



## **SANDLER O'NEILL + PARTNERS**

**2015 WEST COAST FINANCIAL SERVICES CONFERENCE**

**PHOENIX**

**MARCH 11, 2015**

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# Safe Harbor



*The Company may make projections or other forward-looking statements under Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) regarding future events or the future financial performance of the Company. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others things: the Company’s ability to realize synergies from the merger of Pacific International and Foster Bankshares; the Company’s ability to meet the competitive challenges of new markets; general economic and business conditions in those areas in which the Company operates; demographic changes; competition; fluctuations in market conditions, including interest rates; changes in business strategies; changes in governmental regulation; changes in credit quality; and other risks and uncertainties including those detailed in the documents the Company files from time to time with the Securities Exchange Commission. We wish to caution you that such statements are based on certain assumptions and that actual events or results may differ materially. We refer you specifically to the Company’s most recent reports filed with the Securities and Exchange Commission, including Annual Report on Form 10-K for the year ended December 31, 2013. The Company undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements.*

# Corporate Profile

- Largest Korean-American bank in the nation
  - Created through successful merger of Center and Nara
  - Highest lending capacity among niche peers
  - 11<sup>th</sup> largest SBA lender in the U.S.A. by volume
  - Only Korean-American bank with presence in Korea
  - Most comprehensive offering of cash management services
  - Experienced management team
  - Only Korean-American bank ever to be listed on Forbes' list of "**Best Banks in America**"
    - 2013 ■ 2014 ■ 2015

## ■ Financial metrics

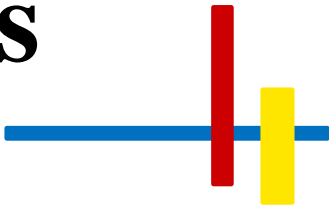
	12/31/2011	12/31/2014
Total assets	\$5.2 billion	\$7.1 billion
Net loans receivable	\$3.7 billion	\$5.6 billion
Total deposits	\$3.9 billion	\$5.7 billion



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**BEST BANKS**  
**IN AMERICA**

# BBCN's Mission & Values



## Vision

- We will be the nation's premier Asian-American bank, with strong and mutually rewarding relationships with our customers

## Mission

- Our mission is to be a strong banking partner to middle market and small businesses, their owners and employees, and our communities by providing high quality financial products and services

