



Piper Jaffray Western Bank Symposium

November 8, 2018
Newport Beach, California

Forward Looking Statements & Additional Disclosures

This presentation may contain statements regarding future events or the future financial performance of the Company that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements relate to, among other things, expectations regarding the business environment in which we operate, projections of future performance, perceived opportunities in the market, impact of the revaluation on the Company's 2017 fourth quarter results and the anticipated impact of the Tax Act on the Company's future earnings and statements regarding our business strategies, objectives and vision. Forward-looking statements include, but are not limited to, statements preceded by, followed by or that include the words "will," "believes," "expects," "anticipates," "intends," "plans," "estimates," "projects," "forecasts" or similar expressions. With respect to any such forward-looking statements, the Company claims the protection provided for in the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties. The Company's actual results, performance or achievements may differ significantly from the results, performance or achievements expressed or implied in any forward-looking statements. The risks and uncertainties include, but are not limited to: possible deterioration in economic conditions in our areas of operation; interest rate risk associated with volatile interest rates and related asset-liability matching risk; liquidity risks; risk of significant non-earning assets, and net credit losses that could occur, particularly in times of weak economic conditions or times of rising interest rates; and regulatory risks associated with current and future regulations. For additional information concerning these and other risk factors, see the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect the occurrence of events or circumstances after the date of such statements except as required by law.

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Company Overview



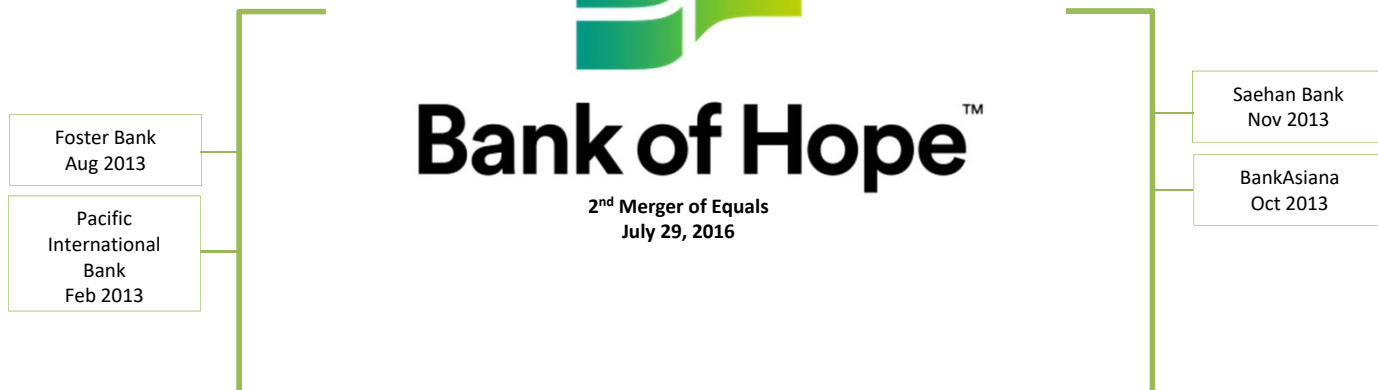
Bank of Hope's Roots

38 Years of Service in Los Angeles



Bank of Hope™

2nd Merger of Equals
July 29, 2016



 **BBCN Bank**

1st Merger of Equals
Nov 2011

Innovative Bank
Apr 2010

Asiana Bank
Aug 2003

 **CENTER BANK**

(Established 1986
in Los Angeles)

 **NARA BANK**

(Established 1989
in Los Angeles)

 **WILSHIRE BANK**

(Established 1980
in Los Angeles)

Company Profile Today

❑ Only super regional Korean-American bank in the nation

- 3rd largest Asian-American bank in the U.S.¹
- 6th largest bank headquartered in Los Angeles¹
- 88th largest financial institution in the U.S.²
- 12th largest SBA lender in the country by volume³
- Only Korean-American bank with presence in Korea
- Only Korean-American bank (formerly known as BBCN Bank) ever to be listed on Forbes' list of "Best Banks in America"

2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018

(Six Years in a Row)

❑ Leading national presence with full-service branch operations in 9 states

(strategically located in high density Asian-American communities)

- Presence in 2 additional states with specialized Loan Production Offices

❑ Seasoned and experienced management and board

Hope Bancorp, Inc.

(as of 9/30/2018)

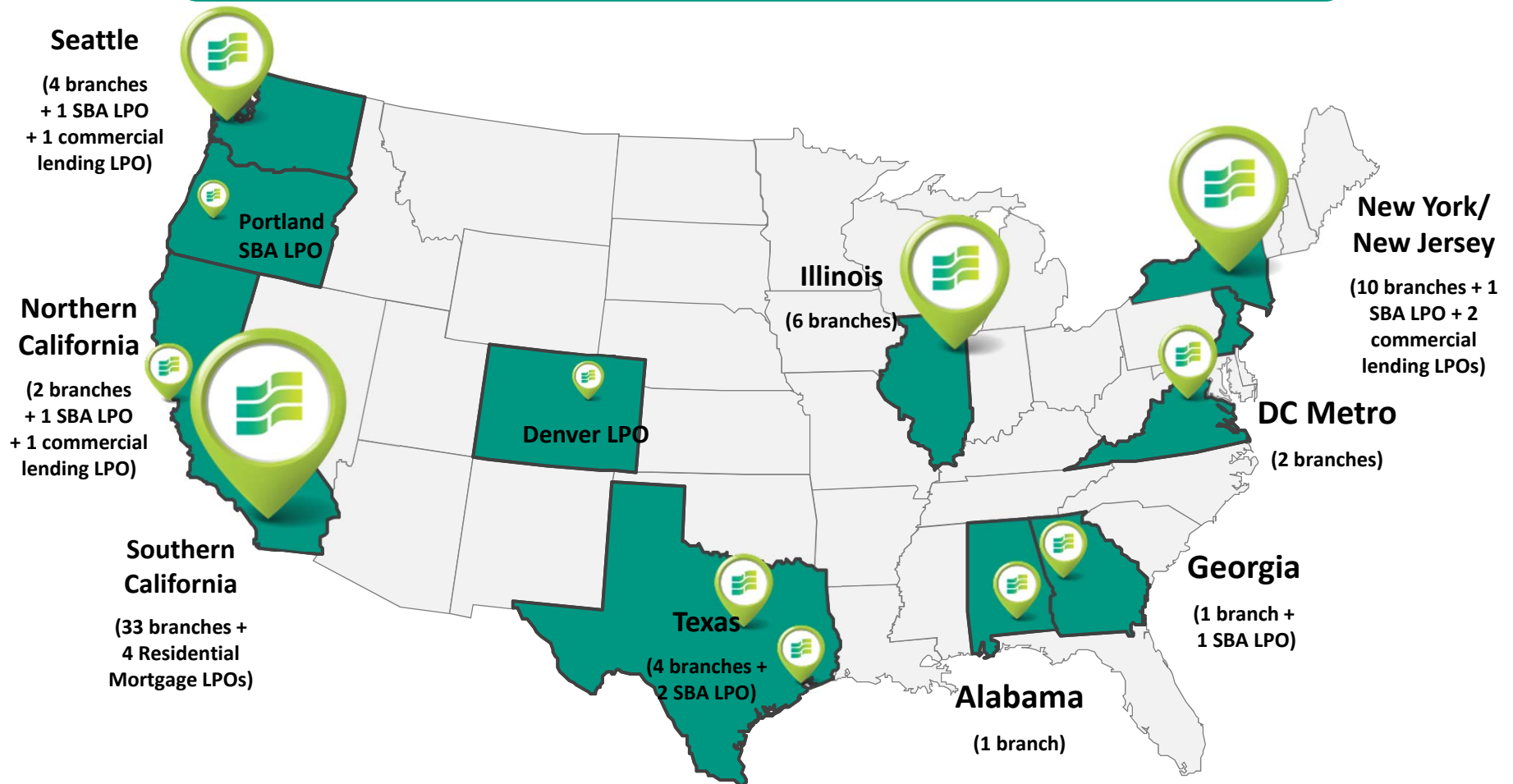
Total Assets	\$15.2 billion
Loans Receivable	\$11.9 billion
Total Deposits	\$12.0 billion



- 1 Source: S&P Global (formerly SNL)
- 2 Source: Federal Reserve Statistical Release as of June 30, 2018; Insured U.S.-chartered commercial banks ranked by consolidated assets
- 3 Source: SBA national lender rankings as of September 30, 2018

National Geographic Presence

Nationwide footprint with meaningful presence, providing full banking services to the largest Asian-American communities in the U.S.



