterest expense:					
Compensation and benefits	23,316	29,095	26,004	79,286	78,283
Professional services	2,101	1,099	2,489	5,416	6,824
Occupancy expense	3,835	3,581	3,764	11,246	11,521
Depreciation and amortization	1,713	1,704	1,652	5,249	5,014
Deposit insurance and regulatory assessments	122	519	977	1,414	3,066
Insurance expense	334	335	337	1,013	1,011
Data processing	948	1,058	230	2,570	987
Software licenses and maintenance	1,197	1,217	1,371	3,716	3,646
Office services	1,720	1,679	1,642	5,038	5,369
Amortization of other intangible assets	1,211	1,415	1,479	4,041	4,438
Advertising and marketing	838	833	909	2,395	2,709
Other expenses	2,737	3,784	2,809	10,415	8,014
Total noninterest expense	40,072	46,319	43,663	131,799	130,882
Income before income tax expense	30,257	12,911	8,440	57,466	44,972
Income tax expense (benefit)	8,259	4,225	(972)	15,921	7,193
Net income	$ 21,998	$ 8,686	$ 9,412	$ 41,545	$ 37,779
Basic earnings per common share	$ 0.58	$ 0.23	$ 0.25	$ 1.09	$ 1.00
Diluted earnings per common share	0.57	0.23	0.25	1.08	0.99
Weighted average shares - basic	36,282,166	36,254,474	36,115,204	36,241,645	36,043,060
Weighted average shares - diluted	38,230,784	38,238,324	38,362,739	38,205,990	38,338,423

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Consolidated Balance Sheets

(unaudited)

($ in thousands, except share amounts)	As of September 30, 2019	As of June 30, 2019	As of September 30, 2018
Assets			
Cash and due from banks	$ 43,295	$ 40,358	$ 57,126
Due from banks – interest-bearing	243,051	219,329	476,129
Investment securities available-for-sale, at fair value	1,010,253	1,051,067	1,018,855
Loans	5,801,956	5,788,986	5,159,881
Less allowance for loan losses	(45,156)	(57,724)	(59,029)
Loans, net	5,756,800	5,731,262	5,100,852
Loans held-for-sale	—	79,103	—
Premises and equipment, net	23,811	24,656	24,955
Goodwill	331,832	331,832	331,832
Other intangible assets, net	34,884	36,095	40,362
Deferred tax assets, net	1,595	14,237	22,847
Cash surrender value of bank owned life insurance, net	157,382	156,369	153,289
Accrued interest receivable	25,109	26,510	21,680
Federal Home Loan Bank stock	17,250	17,250	17,250
Other assets	126,081	128,893	129,897
Total assets	$ 7,771,343	$ 7,856,961	$ 7,395,074
Liabilities and Stockholders' Equity			
Deposits:			
Noninterest-bearing demand	$ 763,038	$ 738,235	$ 890,925
Interest-bearing demand	2,516,614	2,577,873	2,564,737
Money market and savings	2,129,341	2,027,341	2,031,468
Time deposits	860,808	879,910	655,172
Total deposits	6,269,801	6,223,359	6,142,302
Federal Home Loan Bank advances	200,000	350,000	—
Subordinated debt, net	133,209	133,143	132,944
Accrued interest payable	2,408	4,980	2,350
Other liabilities	82,882	84,151	80,428
Total liabilities	6,688,300	6,795,633	6,358,024
Stockholders' equity:			
Preferred stock:			
Authorized 200,000,000 shares; issued 31,111 and 31,111 and 31,111 shares, respectively	29,110	29,110	29,110
Common stock, no par value per share:			
Authorized 200,000,000 shares; issued 37,394,513 and 37,338,920 and 36,635,132 shares, respectively	700,220	700,220	700,220
Additional paid-in capital	83,966	82,755	68,975
Retained earnings	289,303	271,495	271,304
Treasury stock, at cost; 1,107,915 and 1,087,701 and 576,547 shares, respectively	(26,638)	(26,217)	(14,965)
Accumulated other comprehensive income (loss)	7,082	3,965	(17,594)
Total stockholders' equity	1,083,043	1,061,328	1,037,050
Total liabilities and stockholders' equity	$ 7,771,343	$ 7,856,961	$ 7,395,074

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Selected Financial Data

(unaudited)	As of or for the three months ended			As of or for the nine months ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Yield on interest-earning assets[1]	3.97%	4.04%	3.75%	4.05%	3.74%
Net interest margin[1]	2.82	2.88	2.98	2.94	3.09
Cost of deposits[2]	1.09	1.06	0.71	1.03	0.58
Cost of funds[3]	1.23	1.23	0.81	1.18	0.70
Noninterest expense to average assets	2.05	2.38	2.39	2.31	2.41
Loan to deposits	92.54	93.02	84.01	92.54	84.01

(1) Yield on interest-earning assets and net interest margin are presented on a tax equivalent basis using the federal effective tax rate.
(2) Calculated as interest expense on deposits divided by total average deposits.
(3) Calculated as total interest expense divided by average total deposits, FHLB advances and subordinated debt.

Loan Fundings

(unaudited)	For the three months ended			For the nine months ended	
($ in thousands)	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Real estate mortgage loans:					
Multifamily residential	$ 256,235	$ 569,719	$ 257,775	1,252,870	672,314
Commercial real estate	74,159	75,185	55,807	196,471	134,060
Construction and land loans	6,670	7,331	5,674	20,213	25,415
Commercial business loans	66,744	48,725	112,791	172,348	339,772
Small Business Administration loans	2,269	2,642	3,644	5,747	11,997
Total loan fundings	$ 406,077	$ 703,602	$ 435,691	$ 1,647,649	$ 1,183,558

Composition of Loan Portfolio

(unaudited)	As of					
	September 30, 2019		June 30, 2019		September 30, 2018	
($ in thousands)	Amount	% of Total loans	Amount	% of Total loans	Amount	% of Total loans
Real estate mortgage loans:						
Single-family residential	$ 51,361	0.9 %	$ 58,829	1.0 %	$ 63,698	1.2 %
Multifamily residential	3,699,824	63.8	3,608,683	62.3	2,856,672	55.4
Commercial real estate:						
Owner occupied	279,262	4.8	296,772	5.1	157,368	3.0
Non-owner occupied	829,718	14.3	823,647	14.2	924,434	17.9
Construction and land loans	51,714	0.9	45,100	0.8	73,956	1.4
Commercial business loans	856,364	14.7	918,428	15.9	1,036,832	20.1
Small Business Administration loans	29,958	0.5	33,658	0.6	42,170	0.8
Consumer and other loans	3,755	0.1	3,869	0.1	4,751	0.1
Total loans	$ 5,801,956	100.0 %	$ 5,788,986	100.0 %	$ 5,159,881	100.0 %

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Consolidated average balance sheet, interest, yield and rates

(unaudited)	For the three months ended September 30, 2019			For the three months ended June 30, 2019			For the three months ended September 30, 2018		
($ in thousands)	Average Balance	Interest [1]	Yields/ Rates	Average Balance	Interest [1]	Yields/ Rates	Average Balance	Interest [1]	Yields/ Rates
Assets:									
Interest-earning assets:									
Due from banks	$ 180,479	$ 900	1.98 %	$ 254,059	$ 1,447	2.28 %	$ 430,991	$ 2,113	1.95 %
Investment securities	1,043,830	7,471	2.84	1,081,031	8,359	3.10	1,027,950	5,280	2.04
Loans	5,817,041	62,109	4.24	5,744,728	61,561	4.30	5,091,151	54,472	4.24
Total interest-earning assets	7,041,350	70,480	3.97	7,079,818	71,367	4.04	6,550,092	61,865	3.75
Noninterest-earning assets	710,047			713,721			704,117		
Total assets	$7,751,397			$7,793,539			$7,254,209		
Liabilities and stockholders' equity:									
Interest-bearing deposits									
Interest-bearing demand	$2,556,920	$ 3,333	0.52 %	$2,483,757	$ 3,200	0.52 %	$2,546,443	$ 2,279	0.36 %
Money market and savings	2,064,316	8,843	1.70	2,034,212	8,150	1.61	2,015,781	5,753	1.13
Time deposits	869,974	5,049	2.30	883,839	5,009	2.27	594,089	2,670	1.78
Total interest bearing deposits	5,491,210	17,224	1.24	5,401,808	16,359	1.21	5,156,313	10,702	0.82
Subordinated debt	133,168	1,923	5.73	133,102	1,923	5.79	132,909	1,923	5.74
FHLB advances	217,935	1,316	2.40	351,868	2,165	2.47	—	(5)	0.00
Total interest-bearing liabilities	5,842,313	20,463	1.39	5,886,778	20,447	1.39	5,289,222	12,620	0.95
Noninterest-bearing deposits	754,284			763,894			855,036		
Other liabilities	80,365			84,531			70,443		
Total liabilities	6,676,961			6,735,203			6,214,701		
Total stockholders' equity	1,074,436			1,058,336			1,039,508		
Total liabilities and stockholders' equity	$7,751,397			$7,793,539			$7,254,209		
Net interest spread [2]			2.58 %			2.65 %			2.80 %
Net interest income and margin, tax equivalent [3, 4]		$ 50,017	2.82 %		$ 50,920	2.88 %		$ 49,245	2.98 %
Reconciliation of tax equivalent net interest income to reported net interest income									
Tax equivalent adjustment		(454)			(404)			(362)	
Net interest income, as reported		$ 49,563			$ 50,516			$ 48,883	

(1) Interest income is presented on a taxable equivalent basis using the federal effective tax rate.
(2) Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.
(3) Net interest margin is computed by dividing net interest income by total average interest-earning assets.
(4) Net interest margin, tax equivalent has been adjusted to a taxable equivalent basis using the federal effective tax rate.