## Core Values

I

- Integrity

T

- Transparency

F

- Fairness

I

- Initiative

T

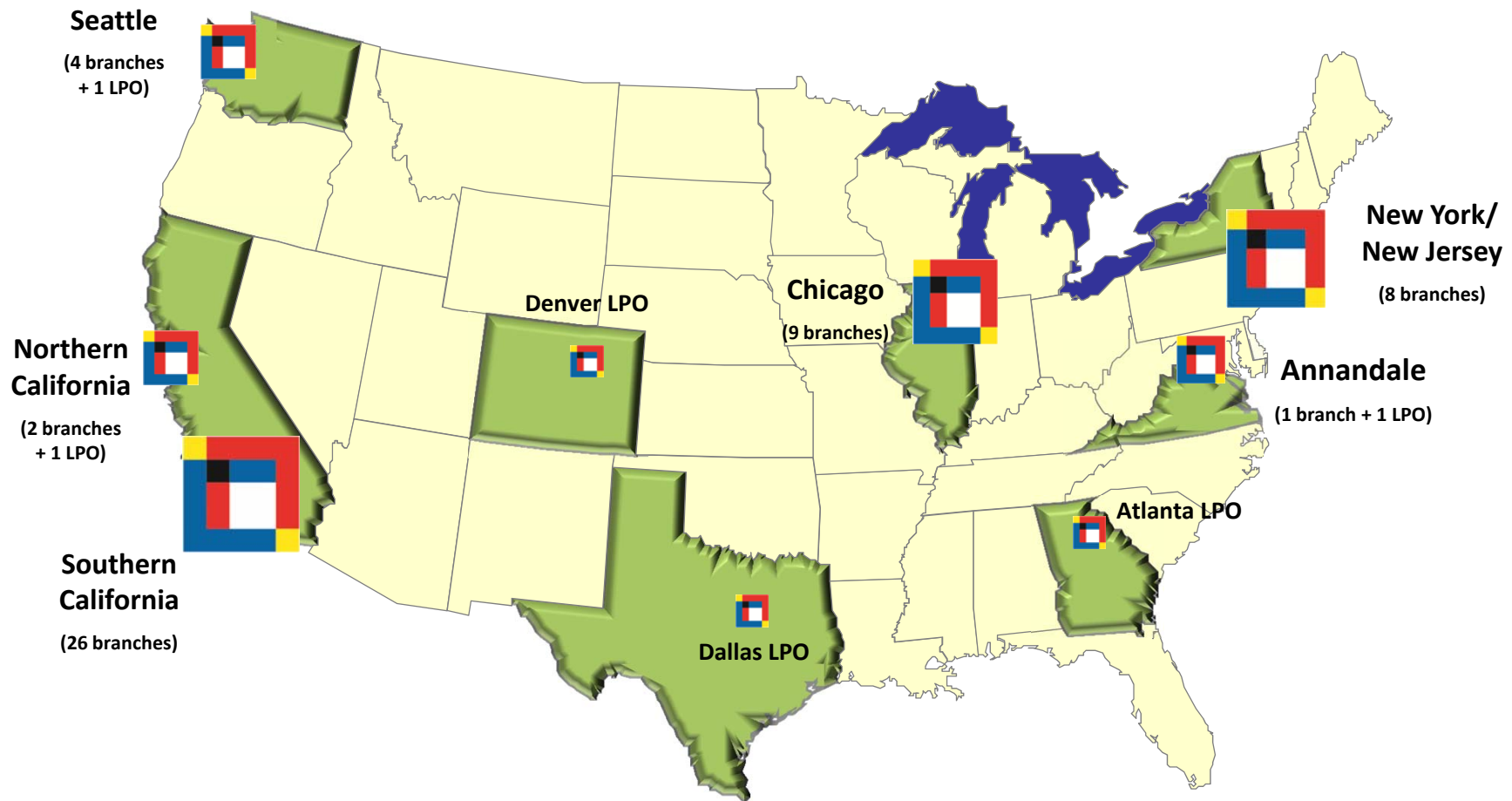
- Teamwork

S

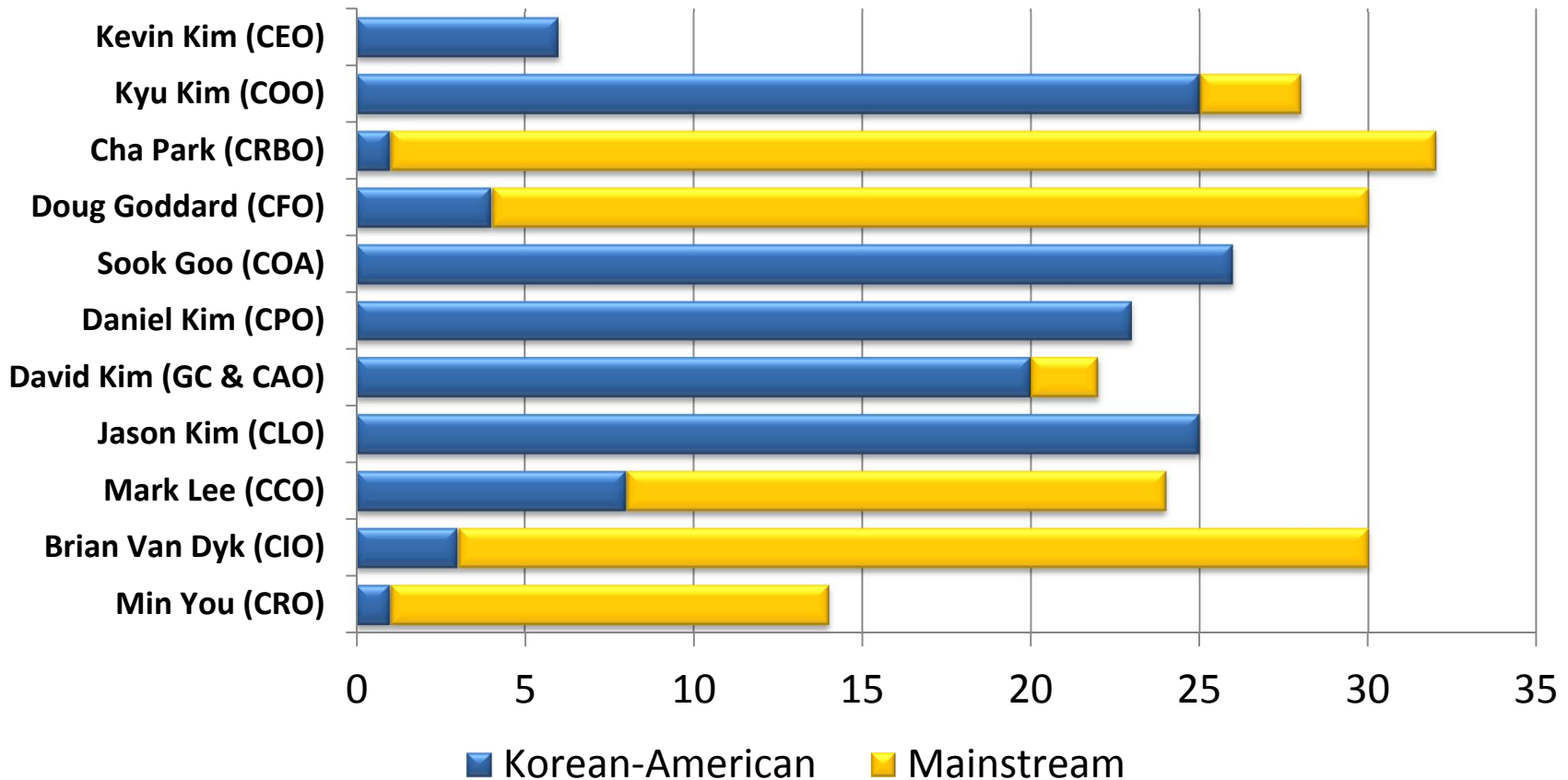
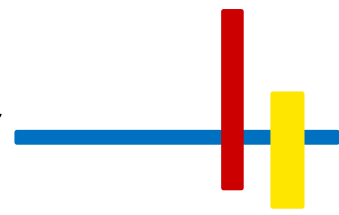
- Strong work ethic

# Better Banking from California to New York

50 Branches and 6 Loan Production Offices in the U.S.  
+ 1 Seoul Representative Office



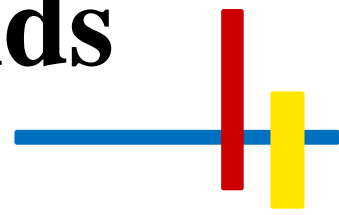
# Banking Experience of Executive Management



# Q4 and FY 2014 Highlights

- Continued consistent core revenue generation and high profitability, while pursuing new business initiatives
  - Q4 net income of \$22.7 million, or \$0.29 EPS, contribute to FY record earnings of \$88.6 million, or \$1.03 EPS
  - Record \$4.1 million gain on sale of SBA loans for Q4
  - ROA of 1.28% and ROE of 10.42%
  - Efficiency ratio of 49.83%, notwithstanding investments in new product platforms
- Strong levels of new loan originations at \$304 million for Q4, resulting in 10% organic loan growth for 2014
  - Total originations of \$1.33 billion for 2014, reflecting a 17% increase over 2013
- Total deposits increased to \$5.69 billion, reflecting organic growth of 11% for 2014
- Robust capital position with total risk-based ratio of 14.80% and TCE/TA of 10.98%
- Quarterly cash dividend of \$0.10 per common share
- Began process of specializing business units into Commercial and Retail banking
  - Ensures differentiated and appropriate service levels
  - Structure better supports cross sales and promotes higher performance throughout organization
- Expanded product offering
  - Launched Equipment Lease Financing business late Q1 2014 – *Projecting \$200+ million portfolio by year 5*
  - Soft launch of Residential Mortgage late Q4 2014 – *Full launch throughout national platform by mid-2015*
- Opened Seoul Representative Office during Q4
  - First ever formal expansion by Korean-American bank back to Korea
  - Significance of event underscored by attendance of LA Mayor Eric Garcetti and Seoul Mayor Won-Soon Park

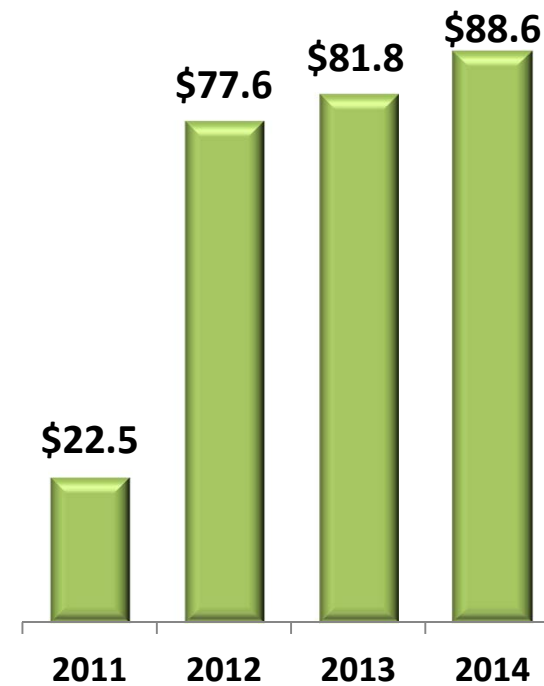
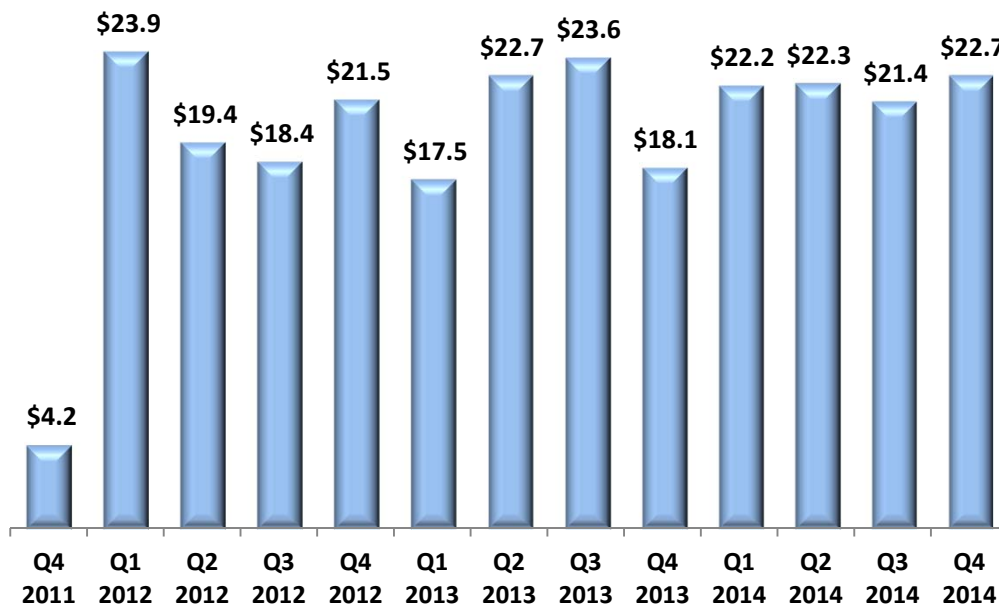
# Positive Net Income<sup>1</sup> Trends