Corporate Social Responsibility



1 OUT OF 2

1 out of 2 Bank of Hope branches located in low-to-moderate income areas



1000 HOURS

Nearly 1000 hours of CRA-reportable volunteer hours



\$2.59 BILLION

\$2.59 billion of loans funded in 2017



\$500 MILLION

\$500 million of CRA-reportable small business lending in 2017



\$10 MILLION

\$10 million of donations and sponsorships over last 10 years



\$1.8 MILLION

\$1.8 million of contributions to the Hope Scholarship Foundation since 2001

In addition to financing economic growth, we believe our responsibilities include helping the communities in which we live and work grow and flourish through volunteerism and philanthropy.



Financial Highlights & Earnings Performance

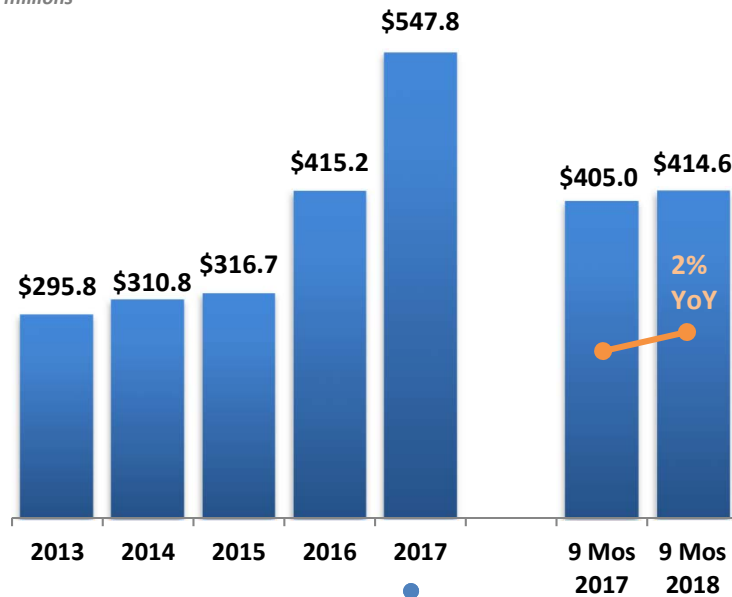
Q3 2018 Financial Highlights

<p>Solid Profitability</p>	<ul style="list-style-type: none"> ✓ Net income of \$46.4 million, up 4% over prior-year Q3 ✓ EPS \$0.36 per diluted common share versus \$0.33 in Q3 2017 ✓ Net interest margin declined 14bps to 3.47% Q-o-Q driven by higher deposit costs and flat loan yields ✓ Noninterest expense decreased 6% Q-o-Q and improved as a percentage of average assets to 1.80% from 1.96% in Q2 2018 ✓ ROA of 1.24% and ROE of 9.76% 	<p>Net Income \$46.4MM</p>
<p>Diversified Loan Growth</p>	<ul style="list-style-type: none"> ✓ New loan originations funded of \$784 million led to loan growth of \$256 million, or 9% annualized ✓ YTD loan growth of 7%; on track to meet or exceed the higher end of targeted loan growth of 6% to 8% for 2018 ✓ Average rate on new loans trended higher for each product type; overall 4.97% average rate on new loans, up 18bps from Q2 2018 ✓ CRE loans accounted for 61% of new loan production; C&I 18%; and residential mortgage 21% 	<p>Diluted EPS \$0.36</p>
<p>Challenged Deposit Environment</p>	<ul style="list-style-type: none"> ✓ Record deposits of \$12.05 billion, up 3% Q-o-Q ✓ Growth in higher-rate time deposits contributed to 18bps increase in deposit costs ✓ Noninterest bearing demand deposits account for 25% of total deposits 	<p>Record Loans \$11.9B</p>
<p>Stable Credit Quality</p>	<ul style="list-style-type: none"> ✓ Nonaccrual loans down 17% Q-o-Q, benefiting from charge off of previously identified and fully reserved credit and migration of loans out of nonaccrual status ✓ Classified loans declined by \$55 million, while criticized loans increased \$23 million ✓ Net charge offs of \$6.6 million, or 22bps of average loans annualized 	<p>Record Deposits \$12.0B</p>

Solid Earnings Growth

Net Interest Income + Noninterest Income

\$ millions

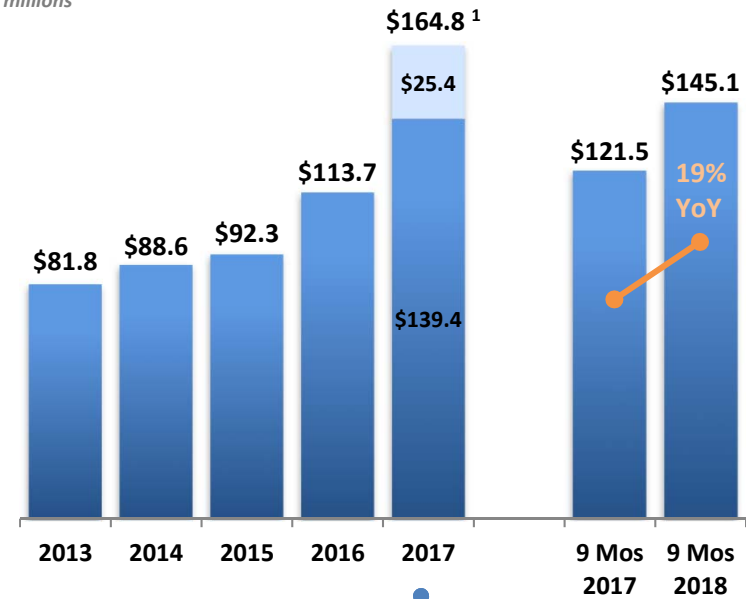


17%

4-Year CAGR

Net Income

\$ millions



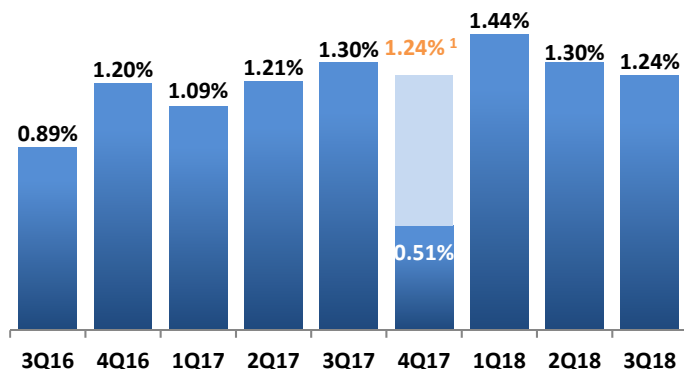
19%

4-Year CAGR
(excluding tax reform adjustments)

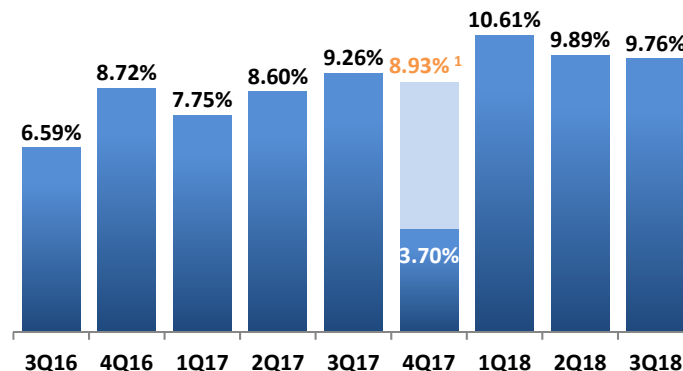
¹ Net income excluding tax reform adjustments is a non-GAAP measurement. See the reconciliation of the GAAP to non-GAAP financial measures on Appendix slide 37.