OpusBank.

Consolidated average balance sheet, interest, yield and rates

(unaudited)

(In thousands)	For the nine months ended September 30, 2019 Average Balance	2019 Interest (1)	2019 Yields/ Rates	2018 Average Balance	2018 Interest (1)	2018 Yields/ Rates
Assets:						
Interest-earning assets:						
Due from banks	$ 222,845	$ 3,671	2.20 %	$ 325,237	$ 4,390	1.80 %
Investment securities	1,075,092	24,407	3.04	1,061,619	15,422	1.94
Loans	5,611,431	181,082	4.31	5,160,861	163,548	4.24
Total interest-earning assets	$ 6,909,368	$ 209,160	4.05	$ 6,547,717	$ 183,360	3.74
Noninterest-earning assets	716,634			710,556		
Total assets	$ 7,626,002			$ 7,258,273		
Liabilities and stockholders' equity:						
Interest-bearing deposits						
Interest-bearing demand	$ 2,502,310	$ 9,344	0.50 %	$ 2,525,125	$ 5,356	0.28 %
Money market and savings	2,031,942	23,952	1.58	2,143,182	15,482	0.97
Time deposits	822,596	13,714	2.23	474,488	5,287	1.49
Total interest bearing deposits	$ 5,356,848	$ 47,010	1.17	$ 5,142,795	$ 26,125	0.68
Subordinated debt	133,105	5,768	5.79	132,843	5,768	5.81
FHLB advances	230,952	4,237	2.45	28,462	374	1.76
Total interest-bearing liabilities	$ 5,720,905	$ 57,015	1.33	$ 5,304,100	$ 32,267	0.81
Noninterest-bearing deposits	761,585			845,065		
Other liabilities	82,180			78,418		
Total liabilities	$ 6,564,670			$ 6,227,583		
Total stockholders' equity	$ 1,061,332			$ 1,030,690		
Total liabilities and stockholders' equity	$ 7,626,002			$ 7,258,273		
Net interest spread (2)			2.72 %			2.93 %
Net interest income and margin, tax equivalent (3, 4)		$ 152,145	2.94 %		$ 151,093	3.09 %
Reconciliation of tax equivalent net interest income to reported net interest income						
Tax equivalent adjustment		(1,263)			(994)	
Net interest income, as reported		$ 150,882			$ 150,099	

(1) Interest income is presented on a taxable equivalent basis using the federal effective tax rate.
(2) Net interest spread represents the average yield on interest-earning assets less the average rate on interest-bearing liabilities.
(3) Net interest margin is computed by dividing net interest income by total average interest-earning assets.
(4) Net interest margin, tax equivalent has been adjusted to a taxable equivalent basis using the federal effective tax rate.

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Allowance for Loan Losses

(unaudited)

($ in thousands)	For the three months ended			For the nine months ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Allowance for loan losses-balance at beginning of period	$ 57,724	$ 58,483	$ 59,197	$ 54,664	$ 75,930
Provision for loan losses	(7,698)	3,281	8,241	(2,219)	11,942
Charge-offs	(5,923)	(4,697)	(10,023)	(11,004)	(36,686)
Recoveries	1,053	657	1,614	3,715	7,843
Total net (charge-offs) recoveries	(4,870)	(4,040)	(8,409)	(7,289)	(28,843)
Allowance for loan losses-balance at end of period	$ 45,156	$ 57,724	$ 59,029	$ 45,156	$ 59,029

Asset Quality Information

(unaudited)

($ in thousands)	As of		
	September 30, 2019	June 30, 2019	September 30, 2018
Nonperforming assets			
Nonaccrual loans	$ 7,420	$ 21,161	$ 45,136
OREO and other repossessed assets	—	—	—
Total nonperforming assets	$ 7,420	$ 21,161	$ 45,136
Loans 30 - 89 days past due	$ 1,941	$ 1,140	$ 9,856
Accruing loans 90 days or more past due	—	—	390
Accruing troubled debt restructured loans	—	—	138
Non performing loans to total loans	0.13 %	0.37 %	0.87 %
Non performing assets to total assets	0.10	0.27	0.61
Loans 30 - 89 days past due to total loans	0.03	0.02	0.19
Allowance for loan losses to total loans	0.78	1.00	1.14
Allowance for loan losses to non-accrual loans	608.57	272.78	130.78
Net charge-offs to average loans (annualized)	0.33	0.28	0.66

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Risk Rating by Loan Product

(Unaudited)

($ in thousands)	Pass	Special Mention	Classified	Total Loans	Nonaccrual loans	Total allowance
As of September 30, 2019						
Real estate mortgage loans:						
Single-family residential	$ 50,840	$ 70	$ 451	$ 51,361	$ 217	$ 120
Multifamily residential	3,698,947	—	877	3,699,824	—	13,418
Commercial real estate	1,062,001	8,414	38,565	1,108,980	2,423	9,806
Construction and land loans	33,980	17,734	—	51,714	—	574
Commercial business loans	829,574	6,577	20,213	856,364	—	19,935
Small Business Administration loans	22,147	156	7,655	29,958	4,290	1,299
Consumer and other loans	3,100	55	600	3,755	490	4
Total loans	$ 5,700,589	$ 33,006	$ 68,361	$ 5,801,956	$ 7,420	$ 45,156
As of June 30, 2019						
Real estate mortgage loans:						
Single-family residential	$ 58,286	$ 73	$ 470	$ 58,829	$ 247	$ 140
Multifamily residential	3,604,675	115	3,893	3,608,683	3,011	13,204
Commercial real estate	1,062,817	11,281	46,321	1,120,419	2,436	11,072
Construction and land loans	29,116	15,984	—	45,100	—	521
Commercial business loans	867,106	1,855	49,467	918,428	10,625	31,459
Small Business Administration loans	25,847	157	7,654	33,658	4,330	1,324
Consumer and other loans	3,190	56	623	3,869	512	4
Total loans	$ 5,651,037	$ 29,521	$ 108,428	$ 5,788,986	$ 21,161	$ 57,724
As of September 30, 2018						
Real estate mortgage loans:						
Single-family residential	$ 63,199	$ 77	$ 422	$ 63,698	$ —	$ 171
Multifamily residential	2,852,490	2,066	2,116	2,856,672	—	9,677
Commercial real estate	1,033,707	17,848	30,247	1,081,802	2,512	9,009
Construction and land loans	60,644	13,313	—	73,957	—	904
Commercial business loans	930,748	36,105	69,979	1,036,832	35,085	38,966
Small Business Administration loans	30,028	1,162	10,979	42,169	6,973	295
Consumer and other loans	3,992	59	700	4,751	566	7
Total loans	$ 4,974,808	$ 70,630	$ 114,443	$ 5,159,881	$ 45,136	$ 59,029

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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 net income, earnings per diluted share, return on average assets, return on average stockholders' equity, return on average tangible common equity, efficiency ratio, tangible book value per common share, and tangible common equity ratio. 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 tangible book value per common share

(unaudited)	As of		
($ In thousands, except share amounts)	September 30, 2019	June 30, 2019	September 30, 2018
Tangible equity:			
Total stockholders' equity	$ 1,083,043	$ 1,061,328	$ 1,037,050
Less:			
Preferred stock	29,110	29,110	29,110
Common equity	1,053,933	1,032,218	1,007,940
Less:			
Goodwill	331,832	331,832	331,832
Other intangible assets, net	34,884	36,095	40,362
Tangible common equity	687,217	664,291	635,746
Shares of common stock outstanding	36,286,598	36,251,219	36,058,585
Book value per common share	$ 29.04	$ 28.47	$ 27.95
Tangible book value per common share	18.94	18.32	17.63

Non-GAAP tangible common equity ratio

(unaudited)	As of		
($ In thousands)	September 30, 2019	June 30, 2019	September 30, 2018
Total assets	$ 7,771,343	$ 7,856,961	$ 7,395,074
Less:			
Goodwill	331,832	331,832	331,832
Other intangible assets, net	34,884	36,095	40,362
Tangible assets	7,404,627	7,489,034	7,022,880
Total stockholders' equity	1,083,043	1,061,328	1,037,050
Less:			
Goodwill	331,832	331,832	331,832
Other intangible assets, net	34,884	36,095	40,362
Tangible equity	716,327	693,401	664,856
Less: preferred stock	29,110	29,110	29,110
Tangible common equity	687,217	664,291	635,746
Total stockholders' equity to total assets	13.94%	13.51%	14.02%
Tangible equity to tangible assets ratio	9.67%	9.26%	9.47%
Total common equity to total assets	13.56%	13.14%	13.63%
Tangible common equity to tangible assets ratio	9.28%	8.87%	9.05%