Quarterly

Annual

(\$ millions)

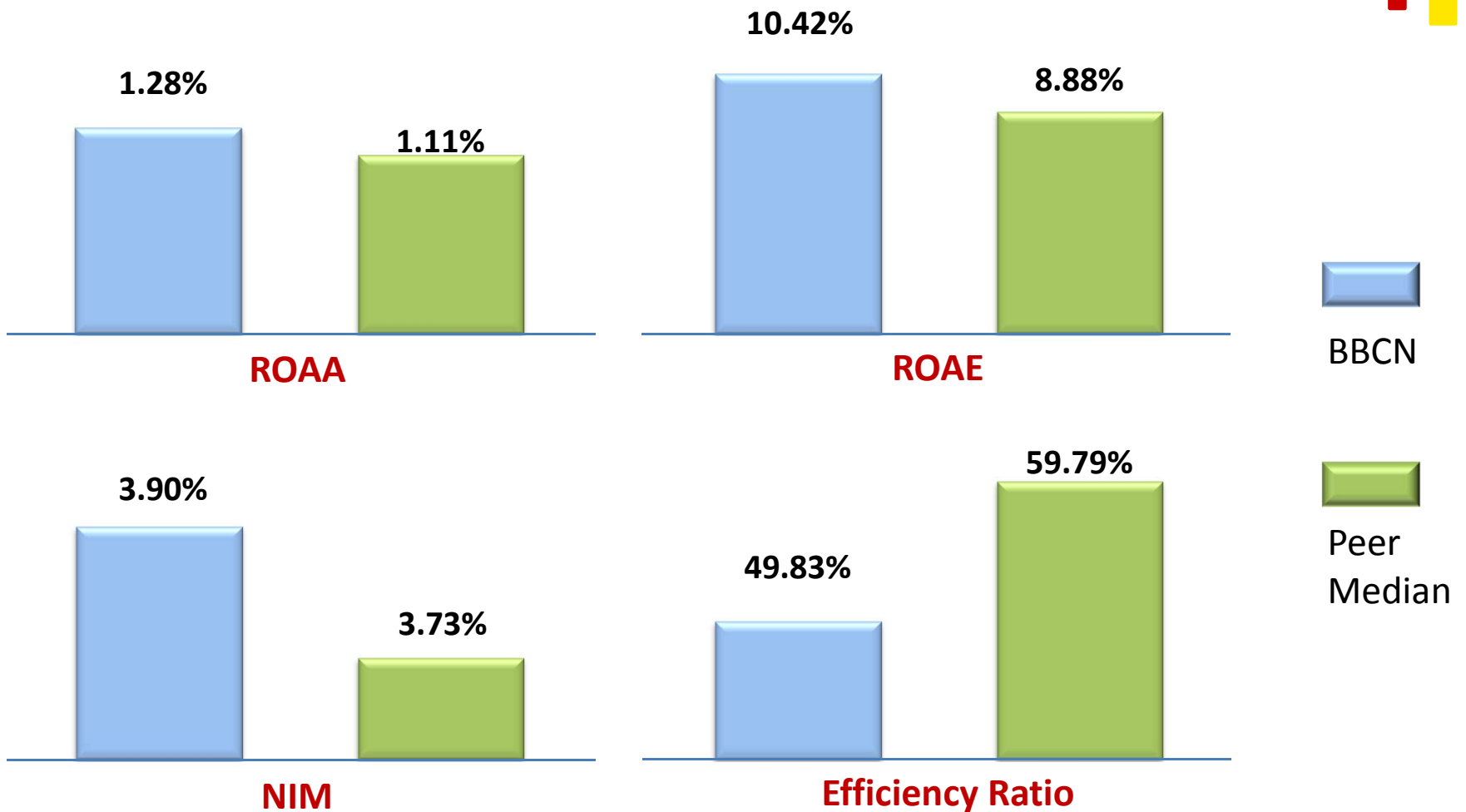


<sup>1</sup> Net income available to common stockholders

Note: Net income benefited from pre-tax acquisition accounting adjustments related to mergers, as detailed on Appendix slide 23.



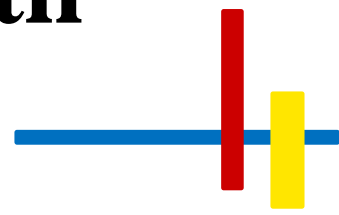
# Profitability Measurements (Q4 2014)



Note: Q4 2014 results benefited from a total of \$5.0 million in major pre-tax acquisition accounting adjustments related to mergers, as detailed on Appendix slide 23.  
Peer Group includes continental U.S. commercial banks with total assets between 70% and 200% of BBCN Bank as of 12/31/13, excluding banks with extremely aberrant balance sheet structures.  
Source: SNL Financial

# Strong Organic Loan Growth

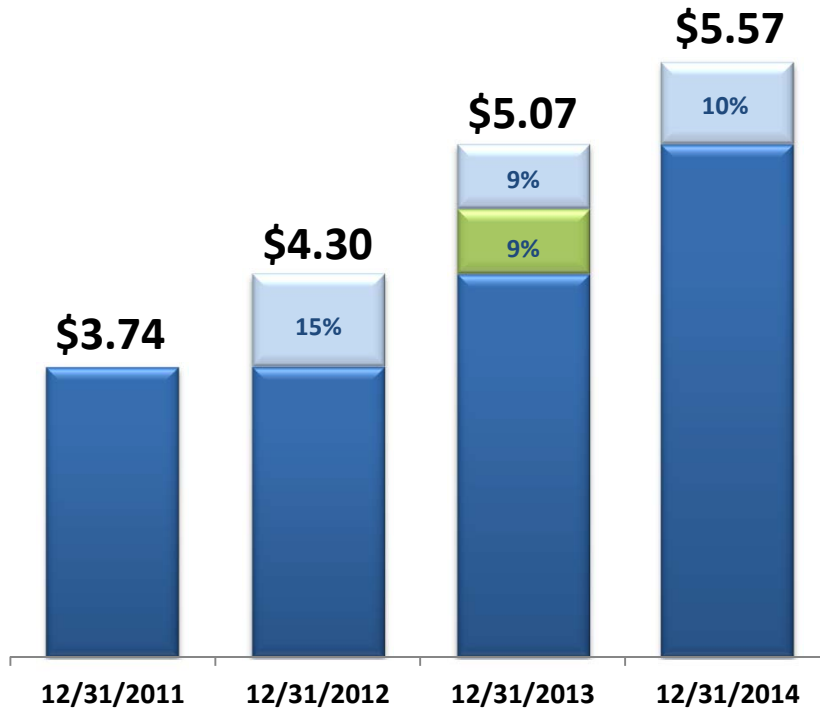
– *Supplemented by Strategic Expansion* –