Profitability Measurements

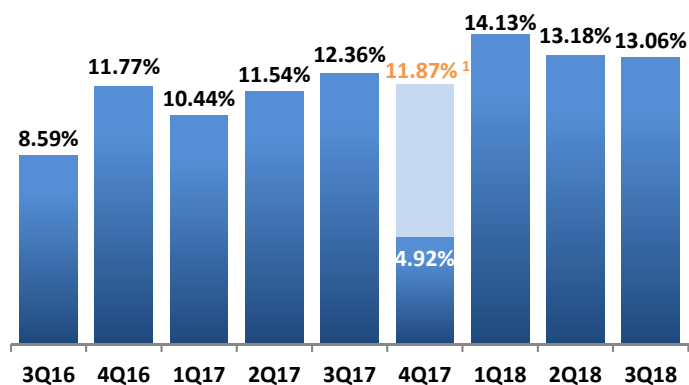
Return on Average Assets



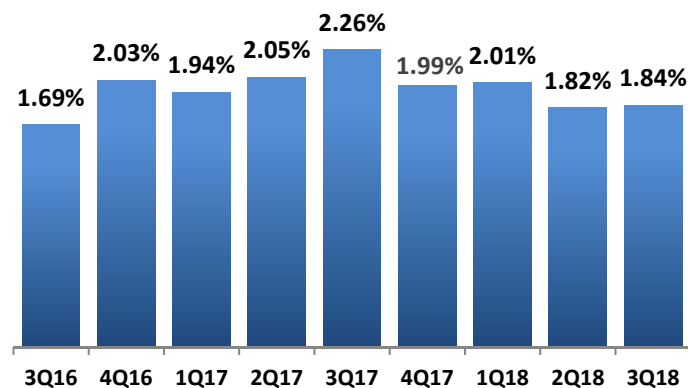
Return on Average Equity



Return on Average Tangible Equity



PTPP Income to Average Assets



Source: S&P Global

¹ All measurements excluding tax reform adjustments are non-GAAP financial measures.

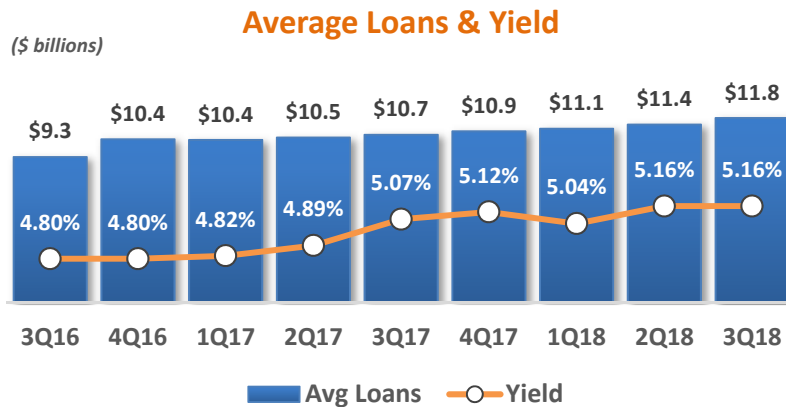
² Average tangible equity is a non-GAAP financial measure that is calculated by subtracting average goodwill and average core deposit intangible assets from average stockholders' equity.

³ Pre-tax, pre-provision (PTPP) income is a non-GAAP financial measure.

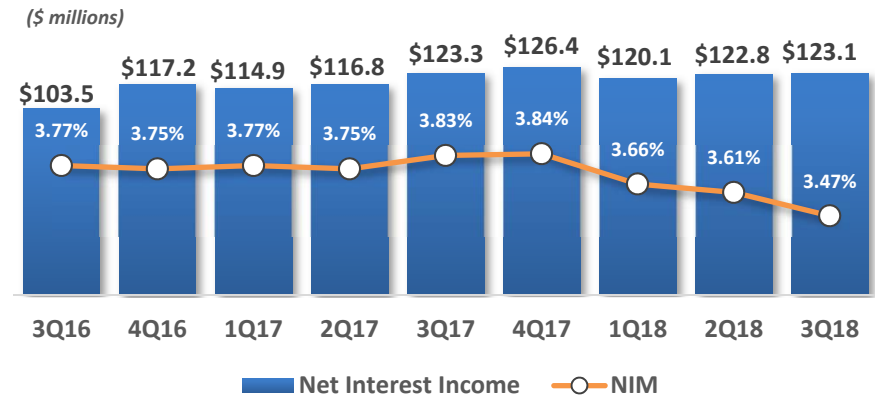
⁴ See the reconciliation of the GAAP to non-GAAP financial measures on Appendix slide 37 and 38.

Net Interest Income and Margin

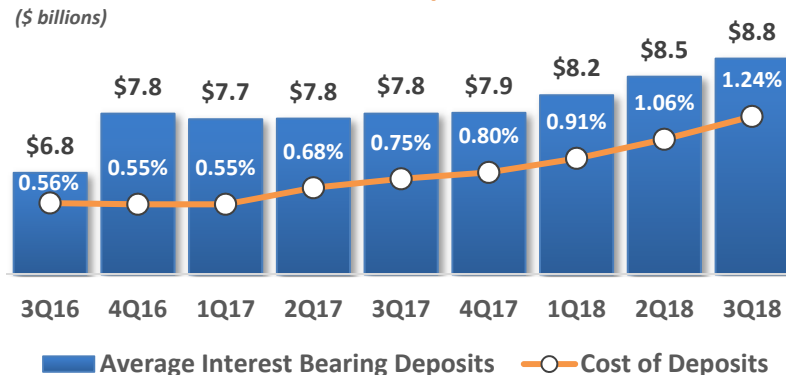
Key Net Interest Income Drivers



Net Interest Income & NIM



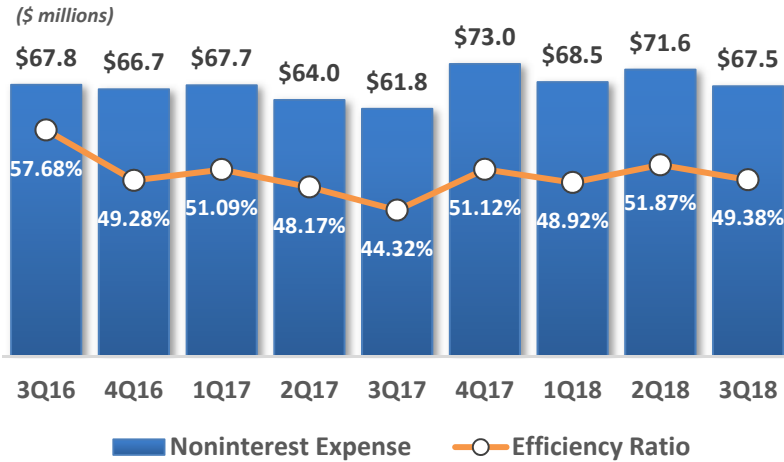
Average Interest Bearing Deposits & Cost of Deposits