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Non-GAAP Financial Measures

(unaudited) ($ in thousands)	For the three months ended September 30, 2019	June 30, 2019	September 30, 2018	For the nine months ended September 30, 2019	September 30, 2018
Net income	$ 21,998	$ 8,686	$ 9,412	$ 41,545	$ 37,779
Adjustments to noninterest income:					
Impairment	—	—	—	489	—
(Gains) and losses on sales of securities, loans, and other repossessed assets	(220)	50	—	(174)	(215)
Adjustments to noninterest expense:					
Strategic actions	119	4,891	548	4,920	2,298
Litigation (recovery)	—	—	116	1,431	(2,734)
Pre-tax adjustments	(101)	4,941	664	6,666	(651)
Tax effect	383	(319)	(2,440)	(345)	(2,536)
Tax-effected adjustments (1)	282	4,622	(1,776)	6,321	(3,187)
Adjusted net income	$ 22,280	$ 13,308	$ 7,636	$ 47,866	$ 34,592
Average assets	$ 7,751,397	$ 7,793,539	$ 7,254,209	$ 7,626,002	$ 7,258,273
Average stockholders' equity	1,074,436	1,058,336	1,039,508	1,061,332	1,030,690
Less:					
Average preferred stock	29,110	29,110	29,110	29,100	29,110
Average goodwill	331,832	331,832	331,832	331,832	331,832
Average other intangible assets	35,639	36,956	41,139	36,933	42,598
Average tangible common equity	$ 677,855	$ 660,438	$ 637,427	$ 663,467	$ 627,150
Earnings per diluted share	$ 0.57	$ 0.23	$ 0.25	$ 1.08	$ 0.99
Adjusted earnings per diluted share	0.58	0.35	0.19	1.25	0.91
Return on average assets	1.13%	0.45%	0.51%	0.73%	0.70%
Adjusted return on average assets	1.14	0.68	0.42	0.84	0.64
Return on average equity	8.12	3.29	3.59	5.23	4.90
Adjusted return on average equity	8.23	5.04	2.91	6.03	4.49
Return on average tangible common equity	12.88	5.27	5.86	8.37	8.05
Adjusted return on average tangible common equity	13.04	8.08	4.75	9.65	7.37
Efficiency ratio (2)	61.82	71.32	69.49	67.91	67.05
Adjusted efficiency ratio	61.63	63.55	68.40	64.36	67.28

(1) The tax effect of adjustments was computed using the combined federal and state marginal tax rate of 26.1%, 25.5%, 16.1%, 25.4% and 22.0% for the three months ended September 30, 2019, June 30, 2019, and September 30, 2018 and the nine months ended September 30, 2019 and September 30, 2018, respectively, adjusted for the tax effect of nondeductible strategic action expenses.
(2) The efficiency ratio equals noninterest expense adjusted to exclude the amortization of other intangible assets divided by the sum of tax-equivalent net interest income and noninterest income adjusted to exclude the gains and losses on the sale of investment securities, loans, and other repossessed assets.

Exhibit No. 99.2

Slide Presentation, dated October 28, 2019

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Third Quarter 2019 Earnings Presentation

October 28, 2019

Forward Looking Statements

The supplemental information furnished here contains certain forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Opus generally identifies forward-looking statements by terminology such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “could,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of those words or other comparable words. Any forward-looking statements contained in this release and the aforementioned conference call and webcast are based on the historical performance of Opus and its subsidiaries or on its current plans, beliefs, estimates, expectations and goals, including without limitation: our expectations regarding lessening headwinds related to the intentional runoff of Enterprise Value loans and expectations regarding improvement in our profitability. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity that could cause actual results to differ materially from those indicated by the forward-looking statements, including, without limitation: market and economic conditions, changes in interest rates, our liquidity position, the management of our growth, the risks associated with our loan portfolio, risks that our expected efficiencies and savings from our expense reduction initiatives will be less than anticipated, local economic conditions affecting retail and commercial real estate, our geographic concentration in the western region of the United States, competition within the industry, dependence on key personnel, government legislation and regulation, the risks associated with any future acquisitions, the effect of natural disasters, and risks related to our technology and information systems. 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 filed with the Federal Deposit Insurance Corporation on February 28, 2019. If one or more of these or other risks or uncertainties materialize, or if Opus’ underlying assumptions prove to be incorrect, Opus’ actual results may vary materially from those indicated in these statements. These filings are available on the Investor Relations page of Opus' website at: investor.opusbank.com.

Opus undertakes no obligation to revise or publicly release any revision to these forward-looking statements, whether as a result of new information, future developments or otherwise.

Third Quarter 2019 Results

Highlights

- Net income of $22.0 million and EPS of $0.57, or adjusted net income of $22.3 million and EPS of $0.58[1]
- Avg. loans rose $72.3 million, or 1.3%
- Avg. deposits rose $79.8 million, or 1.3%
- Efficiency ratio of 61.8%, or 61.6% adjusted[1]
- NPAs decreased 65% to 0.10% of assets
- Enterprise Value loans decreased 44% to $35.9 million
- Negative provision for loan losses of $7.7 million driven by credit improvement
- Net charge-offs of $4.9 million, or 0.33% of average loans annualized
- Tangible book value per share increased 62 cents to $18.94
- Total risk-based capital of 15.26% and TCE Ratio of 9.28%[1]

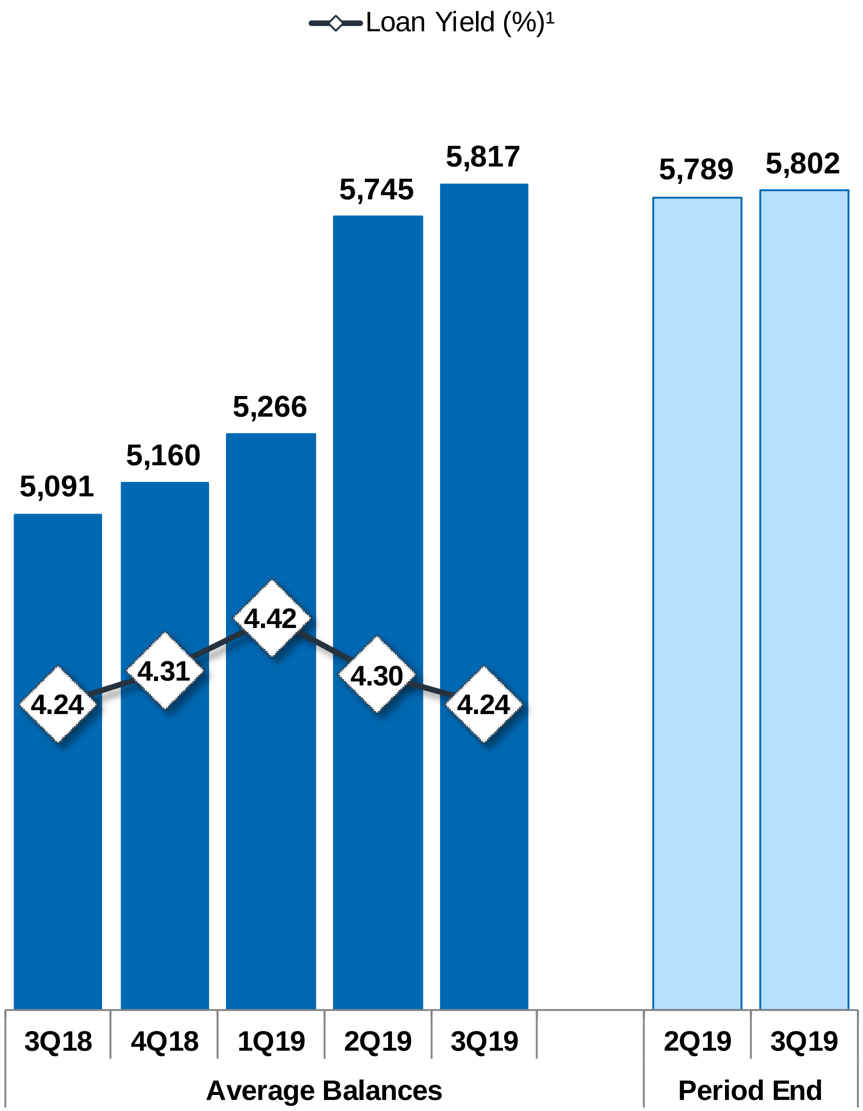
Summary Income Statement ($ in millions)	3Q19	2Q19	3Q18
Net Interest Income	$ 49.6	$ 50.5	$ 48.9
Noninterest Income	13.1	12.0	11.5
Noninterest Expense	(40.1)	(46.3)	(43.7)
Pre-Provision Net Revenue	22.6	16.2	16.7
Provision for Loan Losses	7.7	(3.3)	(8.2)
Net Income	$ 22.0	$ 8.7	$ 9.4
Earnings Per Diluted Share	$0.57	$0.23	$0.25
Return on Avg Assets	1.13%	0.45%	0.51%
Return on Avg TCE[1]	12.88%	5.27%	5.86%
Efficiency Ratio[2]	61.8%	71.3%	69.5%
Adjusted Performance[1]			
Adjusted Net Income	$ 22.3	$ 13.3	$ 7.6
Adjusted Earnings Per Diluted Share	$0.58	$0.35	$0.20
Adjusted Return on Average Assets	1.14%	0.68%	0.42%
Adjusted Return on Avg TCE	13.06%	8.08%	4.75%
Adjusted Efficiency Ratio[2]	61.6%	63.6%	68.4%
Other Ratios			
Net Interest Margin	2.82%	2.88%	2.98%
Tangible Book Value per Share[1]	$18.94	$18.32	$17.63
TCE Ratio[1]	9.28%	8.87%	9.05%