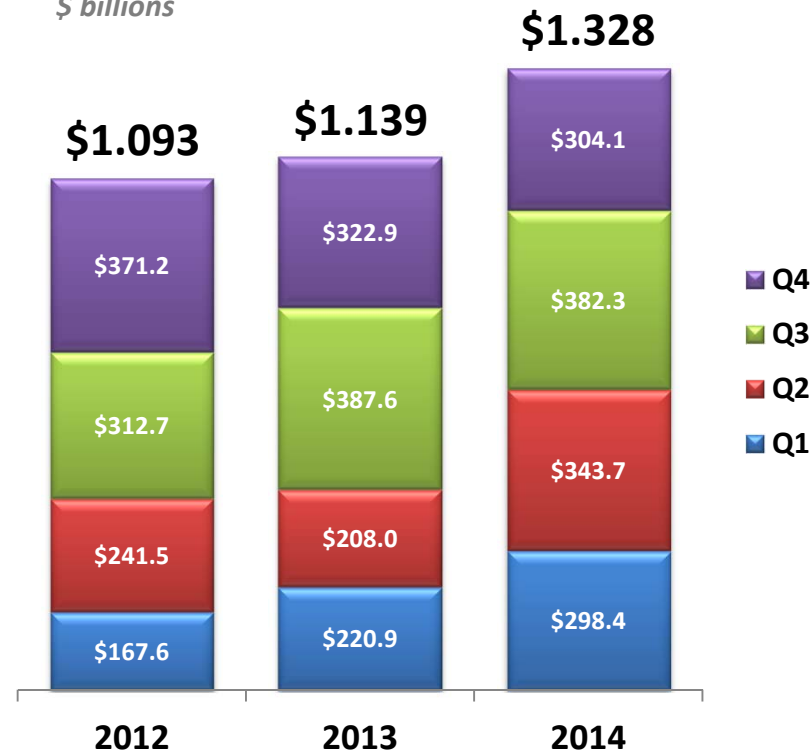
## Loans Receivable

## New Loan Originations

\$ billions

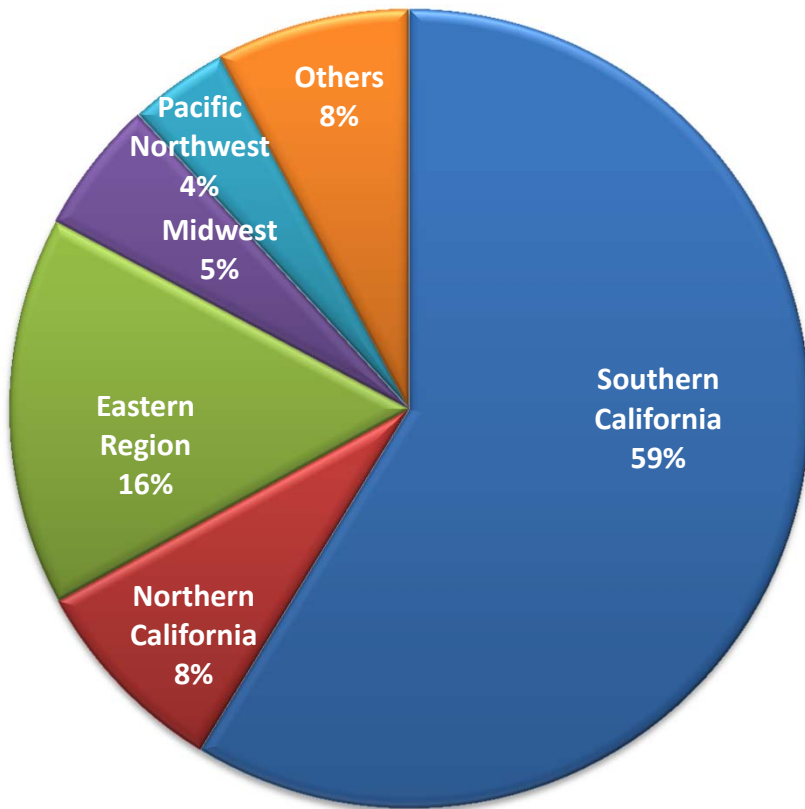


\$ billions



 Organic Growth  
 Strategic Growth

# Loan Portfolio by Region



## Southern California

- **1986**: Founded by Los Angeles-based Korean-American investors

## Northern California

- **1997**: Expanded de novo into Northern California; Acquired Asiana Bank in 2003

## Eastern Region

- **1998**: Expanded into New York/New Jersey through multiple acquisitions

## Midwest

- **2004**: Expanded into Chicago through branch acquisition; Acquired Foster Bank in 2013

## Pacific Northwest

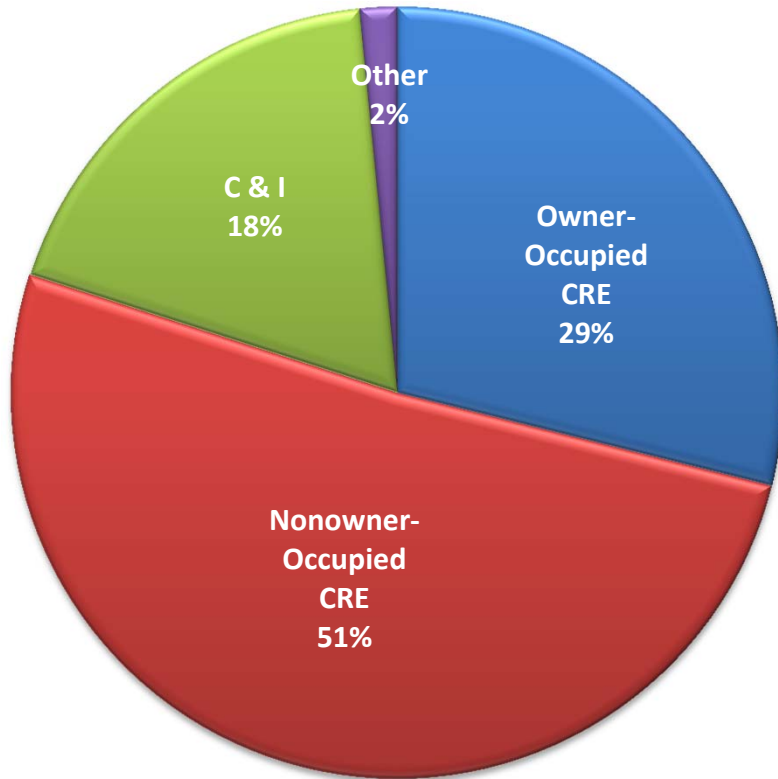
- **2005**: Expanded de novo into Seattle; Acquired Pacific International Bank in 2013

*Diverse national footprint spreads credit risk and provides greater growth opportunities*