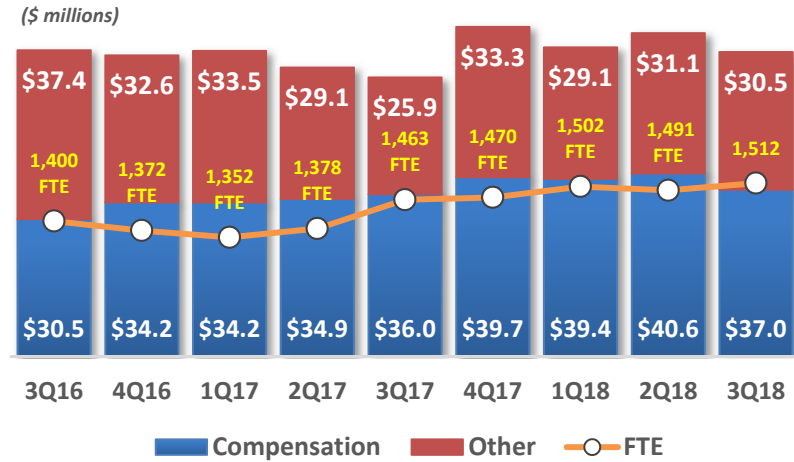
- ❑ 3Q18 NII increased \$328,000 Q-o-Q to \$123.1 million reflecting higher level of earning assets
- ❑ Net interest margin declined 14bps
 - Driven by 18bps increase in cost of deposits
 - Anticipated loan yield expansion muted by increased payoffs of higher-yielding variable loans and lower discount accretion income
- ❑ Excluding purchase accounting adjustments, average core yield on loans increased 5bps to 4.89% due to repricing of variable rate portfolio

Noninterest Expense and Efficiency

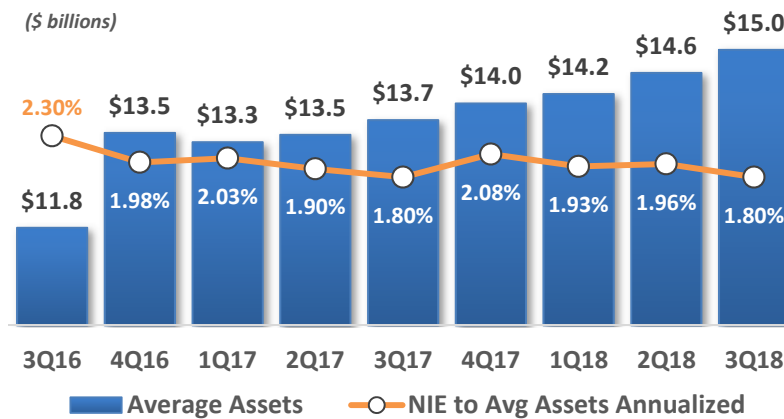
Noninterest Expense and Efficiency Ratio



Breakdown of Noninterest Expense and FTE



Noninterest Expense to Average Assets



- ❑ Noninterest expense decreased by \$4.2 million from Q2 2018, reflecting strong focus on cost management
- ❑ Efficiency ratio improved to 49.38%
- ❑ Noninterest expense to average assets annualized improved to 1.80%