[1] See reconciliation of non-GAAP financial measures to corresponding GAAP measures on pages 16-19.
[2] The efficiency ratio is calculated by dividing noninterest expense less amortization of other intangible assets by the sum of tax-equivalent net interest income and noninterest income less gain (loss) on sale of loans, assets, OREO and other repossessed assets, and investment securities.

Loan Portfolio

Total Loans

($ in millions)

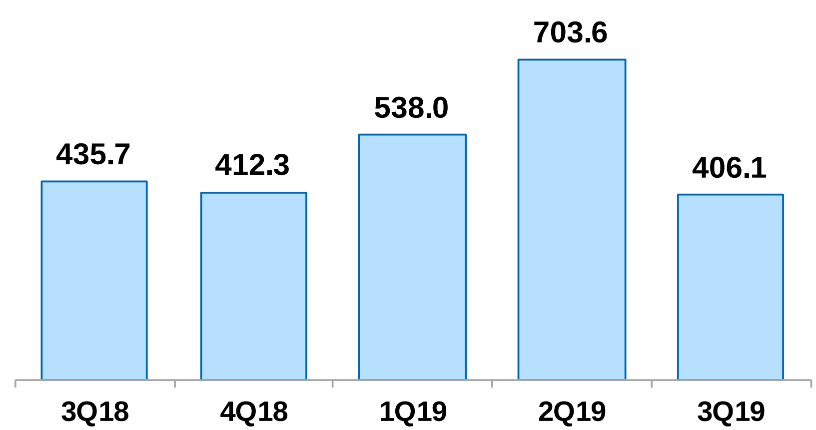


3Q 2019 Highlights

- Average loans increased $72.3 million, or 1.3%
  - New loan fundings totaled $406.1 million, down 42% from the prior quarter
  - Multifamily loan growth slowed in the third quarter, as expected
  - Commercial Banking division funded $99.1 million of loans in the third quarter of 2019
  - Loan payoffs totaled $300.0 million, up from $192.8 million in the prior quarter
- Total loan yield decreased 6 basis points to 4.24%[1]

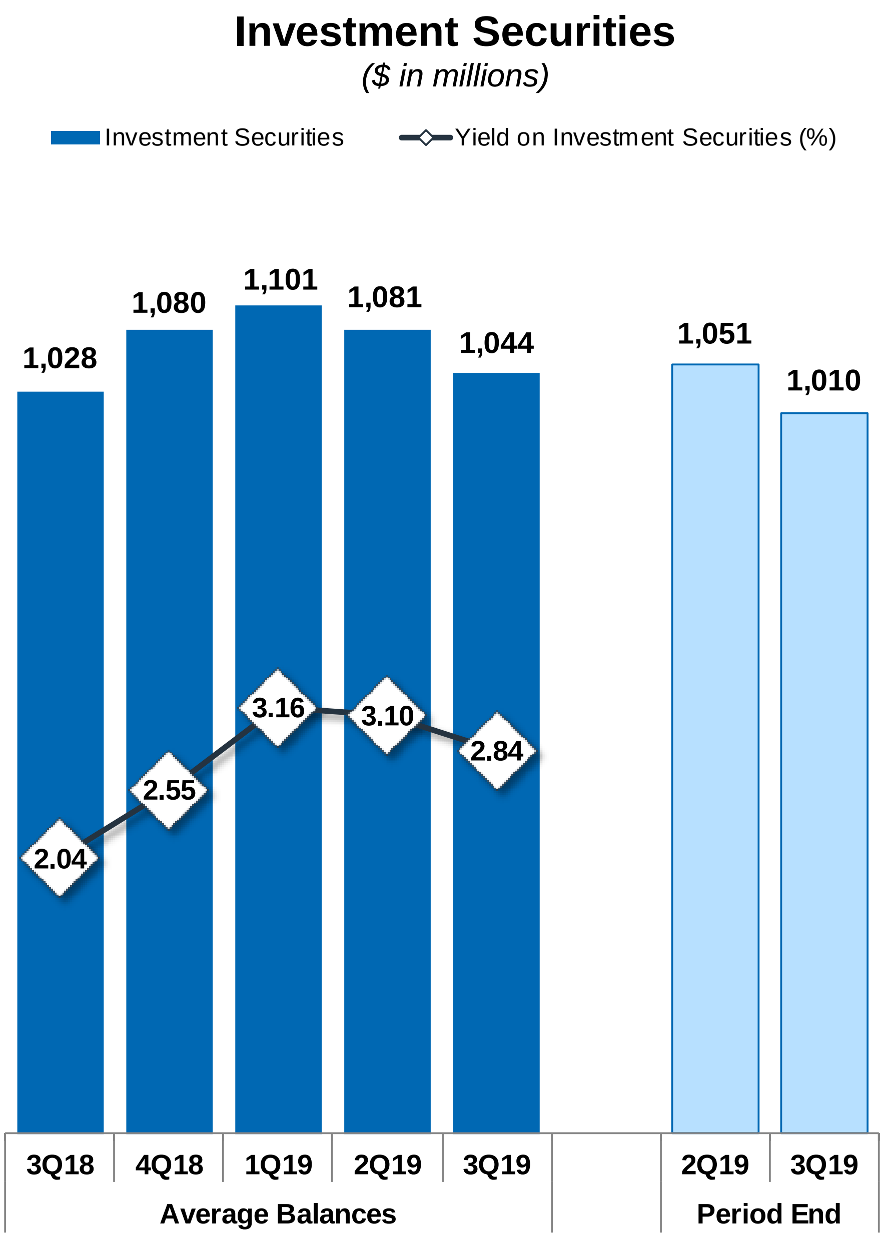
New Loan Fundings

($ in millions)



[1] Average loan yield on a taxable equivalent basis

Investment Securities



3Q 2019 Highlights

- Average investment securities decreased $37.2 million, or 3.4%, from the prior quarter
  - Driven by sales of lower yielding securities and amortization due to higher prepays
  - Sold $42 million yielding ~2.20%
  - Purchased $48 million yielding 3.81%
- Securities yield decreased 26 basis points to 2.84% for 3Q 2019, primarily driven by premium amortization
- Investment securities comprised 14.8% of earning assets in the third quarter of 2019