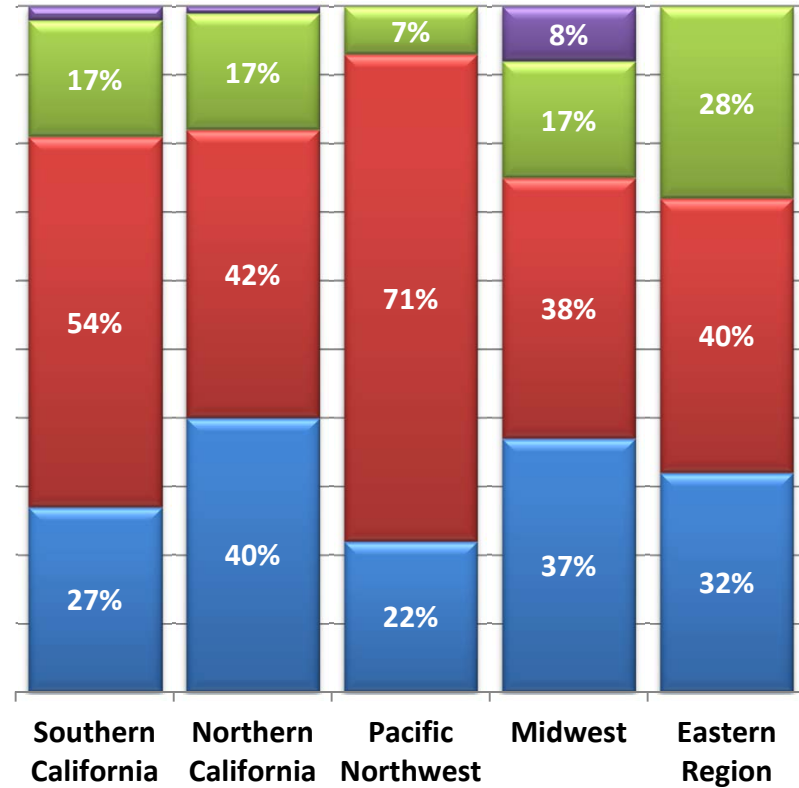
# Loan Portfolio Composition

**\$5.57 Billion**

*(as of 12/31/2014)*

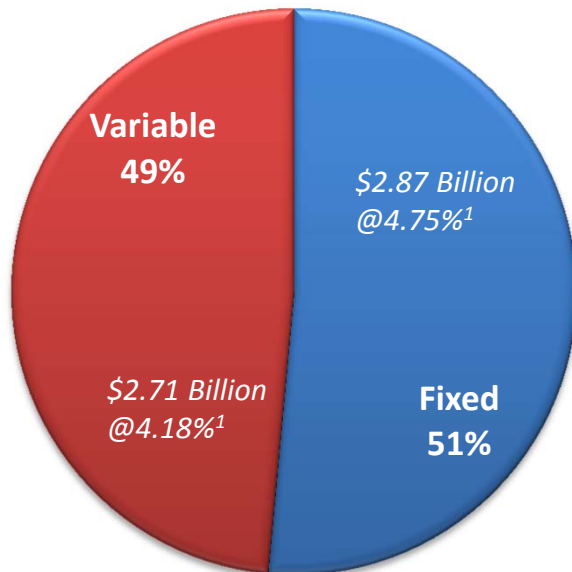


**Portfolio Composition  
By Region**



# Loan Portfolio Rate Sensitivity

## Loan Rate Mix



Loans with Floors  
\$897.9 million  
Weighted Avg. Rate of 4.94%

## Distribution by Loan Type

Loan Type	Outstanding (\$ millions)	Avg Size (\$ thousands)	Avg Yield	Avg LTV <sup>2</sup>
CRE	\$4,441.9	\$1,223.6	4.58%	64.6
C&I	\$1,038.4	\$367.1	4.04%	
Other (Consumer)	\$89.8	\$36.0	4.22%	
<b>Total Loans Outstanding</b>	<b>\$5,570.1</b>			

<sup>1</sup> The weighted average yield on the variable rate and fixed rate loan portfolios as presented excludes loan discount accretion.

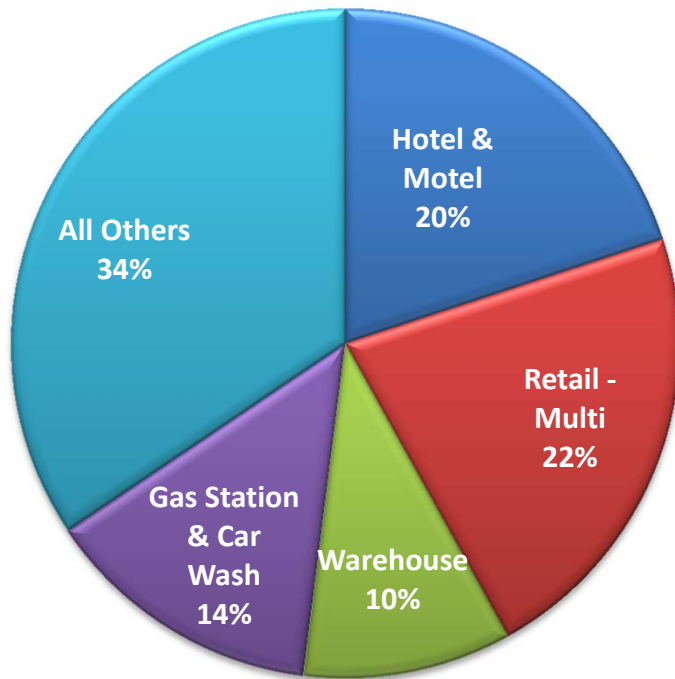
<sup>2</sup> LTV is weighted using loan principal balances as of September 30, 2014 divided by loan collateral values.

<sup>3</sup> C&I average loan size excludes the SOHO loan portfolio acquired as part of an FDIC-assisted transaction. The portfolio includes 1,050 loans with a total outstanding balance of \$0.6 million as of 12/31/2014.

# CRE Portfolio

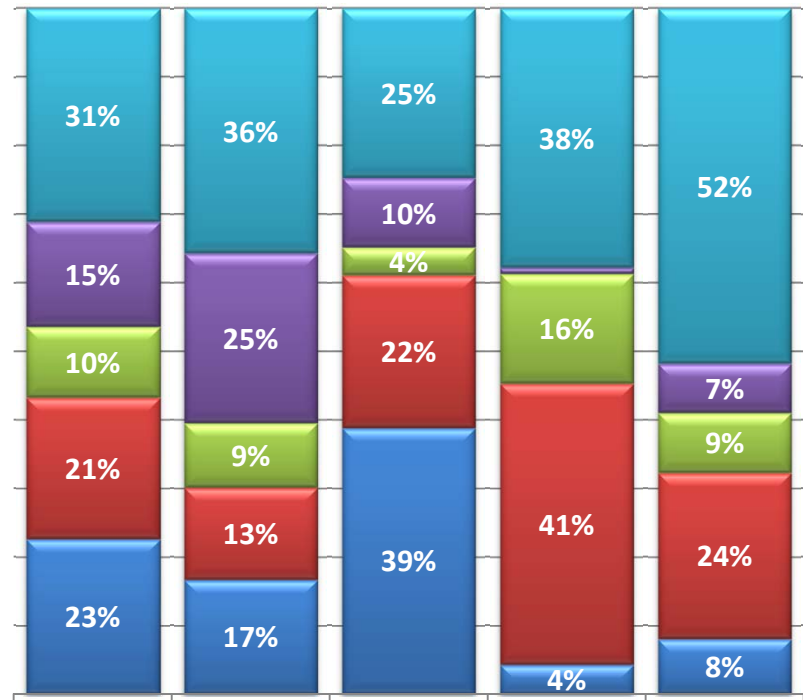


**\$4.44 Billion**  
(as of 12/31/2014)



*Note: All Others includes property types representing less than 10% of total CRE portfolio, including: Mixed Use, Retail-Single, Church, Residential, Office, Golf Course and Other smaller segments.*