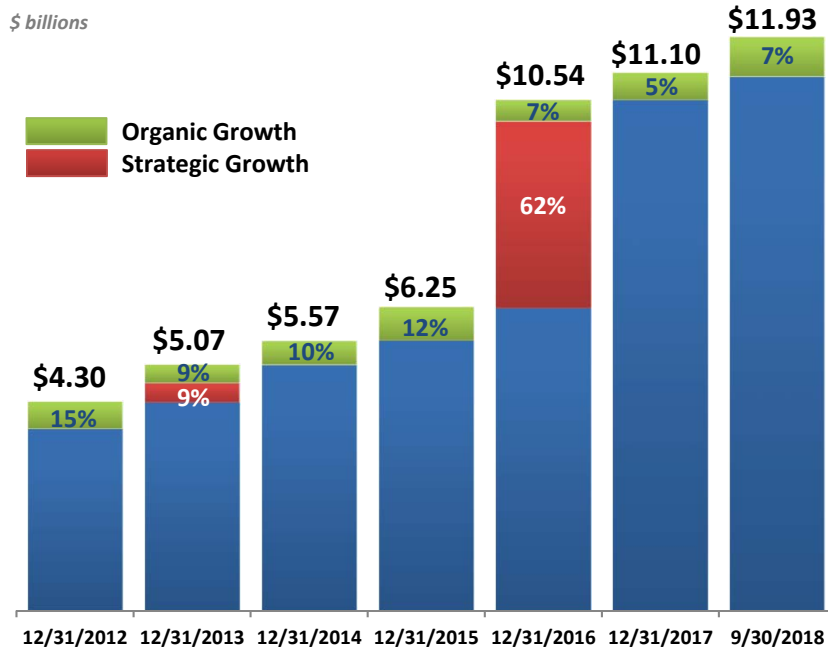


Loan Trends

Solid History of Organic Loan Growth

- *Supplemented by Strategic Growth* -

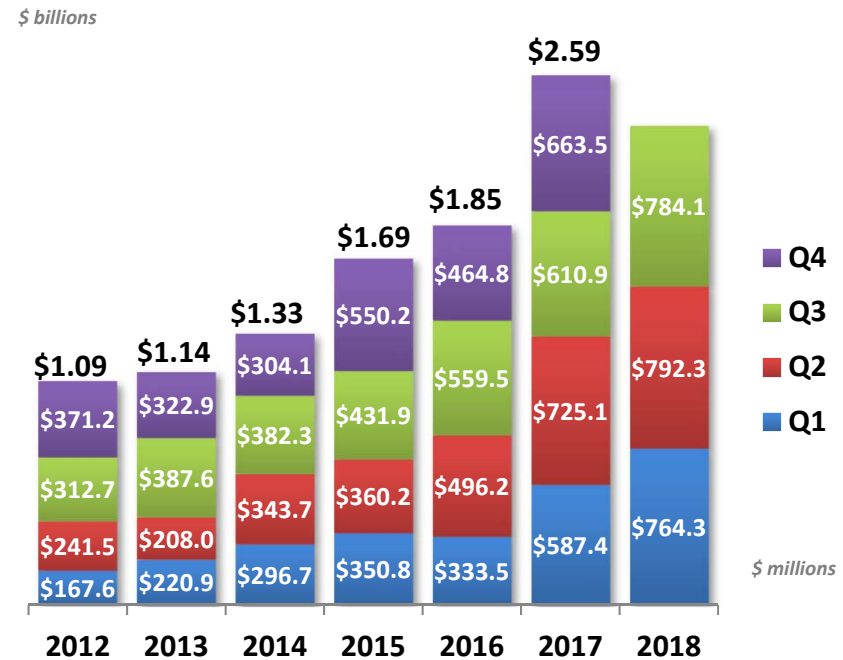
Loans Receivable



21%

5-Year CAGR

New Loan Originations

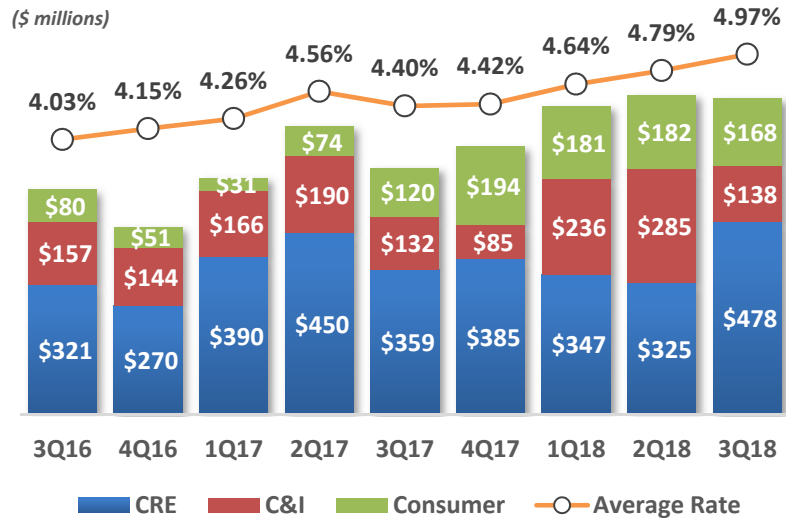


19%

5-Year CAGR

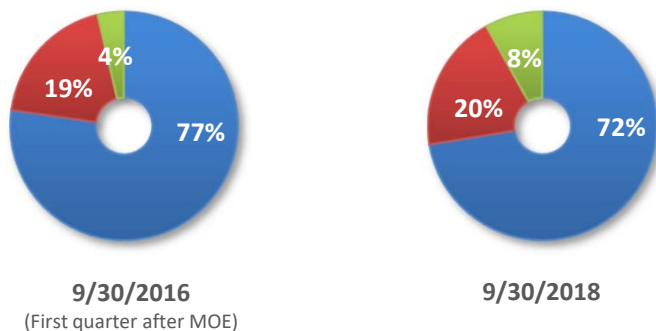
Loan Production & Portfolio Trends

New Loan Originations Funded



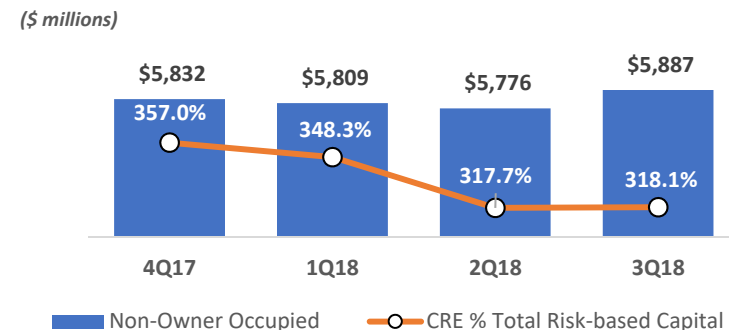
- YTD loan growth of 7%; on track to meet or exceed the higher end of targeted loan growth of 6% to 8% for 2018
- New loan originations funded of **\$784 million**; new loan commitments of \$819 million
- Well diversified mix of loan originations with 61% CRE, 18% C&I and 21% Consumer
- \$2.74 billion total C&I commitments at 9/30/2018 and 54% utilization vs. 55% as of 6/30/2018
- SBA loan production of \$71.4 million of which \$52.5 million was 7(a)
- Average rate on new loans increased 18bps to 4.97% and trended higher for each product type
- CRE concentration declined significantly due to Q2 2018 convertible debt issuance and loan production diversification

Loan Portfolio Composition



CRE Concentration Level

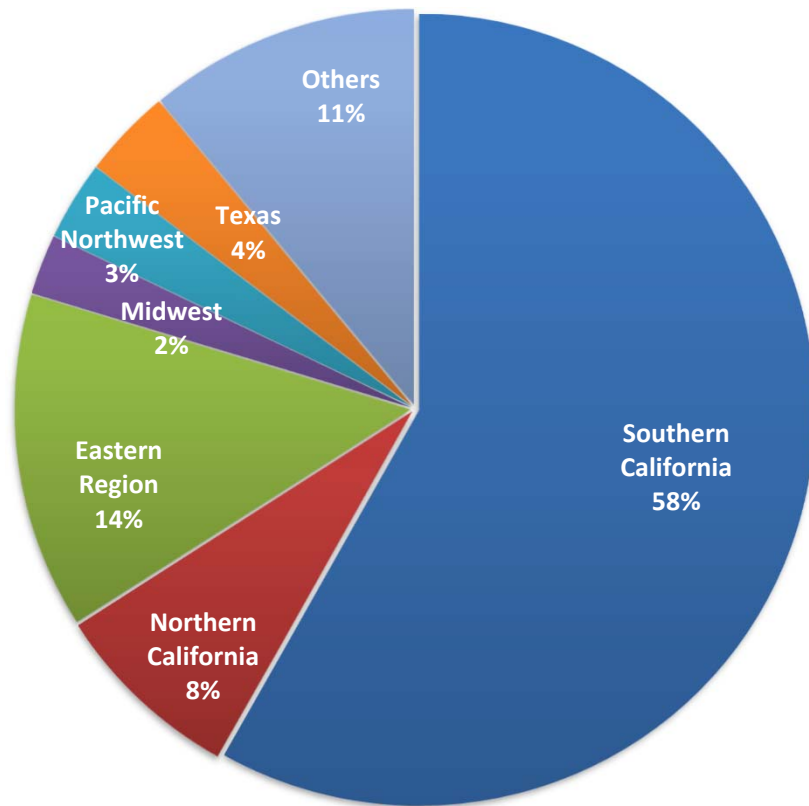
(based on 2006 Interagency Guidance)



Loan Portfolio by Region

\$11.93 Billion

(as of 09/30/2018)



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

Southwest and Southeast

- **2016:** Expanded into Texas, Georgia and Alabama through merger with Wilshire Bancorp

Diverse national footprint spreads credit risk and provides greater growth opportunities

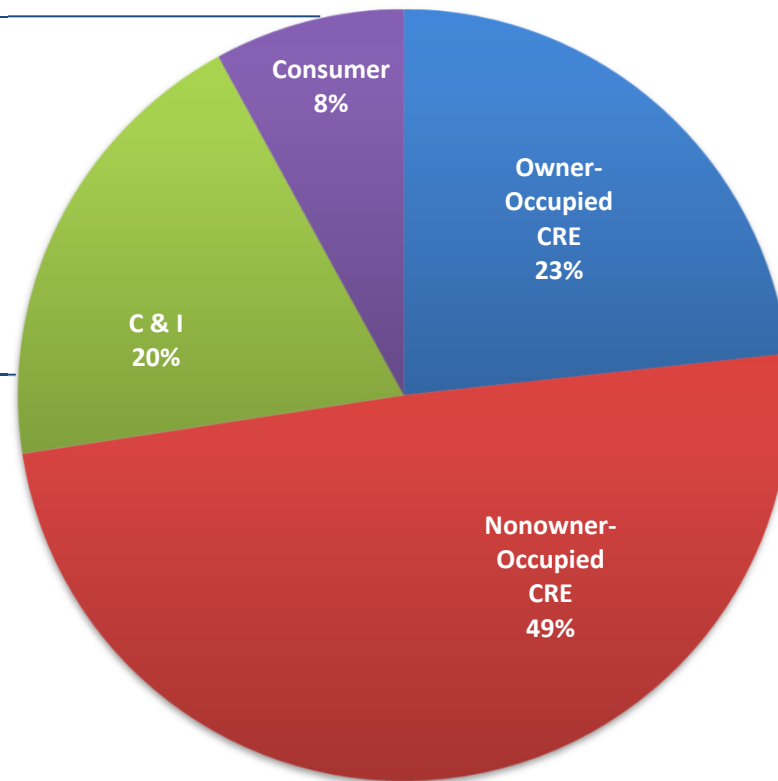
Loan Portfolio Composition

\$11.93 Billion Total Portfolio

(as of 09/30/2018)