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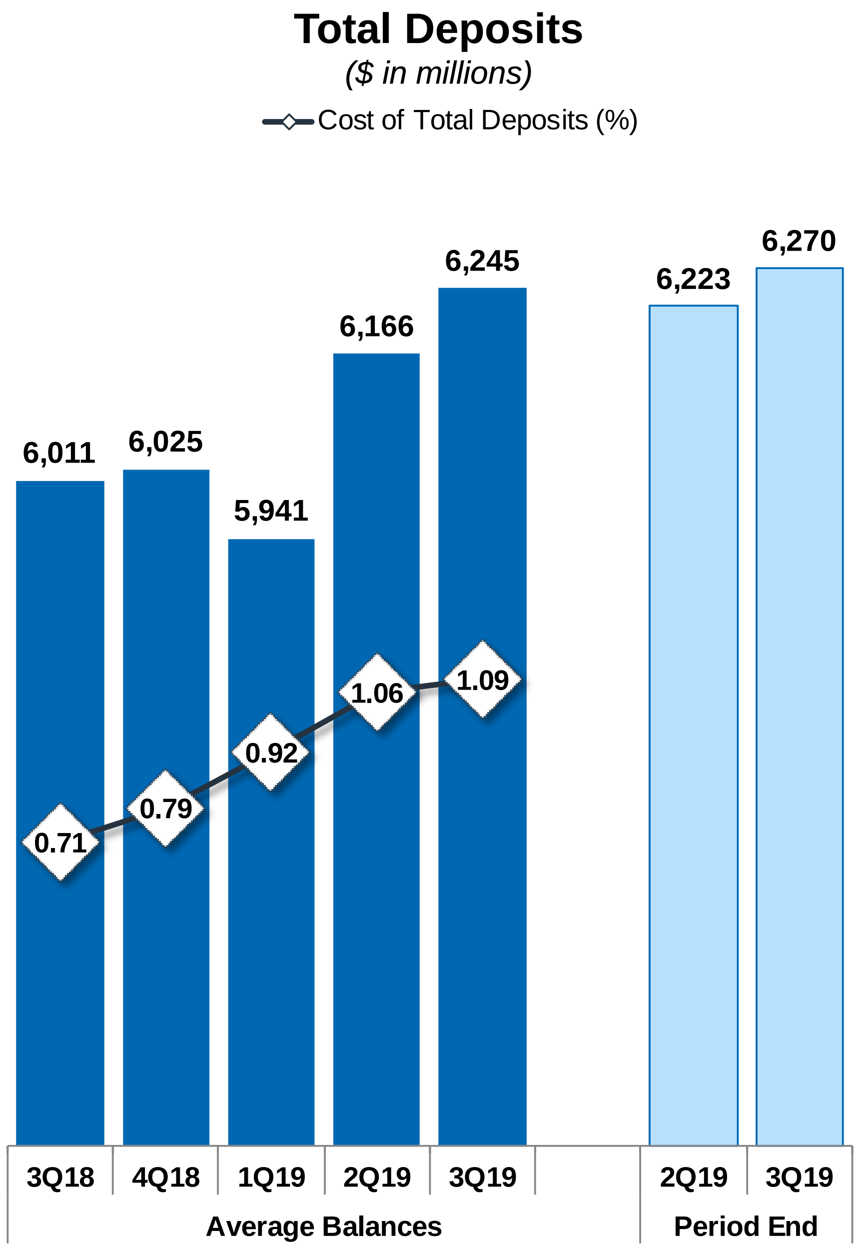
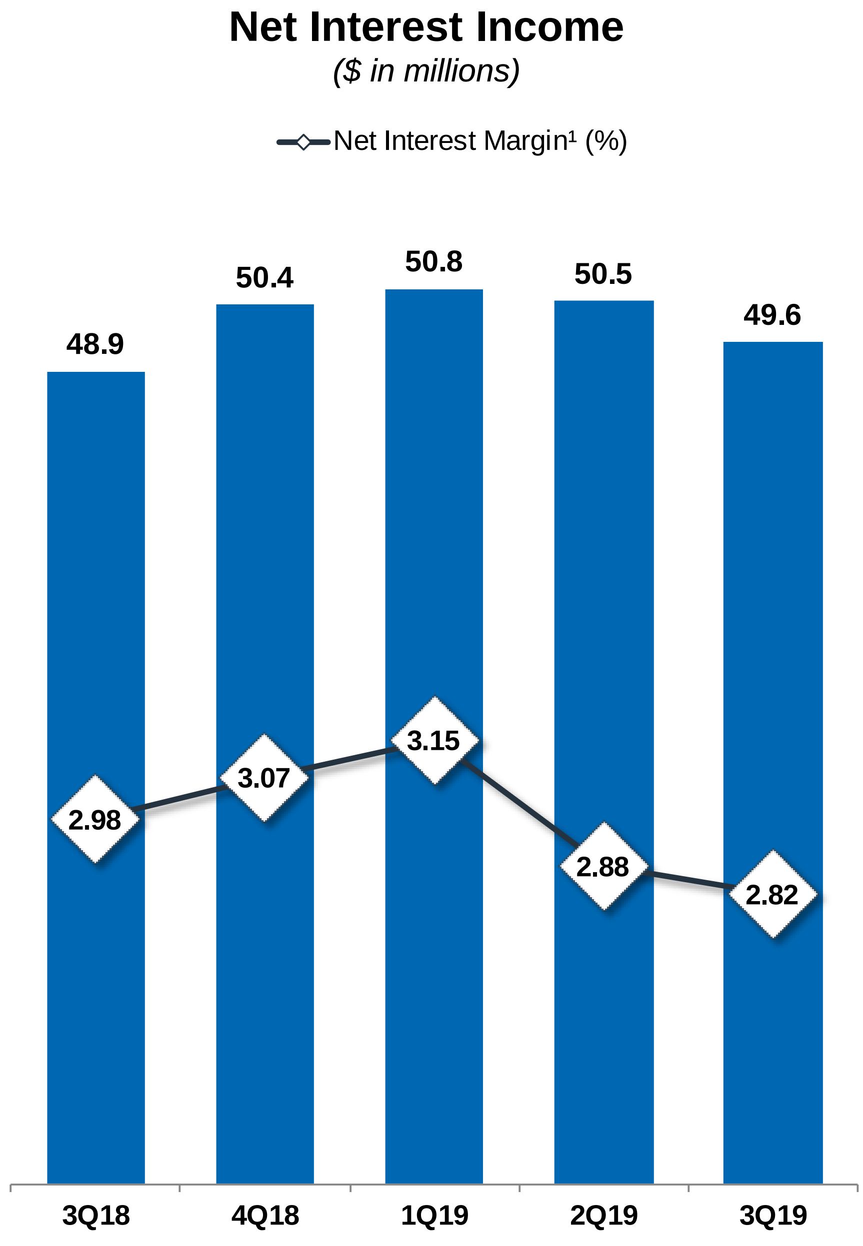
Deposit Portfolio



3Q 2019 Highlights

- Average deposits increased $79.8 million, or 1.3%, from the prior quarter
- Period-end deposits increased $46.4 million, or 0.7%
  - Noninterest bearing demand deposits increased $24.8 million, or 3.4%
  - Money market and savings accounts increased $102.0 million, or 5.0%
- Cost of deposits increased 3 bps to 1.09%
- Noninterest-bearing demand deposits comprise 12.2% of total deposits
- Brokered deposits decreased to $4.7 million
- Loan-to-Deposit ratio decreased slightly to 92.5%, down from 93.0% in the prior quarter

Net Interest Income and Margin



[1] Net Interest Margin on a taxable equivalent basis.

3Q 2019 Highlights

- Net interest income decreased 1.9%
  - Interest income down $937,000, or 1.3%, largely driven by lower yield on investment securities and interest earning cash
  - Interest expense was flat versus 2Q 2019
- NIM decreased 6 bps to 2.82%
  - Yield on interest-earning assets down 7 bps to 3.97%
  - Cost of funds was flat versus 2Q 2019

$50,516		2Q 2019	2.88%
500		Loan Impacts:	0.03%
	558	Higher net benefit from prepays	
	195	Higher avg. balances and other dynamics	
	134	One additional day in the quarter	
	(296)	Repricing/rate decreases	
	(91)	Effect of changes in nonaccrual loans	
(1,435)		Cash and Investment Securities:	(0.08%)
	(632)	Lower average balances	
	(479)	Higher premium amortization from prepays	
	(324)	Repricing/rate decreases	
(19)		Deposits and Borrowings:	(0.01%)
	863	Lower average FHLB advances	
	(538)	Higher rates on deposits	
	(202)	One additional day in the quarter	
	(142)	Higher average deposits	
$49,562		3Q 2019	2.82%