**CRE By Region**



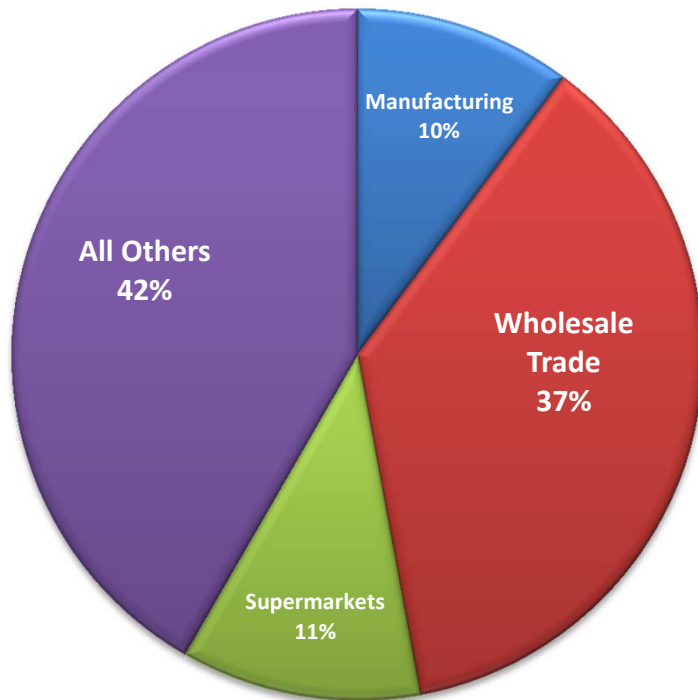
**Southern California    Northern California    Pacific Northwest    Midwest    Eastern Region**

**59%    9%    5%    5%    14%**  
as a % of Total CRE Portfolio

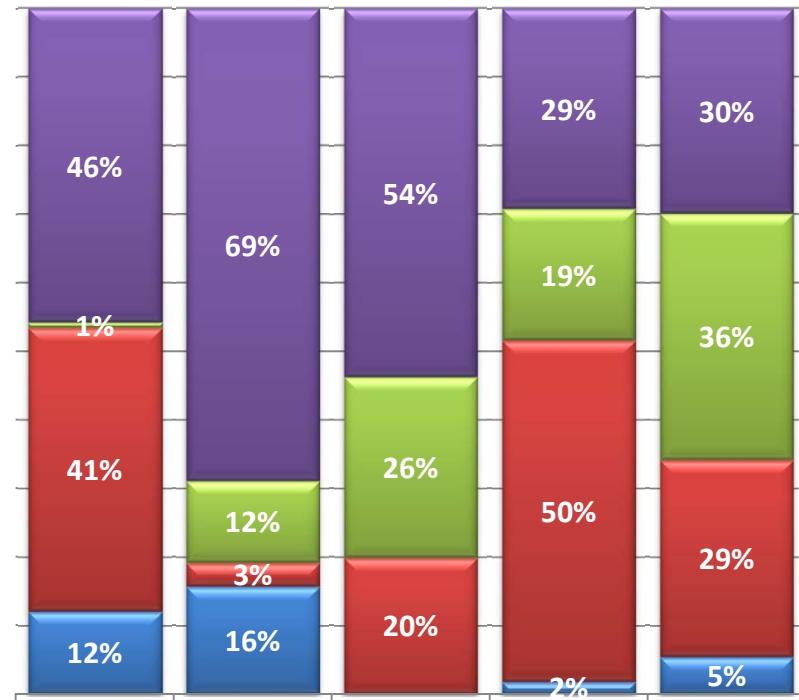
# C&I Portfolio



**\$1.04 Billion**  
(as of 12/31/2014)



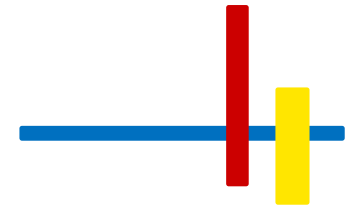
**C&I  
By Region**



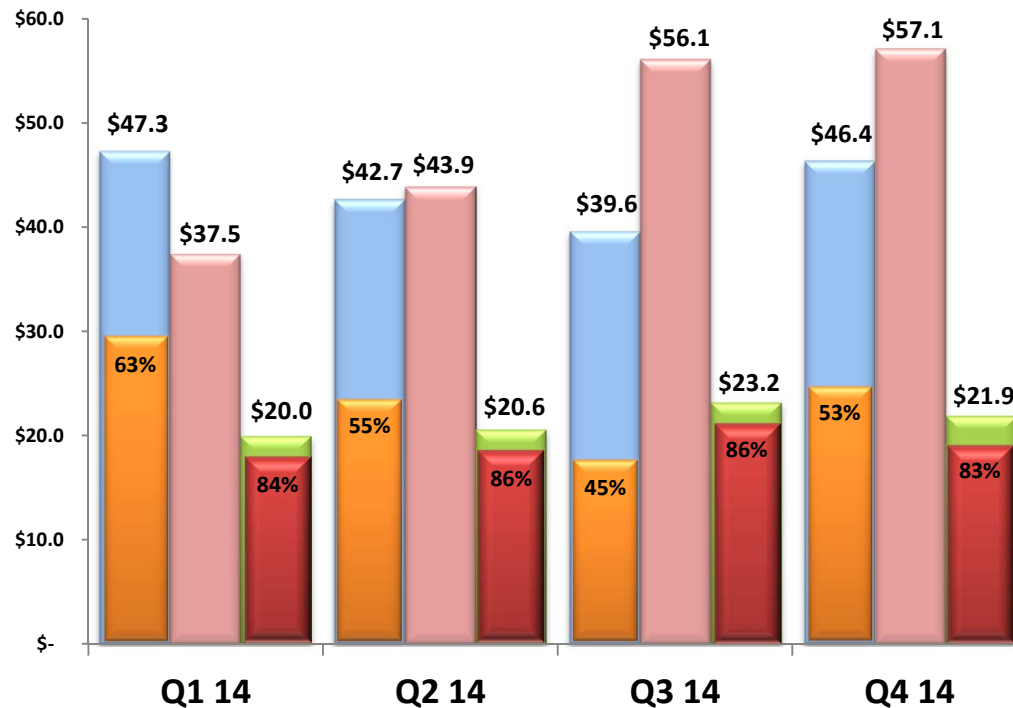
*Note: All Others includes business types representing less than 10% of total C&I portfolio, including: Gas Station, Restaurant, Real Estate & Leasing, Retail, Laundries/Drycleaners, Liquor Stores, Hotel/Motel, Services, and Other smaller segments.*

62%      4%      2%      5%      23%  
as a % of Total C&I Portfolio

# Stable Asset Quality



**Total Nonperforming Assets**  
(\$ millions)



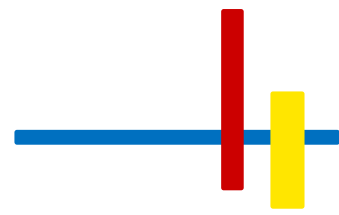
- Nonaccrual Loans 90+
- TDRs
- OREO
- Current and Paying as Agreed
- Pacific International/Foster

- Nonaccrual loan trends have been stable throughout 2014
  - On average, greater than 50% of nonaccrual loan balances have been **“Current and Paying as Agreed”**
- TDRs are accruing restructured loans which are **“Current and Paying as Agreed”**
- Acquired troubled assets account for vast majority of OREO
- Net charge offs to average loans receivable have been nominal at 0.23% for 2014

Notes: TDRs represents accruing restructured loans.  
 OREO represents other real estate owned.  
 Excludes guaranteed portion of SBA loans.  
 Balances reflect the inclusion of the loan portfolios from the Pacific International and Foster acquisitions.