Consumer	
Outstanding	\$969.8MM
Average Size	\$546.3
Average Yield	3.74%

C&I	
Outstanding	\$2,318.2B
Average Size	\$448.0MM
Average Yield	5.08%

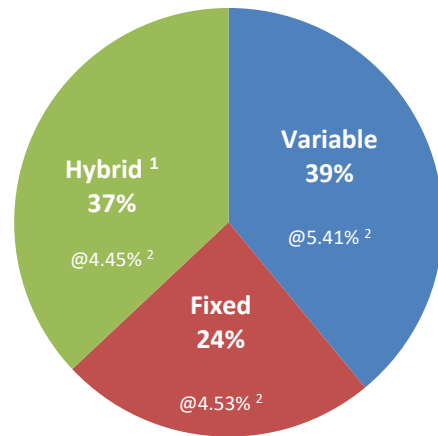


CRE	
Outstanding	\$8,639.9B
Average Size	\$1,457.7MM
Average Yield	4.88%

Loan Portfolio Rate Mix

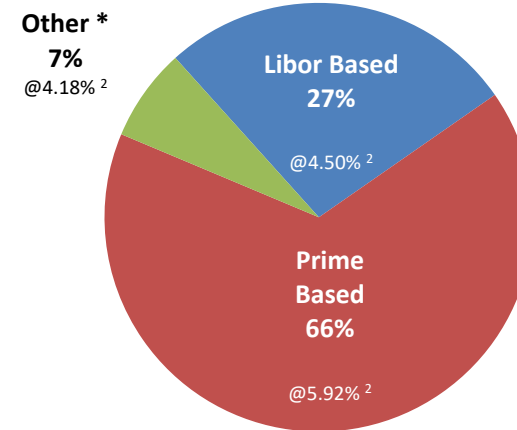
as of 09/30/2018

Fixed / Variable Breakdown



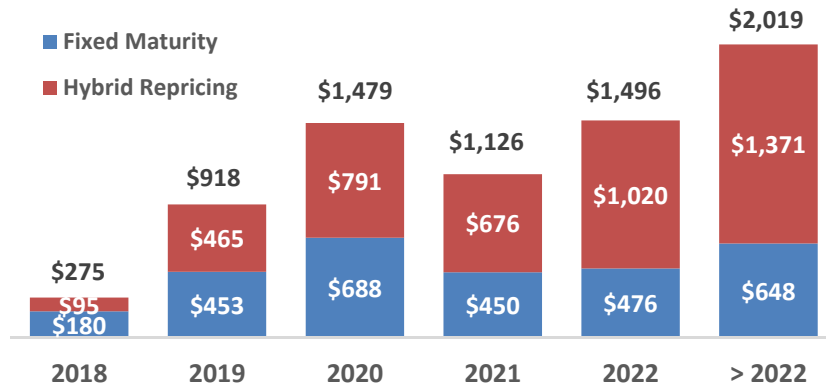
- 1 Hybrid loans have fixed interest rates for a specified period and then convert to variable interest rates (fixed as of 09/30/2018)
- 2 The weighted average rate as presented excludes loan discount accretion and interest rates on nonaccrual loans

Variable Rate Loan Base Index

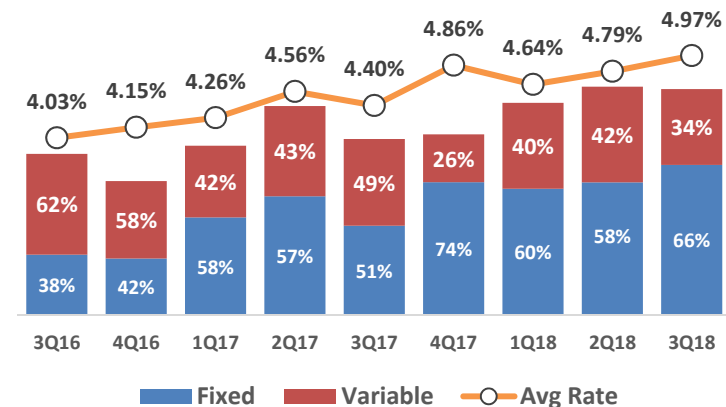


* Other consists of loans with no interest rates or indexes based on FHLB, FRB, and US Treasury rates

Maturity and Repricing Schedule



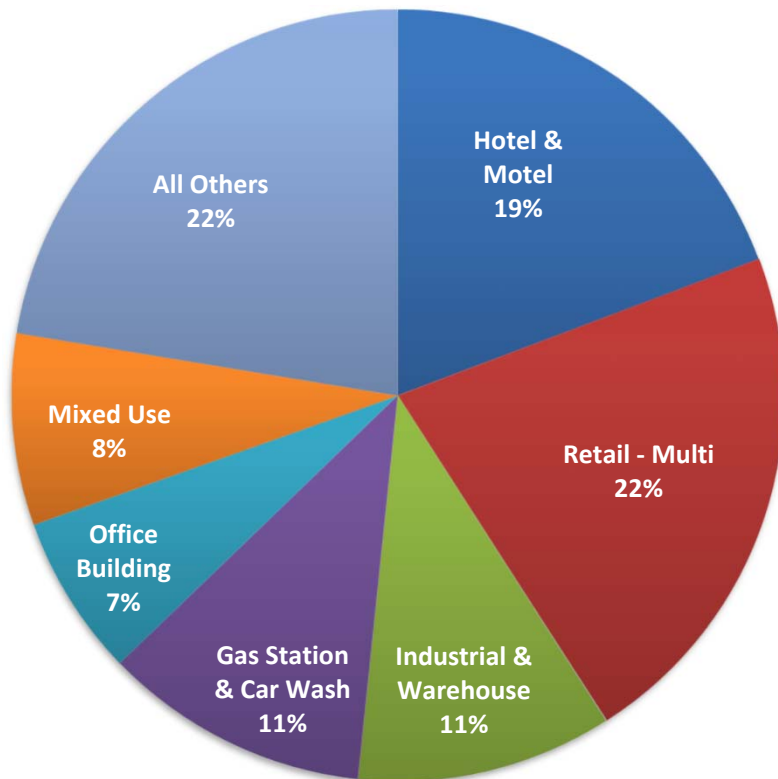
New Loan Fixed/Variable and Avg Rate



Portfolio Diversification

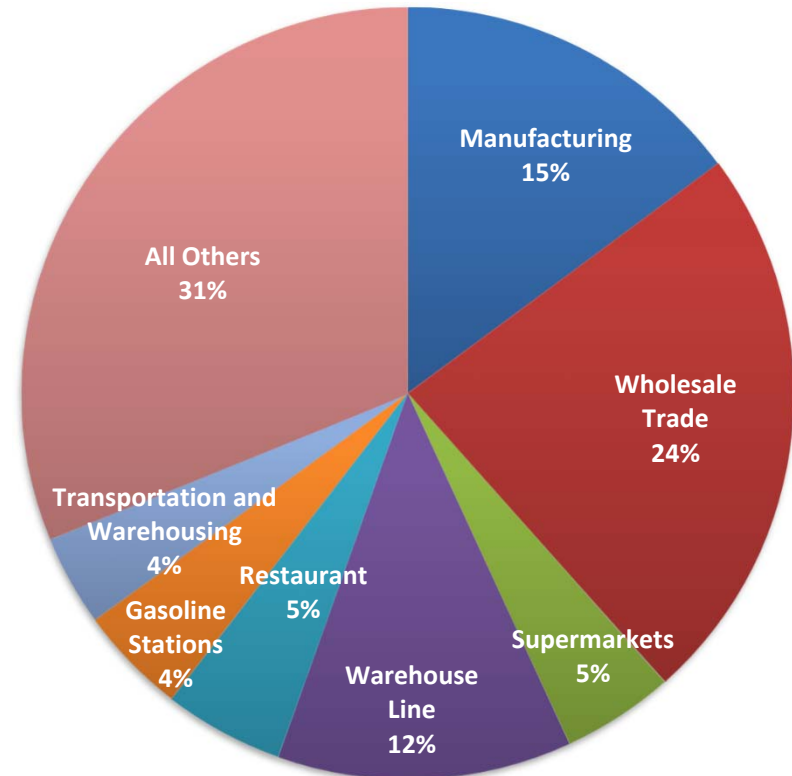
as of 09/30/2018

**\$8.64 Billion Total CRE Portfolio
by Property Type**



Note: All Others includes property types representing less than 7% of total CRE portfolio, including: Retail-Single, Church, Residential, Golf Course and Other smaller segments.