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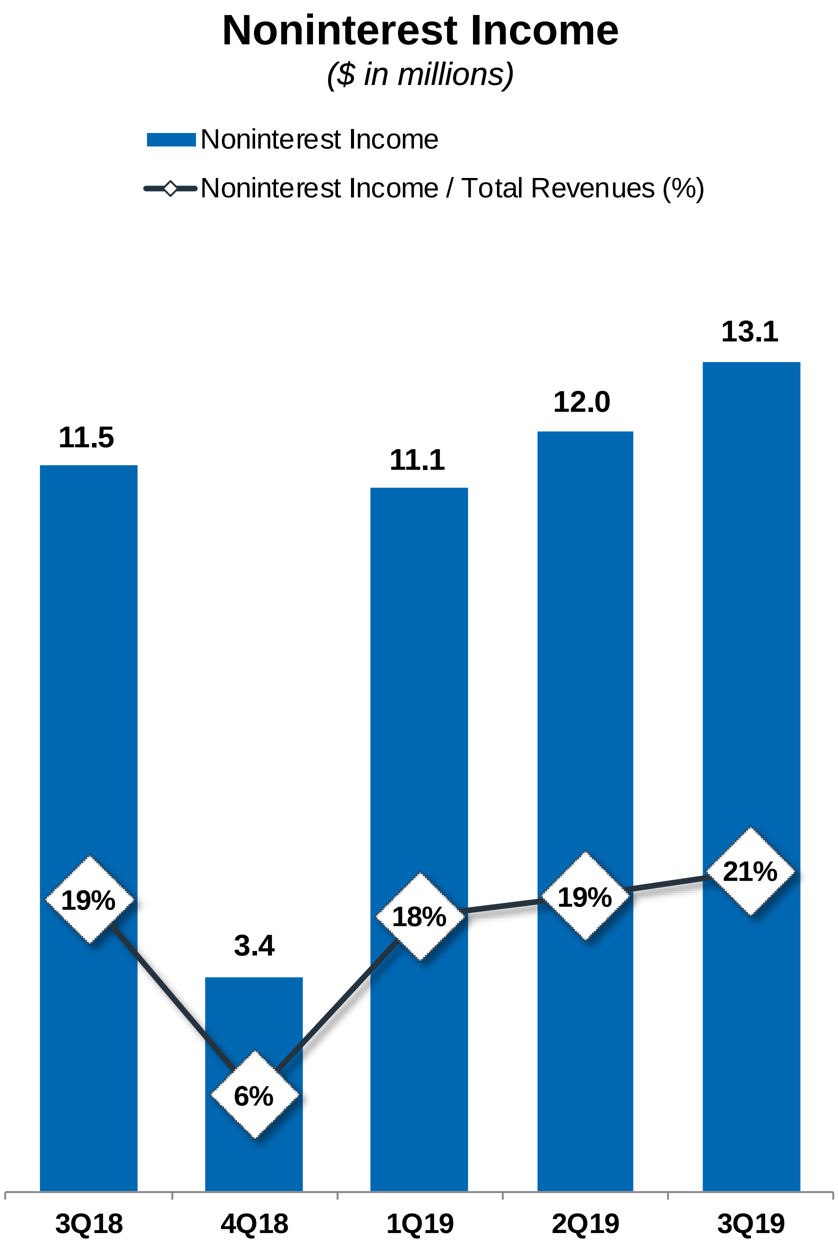
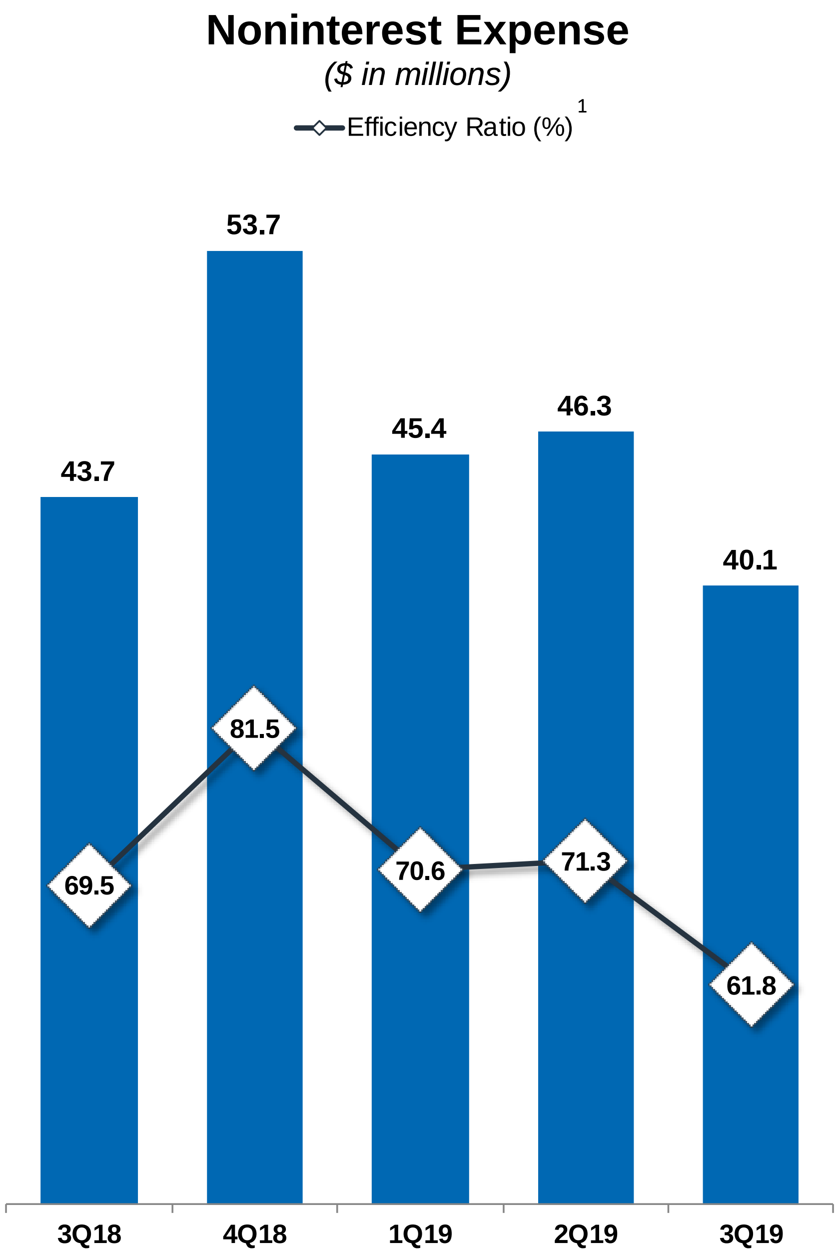
Noninterest Income



3Q 2019 Highlights

- Noninterest income totaled $13.1 million for the third quarter of 2019
- Diverse sources of noninterest income:
  - Trust Administrative fees from PENSCO were $7.2 million
  - Deposit and Treasury Management fees were $1.5 million
  - Escrow & Exchange fees of $1.6 million
  - BOLI income of $1.0 million
- $220,000 gain on sale, primarily loans
- Noninterest income equaled 21% of total revenues in 3Q 2019

Noninterest Expense and Efficiency



3Q 2019 Highlights

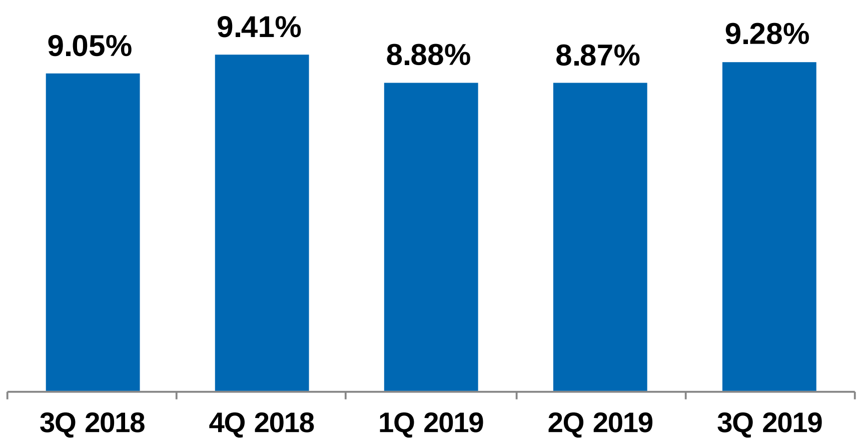
- Noninterest expense totaled $40.1 million in the third quarter of 2019
  - Cost reduction initiative in 2Q 2019 significantly reduced compensation and benefits expense
  - Lower loan production in 3Q resulted in $1.6M less deferred comp under FAS 91
  - Professional services expense increased $1.0M due to legal and consulting fees
  - Received FDIC small bank assessment credit
  - Included $119,000 of expenses for strategic actions related to the 2Q RIF
- Efficiency ratio was 61.8% in the third quarter[1]
  - Lower expenses drove decrease from the prior quarter
  - Adjusted efficiency ratio was 61.6%[2]

[1] The efficiency ratio equals noninterest expense adjusted to exclude the amortization of other intangible assets divided by the sum of tax-equivalent net interest income and noninterest income adjusted to exclude the gains and losses on the sale of investment securities, loans, and other repossessed assets.

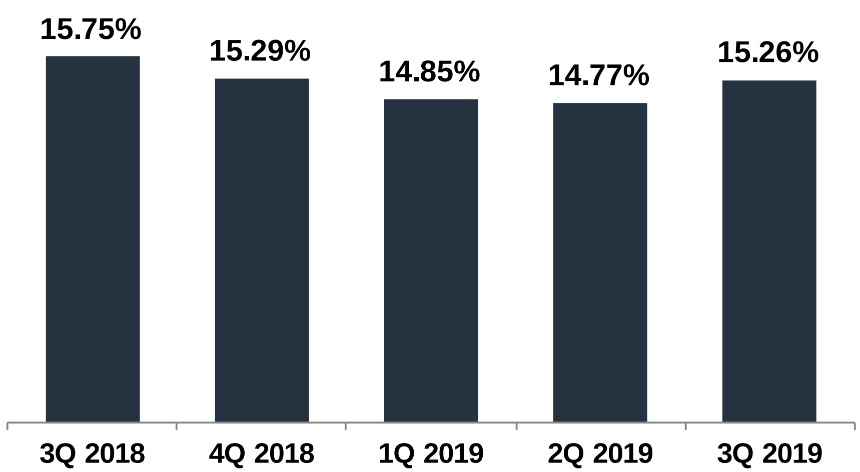
[2] See reconciliation of non-GAAP financial measures on pages 16-19

Capital

Tangible Common Equity Ratio[1]



Total Risk Based Capital Ratio[2]



3Q 2019 Highlights

- Opus has ample capital, with tangible common equity of 9.3%
- Total Stockholders' Equity was $1.1 billion as of September 30, 2019, up 2.0% from prior quarter
  - Retained earnings increased $17.8 million
  - AOCI increased $3.1 million, driven by lower rates
- Regulatory capital ratios remain robust[2]
  - Tier 1 Leverage decreased 40 bps to 9.70%
  - Total Risk-based Capital increased 49 bps to 15.26%
- Tangible book value per share increased 62 cents to $18.94 as of September 30, 2019[1]
- Board of Directors authorized the payment of a quarterly cash dividend of $0.11 per share payable in 4Q 2019

[1] See non-GAAP disclosures on pages 16-19.
[2] 3Q 2019 ratios are preliminary until the filing of our September 30, 2019 FDIC call report.