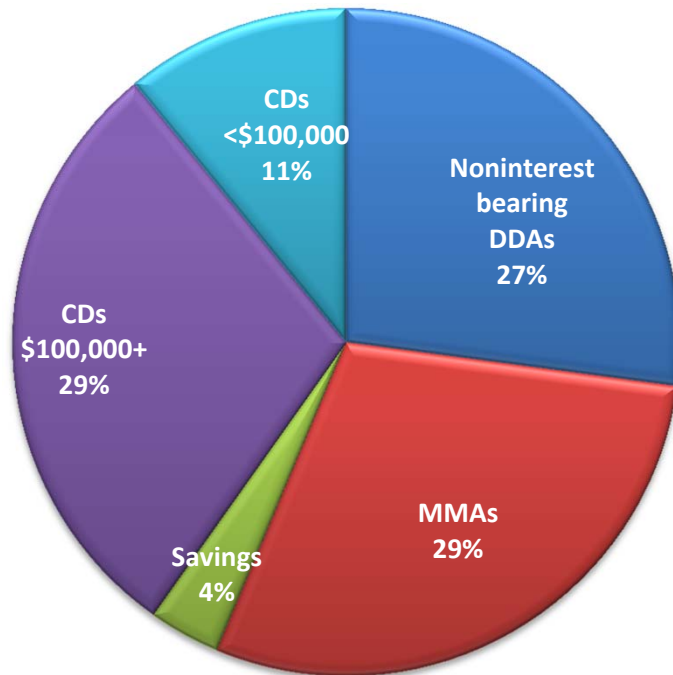


# Deposit Growth Trends

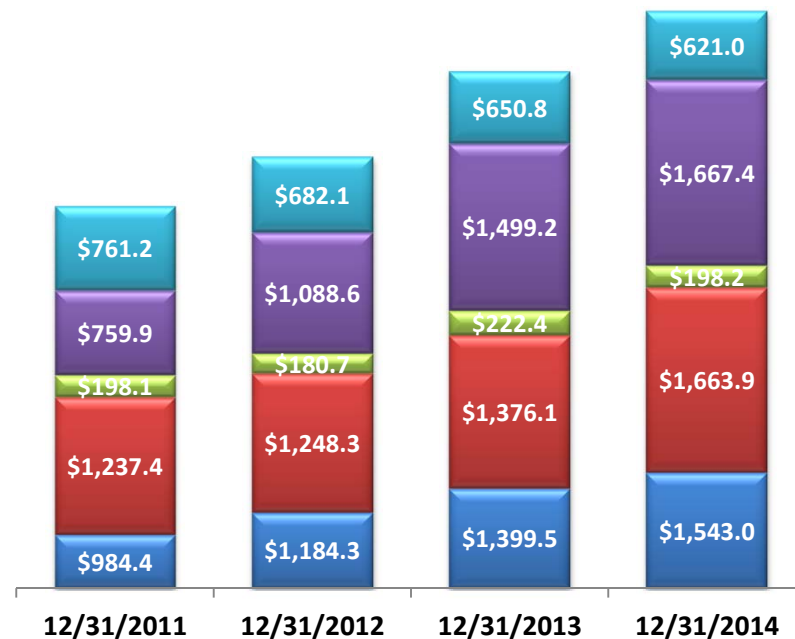


**Total Deposits of \$5.69 Billion**  
(as of 12/31/2014)

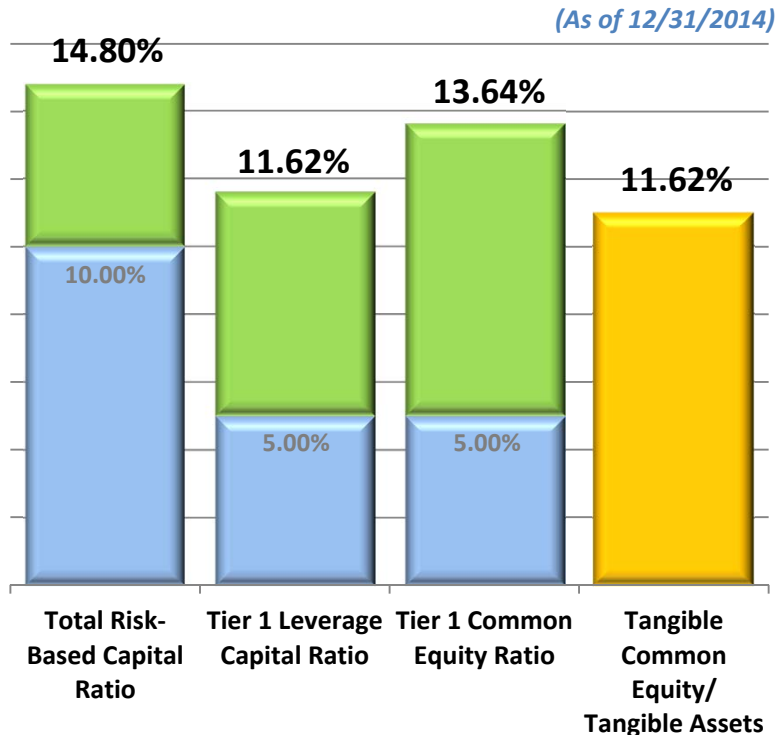
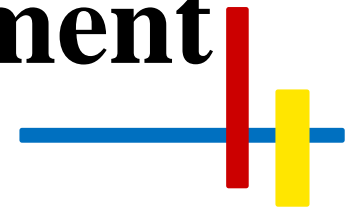
**Deposit Growth Trends  
by Category**



(\$ millions)



# Capital Strength & Deployment



- Redeemed \$122 million TARP capital in 2Q 2012
- Re-initiated quarterly cash dividend in 4Q 2012
  - Increased cash dividend by 50% in Q3 2013
  - Increased cash dividend by 33% in Q3 2014
- Acquired Pacific International Bancorp
  - Became dominant player in the Pacific Northwest
- Acquired Foster Bankshares
  - Became the only Korean-American bank in the Mid-West
- Opened new branch in Palisades Park, NJ
  - Strengthened BBCN's market leadership in the New York/New Jersey markets
- Opened Seoul Representative Office
  - First ever expansion by a Korean-American bank into Korea
- Increasing loan portfolio mostly through organic growth
  - **15%** year-over-year growth in 2012
  - **18%** year-over-year growth in 2013
    - 9% through strategic acquisitions
  - **10%** year-over-year growth in 2014

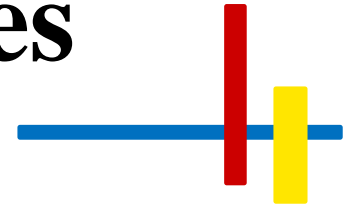
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# BBCN's Destiny



- \$10 billion-plus asset bank
- The most successful U.S. enterprise founded by Korean-Americans
- Diversified financial services company
- The representative enterprise of the Korean-American banking industry – in the U.S. and in Korea

# 2015 Outlook & Strategies



- Launch of new products and services
  - Rollout of Residential Mortgage products across national platform by mid-2015
  - Launch new Credit Card product Q2 2015
  - Launch Wealth Management services Q2 2015
  - Full rollout of Equipment Lease Financing
- Continued focus on organic and strategic growth opportunities
- Continued strength in SBA loan originations
- Stable to improving asset quality and credit costs, assuming steady global economic conditions
- High single-digit organic loan and deposit growth in 2015
- Continue to build on the foundation for sustained growth

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# Investment Opportunity

Premier Korean-American Bank in the Nation

- Strong and consistent core earnings power and capital
- Diversified into 5 targeted geographic markets
- Well positioned to continue proven track record of growth
- Deep and experienced executive management team
- Ample growth opportunities in existing U.S. footprint
- Only Korean-American bank with presence in Korea