**\$2.32 Billion Total C&I Portfolio
by Industry**



Note: All Others includes business types representing less than 4% of total C&I portfolio, including: Real Estate & Leasing, Retail, Laundries/Drycleaners, Liquor Stores, Hotel/Motel, Services, and Other smaller segments.

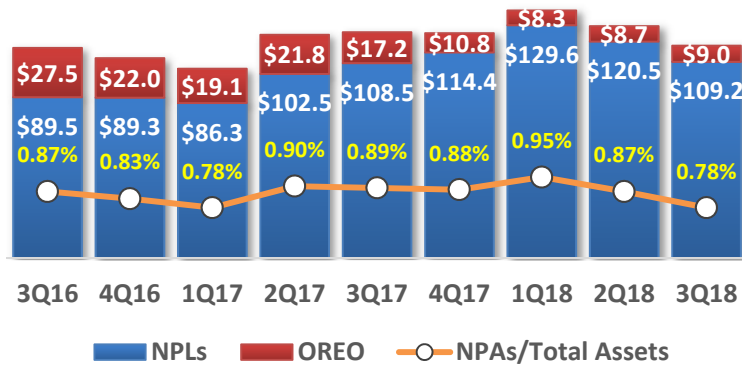


Asset Quality

Asset Quality

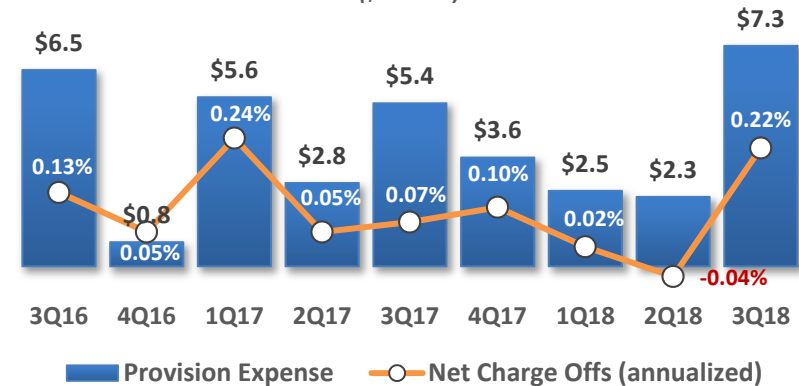
Nonperforming Assets

(\$ millions)



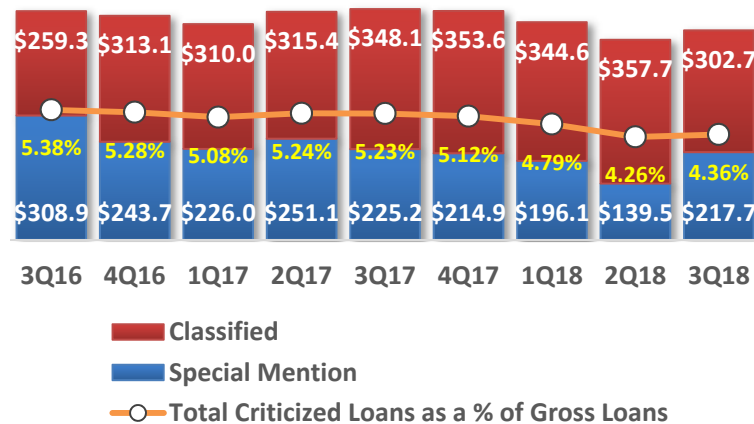
Provision Expense & Net Charge Offs

(\$ millions)

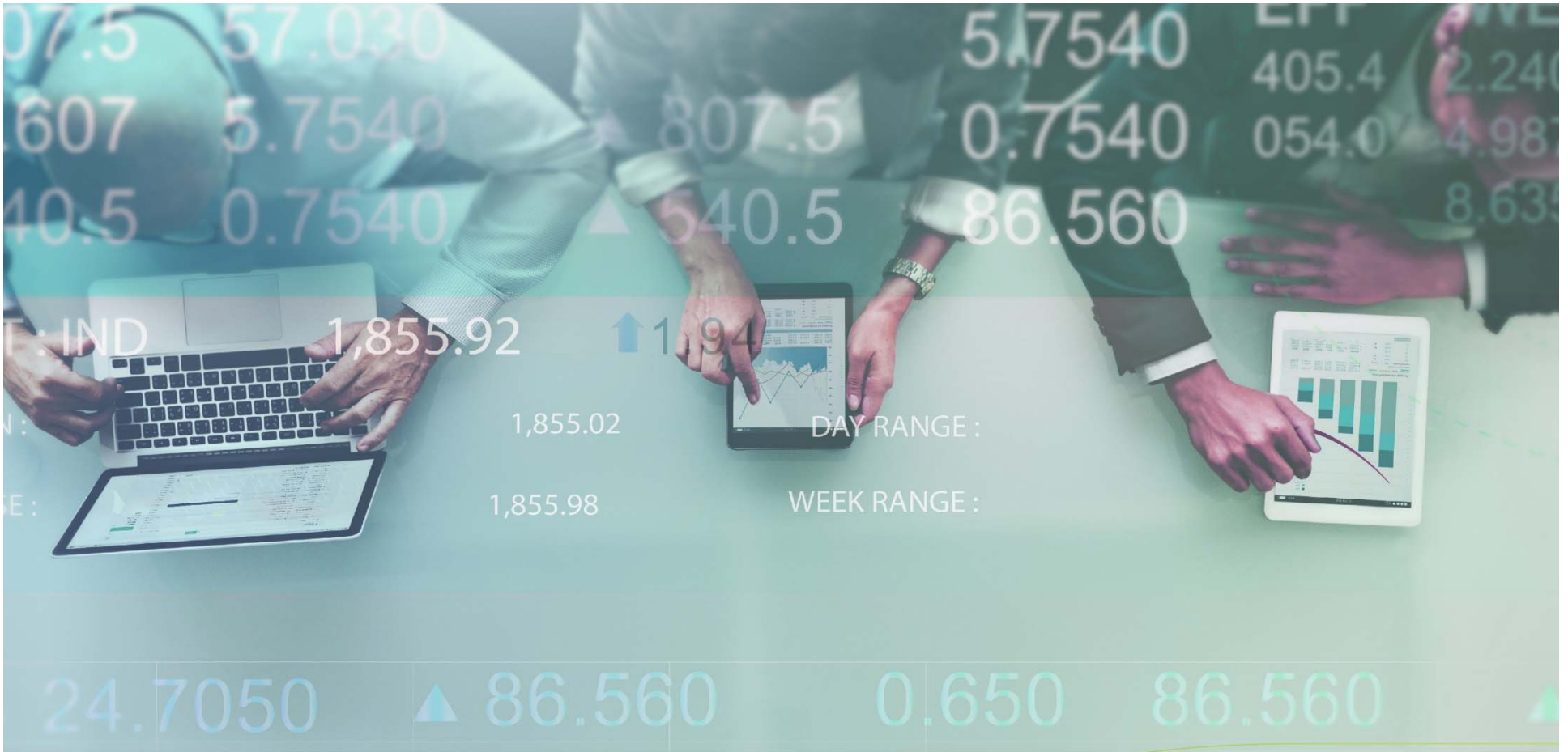


Criticized Loans

(\$ millions)