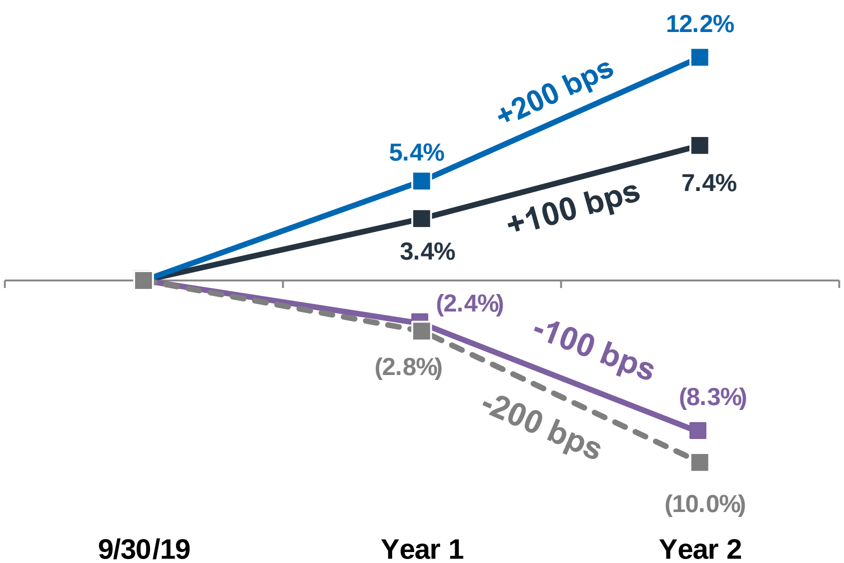
Asset Sensitivity

As of September 30, 2019

- Duration of total assets 2.5 years compared to total liabilities 3.0 years
- Our asset liability management modeling estimates net interest income increases by 3.4% with +100 bps shift and decreases by 2.8% with -200 bps shift

Simulations of Net Interest Income [1]

Assumes instantaneous parallel shifts in the yield curve



[1] Beginning of simulation is September 30, 2019

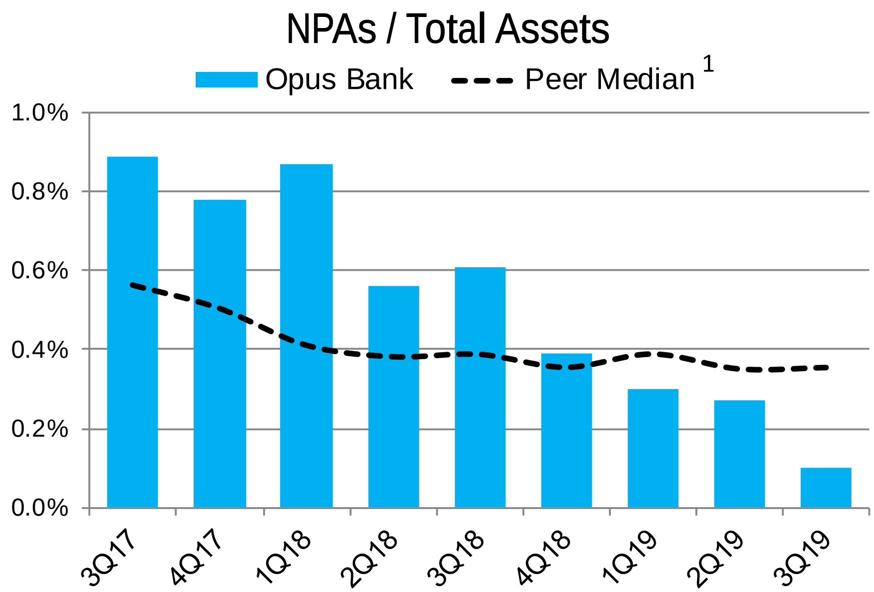
Asset and Liability Duration

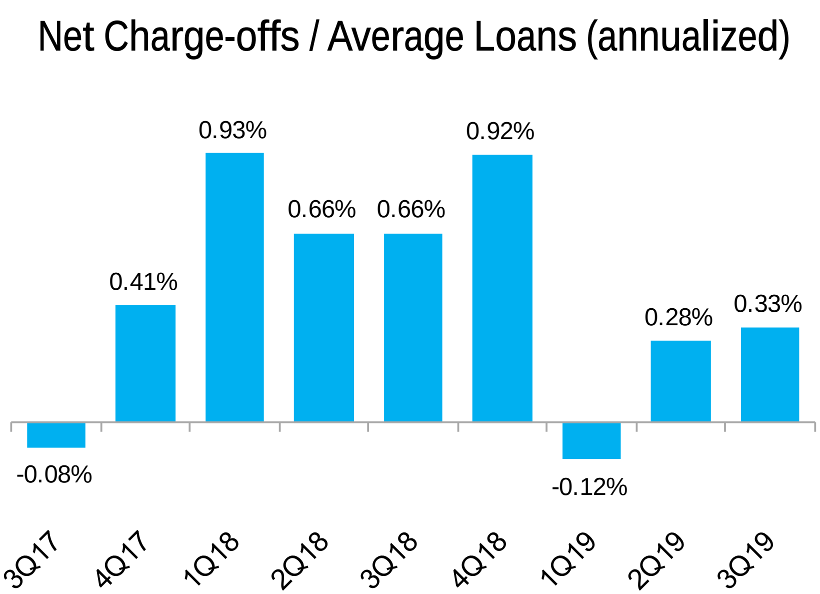
Assets	Years	Liabilities	Years
Investment Securities	3.2	Borrowings	1.6
Loans	2.3	Deposits	3.1
○ Commercial & Industrial	1.8	○ Non-interest Checking	6.1
○ Commercial Real Estate	1.8	○ NOW	4.3
○ Multifamily	2.6	○ Money Market	1.5
Total Asset Duration	2.5	○ Savings	4.3
		○ Time Deposits	0.7
		Total Liability Duration	3.0

Loan Resets and Maturities[2]	< 1 Yr	1-3 Yrs	3-5 Yrs	> 5 Yrs	Total
Prime and 1M LIBOR	11.8%	0.5%	0.3%	0.0%	12.6%
3M LIBOR	0.8%	0.0%	1.2%	0.0%	1.9%
6M LIBOR	9.2%	16.6%	11.8%	12.8%	50.3%
Other Indexed Rate Loans	1.4%	1.4%	17.6%	0.8%	20.9%
Total Variable Rate Loans	23.0%	18.2%	30.8%	13.6%	85.7%
Fixed Rate Loans	0.4%	2.2%	2.4%	9.3%	14.3%
Total Loans	23.5%	20.4%	33.2%	22.9%	100.0%

[2] Does not consider prepayments, normal amortization, or the effect of floors.

Credit Quality Overview





3Q 2019 Highlights

- Nonperforming assets decreased 65% to $7.4 million, or 0.10% of total assets
- Net charge-offs of $4.9 million, or 0.33% of average loans annualized
- Negative provision for loan losses of $7.7 million
- Continued to reduce exposure to previously de-emphasized loan portfolios:
    - Enterprise Value loans down 44% to $35.9 million, or 0.6% of loans
    - Total EV reduction of 96% since 4Q 2016
    - No longer reporting planned loan exits
- Criticized loans decreased 27% to $101.4 million as of September 30, 2019
    - Classified decreased $40.1 million
    - Special Mention increased $3.5 million