# Appendix – Q4 2014 Financial Summary <sup>1</sup>

(\$ thousands)	Q4 2014	Q3 2014	Q4 2013
Net income	\$ 22,687	\$ 21,420	\$ 18,071
Diluted earnings per share	\$ 0.29	\$ 0.27	\$ 0.23
Net interest income	\$ 66,234	\$ 67,907	\$ 66,876
GAAP Net interest margin	3.90%	4.15%	4.45%
Noninterest income	\$ 12,050	\$ 11,369	\$ 11,356
Noninterest expense	\$ 39,010	\$ 39,420	\$ 38,164
Net loans receivable	\$ 5,499,449	\$ 5,364,612	\$ 5,006,856
Deposits	\$ 5,693,452	\$ 5,509,754	\$ 5,148,057
Nonaccrual loans <sup>2</sup>	\$ 46,352	\$ 39,564	\$ 39,154
ALLL to gross loans	1.22%	1.26%	1.33%
ALLL to nonaccrual loans <sup>2</sup>	146.18%	172.46%	171.94%
ALLL to nonperforming assets <sup>2,3</sup>	53.87%	57.44%	69.15%
Provision for loan losses	\$ 2,360	\$ 4,256	\$ 10,950
Net charge-offs	\$ 2,834	\$ 2,894	\$ 9,345
ROA	1.28%	1.25%	1.13%
ROE	10.42%	9.97%	8.92%
Efficiency ratio	49.83%	49.73%	48.78%

<sup>1</sup> Financial results include pre-tax acquisition accounting adjustments related to mergers, as detailed on Appendix slide 23.

<sup>2</sup> Excludes delinquent SBA loans that are guaranteed and currently in liquidation.

<sup>3</sup> Nonperforming assets exclude acquired credit impaired loans.

# Appendix –

## Major Pre-Tax Acquisition Accounting Adjustments Related to Mergers



	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Accretion of discount on acquired performing loans	\$ 3,190	\$ 4,157	\$ 4,575	\$ 3,202	\$ 4,873	\$ 4,074	\$ 6,637	\$ 4,076
Accretion of discount on acquired credit impaired loans	1,670	1,863	2,096	2,645	2,480	2,806	1,032	1,522
Amortization of premium on acquired FHLB borrowings	96	95	94	92	94	94	92	91
Accretion of discount on acquired subordinated debt	(41)	(41)	(40)	(91)	(107)	(81)	(48)	(43)
Amortization of premium on acquired time deposits	105	125	231	314	369	308	247	438
Increase/(decrease) to pre-tax income	<b>\$ 5,020</b>	<b>\$ 6,199</b>	<b>\$ 6,956</b>	<b>\$ 6,162</b>	<b>\$ 7,709</b>	<b>\$ 7,201</b>	<b>\$ 7,960</b>	<b>\$ 6,084</b>

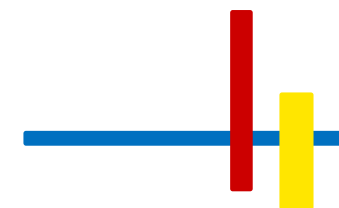
# Appendix –

## Impact of Acquisition Accounting Adjustments

	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Reported — NIM	3.90%	4.15%	4.20%	4.29%	4.45%	4.42%	4.49%	4.49%
Acquisition accounting adjustments	(0.33)%	(0.42)%	(0.48)%	(0.47)%	(0.58)%	(0.56)%	(0.63)%	(0.52)%
<b>NIM, excluding effect of acquisition accounting adjustments</b>	<b>3.57%</b>	<b>3.73%</b>	<b>3.72%</b>	<b>3.82%</b>	<b>3.87%</b>	<b>3.86%</b>	<b>3.86%</b>	<b>3.97%</b>
Reported — Weighted avg loan yield	5.11%	5.29%	5.44%	5.37%	5.59%	5.63%	5.78%	5.75%
Acquisition accounting adjustments	(0.40)%	(0.51)%	(0.58)%	(0.54)%	(0.69)%	(0.67)%	(0.76)%	(0.60)%
<b>Weighted avg loan yield, excluding effect of acquisition accounting adjustments</b>	<b>5.11%</b>	<b>4.78%</b>	<b>4.86%</b>	<b>4.83%</b>	<b>4.90%</b>	<b>4.96%</b>	<b>5.02%</b>	<b>5.15%</b>
Reported — Weighted avg cost of deposits	0.55%	0.54%	0.54%	0.52%	0.50%	0.49%	0.49%	0.49%
Acquisition accounting adjustments	0.01%	0.01%	0.01%	0.03%	0.02%	0.02%	0.02%	0.04%
<b>Weighted avg cost of deposits, excluding effect of acquisition accounting adjustments</b>	<b>0.56%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.52%</b>	<b>0.51%</b>	<b>0.51%</b>	<b>0.53%</b>



# Appendix – Reconciliation of TCE/TA



		<b>12/31/2014</b>
Total stockholders' equity	\$	882,773
Less: Common stock warrant		(378)
Goodwill and intangible assets, net		(109,288)
Tangible common equity	\$	773,107
Total assets	\$	7,140,330
Less: Goodwill and intangible assets, net		(109,288)
Tangible assets	\$	7,031,042
Common shares outstanding		79,503,552
Tangible common equity per share	\$	9.72
Tangible common equity to tangible assets		11.00%

# Premier Korean-American Bank in the Nation

Holding Company/Bank <small>(as of 12/31/2015)</small>		Branches	Total Assets	Total Net Loans	Total Deposits	Branch Operations
<b>1.</b>	<b>BBCN Bancorp</b>	<b>50</b>	<b>\$7,140,330</b>	<b>\$5,525,745</b>	<b>\$5,693,452</b>	<b>CA, NY, NJ, IL, WA, VA</b>
2.	Hanmi Financial Corporation	46	\$4,234,768	\$2,743,608	\$3,556,746	CA, TX, IL, NY, NJ, VA
3.	Wilshire Bancorp	33	\$4,155,469	\$3,271,456	\$3,401,259	CA, TX, NY, NJ
4.	Pacific City Bank	9	\$893,030	\$722,660	\$805,309	CA
5.	Commonwealth Business Bank	4	\$653,450	\$561,077	\$572,812	CA
6.	Metro City Bank	8	\$582,909	\$480,940	\$466,938	GA, AL, VA
7.	Open Bank	6	\$530,892	\$413,483	\$428,519	CA
8.	Noah Bank	5	\$298,249	\$250,542	\$229,677	PA, NJ, NY
9.	First Intercontinental Bank	5	\$316,754	\$196,894	\$272,885	GA
10.	UniBank	4	\$232,486	\$157,912	\$182,534	WA
11.	NewBank	3	\$201,342	\$135,363	\$164,075	NJ, NY
12.	Uniti Bank	3	\$189,906	\$127,198	\$157,994	CA
13.	New Millennium Bank	3	\$197,270	\$143,823	\$163,812	NJ
14.	NOA Bank	2	\$196,608	\$141,241	\$168,805	GA
14.	Ohana Pacific Bank	2	\$111,220	\$80,468	\$95,809	HI
15.	US Metro Bank	1	\$109,989	\$81,325	\$94,657	CA
<b>U.S. Operating Entities of Korean National Banks</b>						
	Woori America Bank	17	\$1,207,536	\$991,927	\$1,054,303	NY, NJ, CA, VA, MD, PA
	Shinhan Bank America	15	\$965,918	\$819,625	\$811,233	NY, NJ, CA, TX, GA
	BNB Hana Bank	3	\$271,811	\$159,991	\$228,324	NY, NJ