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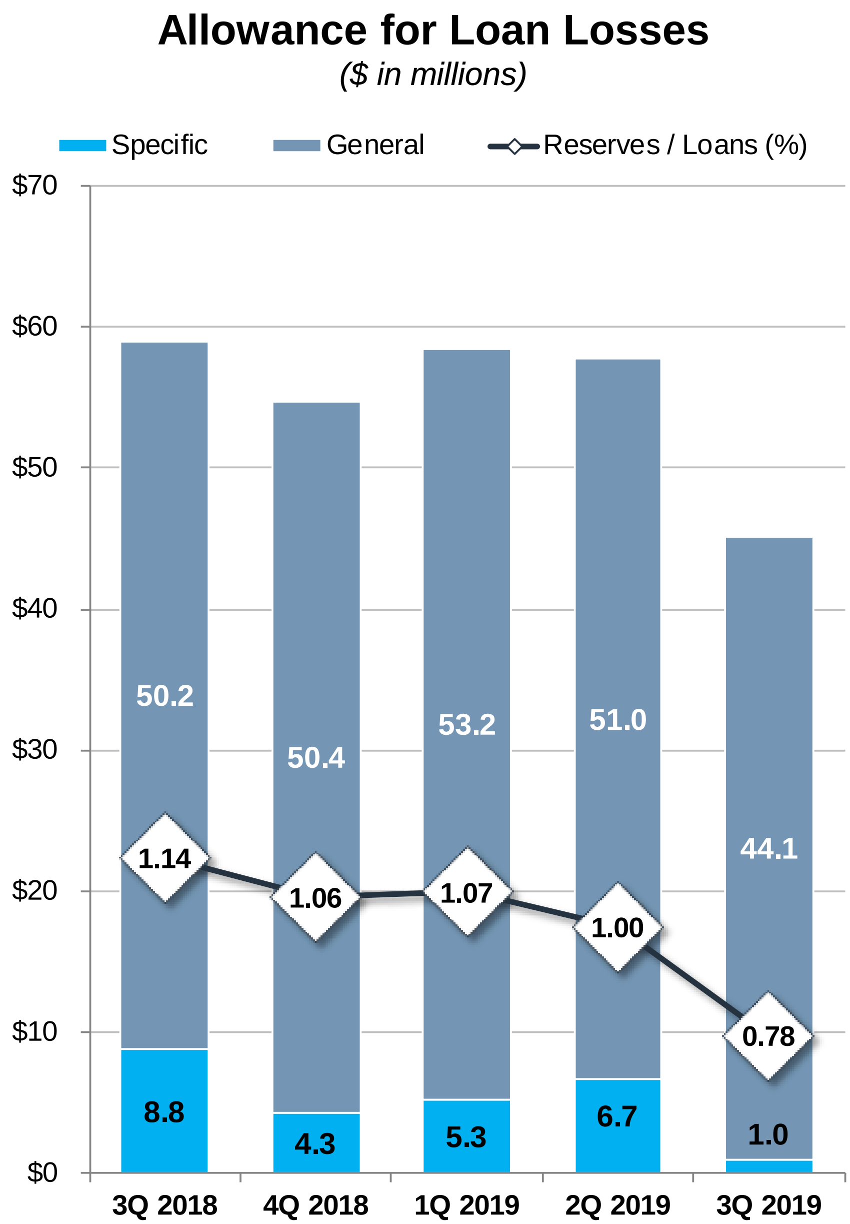
[1] Peer group includes BANC, BANR, COLB, CUBI, CVBF, DCOM, FFWM, FIBK, FFIC, GBCI, HFWA, HMST, KRNY, LBC, PPBI, PACW, PFS, TCBK, WAFD, and WAL

Allowance for Loan Losses



3Q 2019 Highlights

- Negative provision for loan losses of $7.7 million
  - \- Loan exits $7.0 million
  - \- Specific reserves $5.7 million
  - \- Risk rating migration $1.2 million
  - \+ Net Charge-offs $4.9 million
  - \+ Changes in portfolio mix and fundings $2.1 million
- Allowance for loan losses totaled $45.2 million
  - Down $12.6 million from the prior quarter
  - 0.78% of loans
  - Specific reserves of $1.0 million
- Continue to work through de-emphasized and criticized portfolios

Outlook for 2019

Assume continuation of current economic environment, with one rate cut in October 2019	
Loans	• Estimate loan growth rate in the low double digits for the full year 2019 • Maintain credit discipline
Deposits	• Anticipate continued deposit competition in 2019
Net Interest Margin	• Estimate the full year 2019 NIM to be approximately 2.90% • Opus continues to face the headwinds of a flattening yield curve, elevated prepayments, and competitive deposit and loan pricing
Noninterest Expense	• Disciplined expense management to increase operating leverage
Efficiency Ratio	• Core efficiency ratio in the range of 64% to 65% for the full year 2019, quarters coming in the low 60's
Credit Quality	• Expect credit metrics to be aligned with peers by year-end 2019
Tax Rate	• Estimate core effective tax rate of approximately 26% in 2019
Dividend	• Will evaluate the dividend based on loan growth, our risk profile, and market conditions

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Reconciliation of 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 net income, earnings per diluted share, return on average assets, return on average stockholders' equity, return on average tangible common equity, efficiency ratio, tangible book value per common share, and tangible common equity ratio. 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 Tangible Book Value per Common Share

(unaudited)	As of		
($ in thousands, except share amounts)	**September 30, 2019**	**June 30, 2019**	**September 30, 2018**
Tangible equity:			
Total stockholders' equity	$1,083,043	$1,061,328	$1,037,050
Less:			
Preferred stock	29,110	29,110	29,110
Common equity	1,053,933	1,032,218	1,007,940
Less:			
Goodwill	331,832	331,832	331,832
Other intangible assets, net	34,884	36,095	40,362
Tangible common equity	$687,217	$664,291	$635,746
Shares of common stock outstanding	36,286,598	36,251,219	36,058,585
Book value per common share	$29.04	$28.47	$27.95
Tangible book value per common share	$18.94	$18.32	$17.63

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Stockholders' Equity, Tangible Equity, and Tangible Common Equity Ratios

(unaudited)

($ in thousands)	As of September 30, 2019	June 30, 2019	September 30, 2018
Total assets	$7,771,343	$7,856,961	$7,395,074
Less:			
Goodwill	331,832	331,832	331,832
Other intangible assets, net	34,884	36,095	40,362
Tangible assets	7,404,627	7,489,034	7,022,880
Total stockholders' equity	1,083,043	1,061,328	1,037,050
Less:			
Goodwill	331,832	331,832	331,832
Other intangible assets, net	34,884	36,095	40,362
Tangible equity	716,327	693,401	664,856
Less: preferred stock	29,110	29,110	29,110
Tangible common equity	$687,217	$664,291	$635,746
Total stockholders' equity to total assets	13.94%	13.51%	14.02%
Tangible equity to tangible assets ratio	9.67%	9.26%	9.47%
Total common equity to total assets	13.56%	13.14%	13.63%
Tangible common equity to tangible assets ratio	9.28%	8.87%	9.05%

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures

(unaudited) ($ in thousands)	For the three months ended September 30, 2019	June 30, 2019	September 30, 2018	For the nine months ended September 30, 2019	September 30, 2018
Net income	$21,998	$8,686	$9,412	$41,545	$37,779
Adjustments to noninterest income:					
Impairment	–	–	–	489	–
(Gains) and losses on sales of securities, loans, and other repossessed assets	(220)	50	–	(174)	(215)
Adjustments to noninterest expense:	–	–	–	–	–
Strategic actions	119	4,891	548	4,920	2,298
Litigation	–	–	116	1,431	(2,734)
Pre-tax adjustments	(101)	4,941	664	6,666	(651)
Tax effect	383	(319)	(2,440)	(345)	(2,536)
Tax-effected adjustments[1]	282	4,622	(1,776)	6,321	(3,187)
Adjusted net income	$22,280	$13,308	$7,636	$47,866	$34,592
Average assets	$7,751,397	$7,793,539	$7,254,209	$7,626,002	$7,258,273
Average stockholders' equity	1,074,436	1,058,336	1,039,508	1,061,332	1,030,690
Less:					
Average preferred stock	29,110	29,110	29,110	29,110	29,110
Average goodwill	331,832	331,832	331,832	331,832	331,832
Average other intangible assets	35,639	36,956	41,139	36,933	42,598
Average tangible common equity	$677,855	$660,438	$637,427	$663,467	$627,150

[1] The tax effect of adjustments was computed using the combined federal and state marginal tax rate of 26.1%, 25.5%, 16.1%, 25.4% and 22.0% for the three months ended September 30, 2019, June 30, 2019, and September 30, 2018 and the nine months ended September 30, 2019 and September 30, 2018, respectively, adjusted for the tax effect of nondeductible strategic action expenses..

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures (continued)

(unaudited)	For the three months ended			For the nine months ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Earnings per diluted share	$0.57	$0.23	$0.25	$1.08	$0.99
Adjusted earnings per diluted share	$0.58	$0.35	$0.20	$1.25	$0.90
Return on average assets	1.13%	0.45%	0.51%	0.73%	0.70%
Adjusted return on average assets	1.14%	0.68%	0.42%	0.84%	0.64%
Return on average equity	8.12%	3.29%	3.59%	5.23%	4.90%
Adjusted return on average equity	8.23%	5.04%	2.91%	6.03%	4.49%
Return on average tangible common equity	12.88%	5.27%	5.86%	8.37%	8.05%
Adjusted return on average tangible common equity	13.04%	8.08%	4.75%	9.65%	7.37%
Efficiency ratio[1]	61.82%	71.32%	69.49%	67.91%	67.05%
Adjusted efficiency ratio[1]	61.63%	63.55%	68.40%	64.36%	67.28%

[1] The efficiency ratio equals noninterest expense adjusted to exclude the amortization of other intangible assets divided by the sum of tax-equivalent net interest income and noninterest income adjusted to exclude the gains and losses on the sale of investment securities, loans, and other repossessed assets.