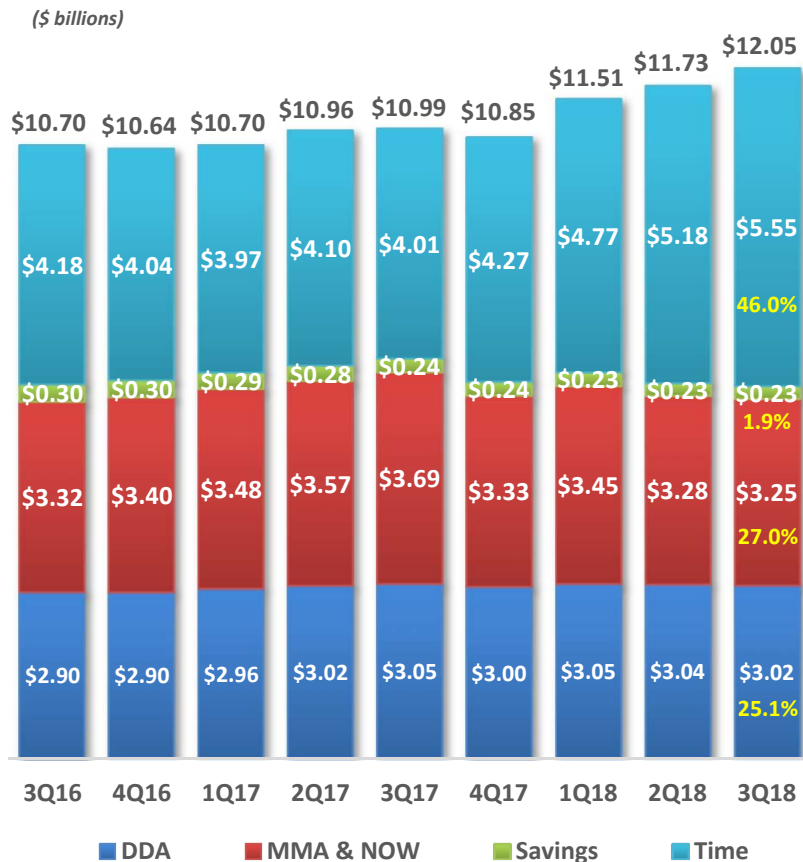
- Generally stable asset quality trends
 - Nonaccrual loans decreased 17% Q-o-Q
 - Nonperforming assets declined 8% Q-o-Q
 - Nonperforming assets/total assets improved to 0.78%
 - Classified loans declined \$55 million Q-o-Q
 - Total criticized loans increased \$23 million Q-o-Q
 - Y-o-Y, total criticized loans decreased 9% to 4.36% of gross loans
- Net charge offs of \$6.6 million includes the charge off of one large relationship which was fully reserved in a prior quarter
- Allowance to total loans receivable ratio as of 9/30/2018 stable at 0.76%



Deposit Trends

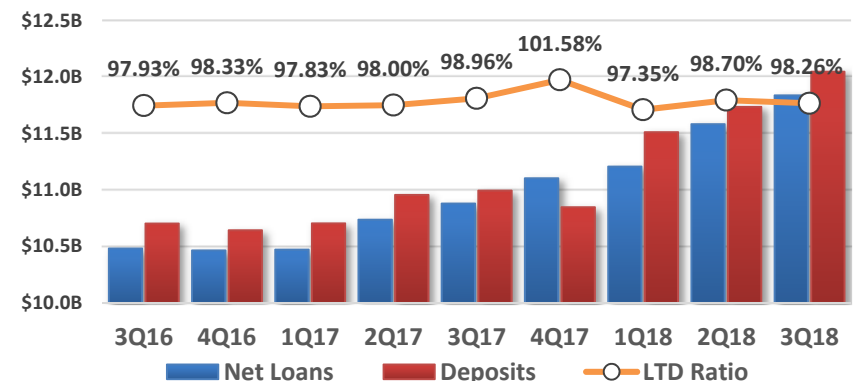
Deposit Growth Trends

Deposit Composition



- Total end-of-period deposits increased **3%** Q-o-Q to a record **\$12.05 billion**
- Continue to be active in deposit gathering activities to support robust loan growth
- Growth in higher-rate time deposits results in increased deposit costs
- Deposit gathering and cost containment strategies a **top priority** and being implemented

Net Loans to Deposits



Deposit Building Initiatives

Enhanced Treasury Management Sales Program

- New leadership recruited in Q2 2018 from larger mainstream bank
- Initial target list of commercial customers identified
- Adding highly qualified personnel to solely focus on core deposit solicitation efforts

Targeted Employee Incentive Structure and Business Development Efforts

- Revamped incentive programs in place where compensation and incentives are directly tied to core deposit production
- Recruiting middle market C&I lenders in existing footprint to focus on expanding sales efforts beyond core Korean-American customer base
- Launching business development efforts focused on specialty industries and segments rich in core deposits
- Tapping existing warehouse mortgage line customers to attract operation and custodial deposit accounts
- Enforcing mandated deposit accounts with loan approvals

Rebuilding Online Banking Platform

- Improving online banking platform to generate digital account openings from retail depositors nationwide
- Initial CD offerings available by first quarter of 2019
- Expanded offerings of online checking and MMAs in second half of 2019



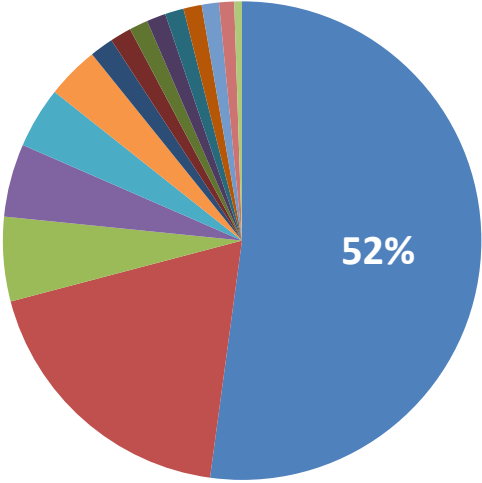
Franchise Value

The Representative Bank

of the Korean-American Community

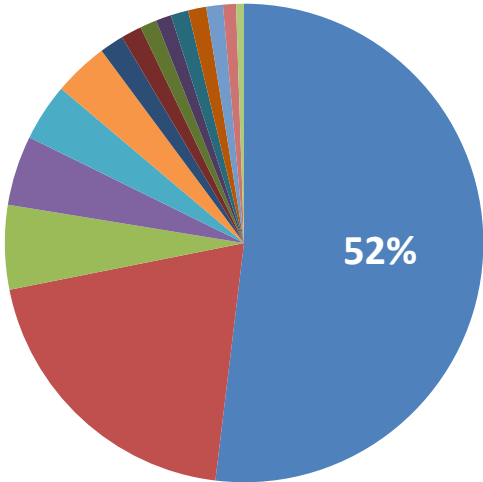
Total Assets

\$29.21 Billion
As of 9/30/2018



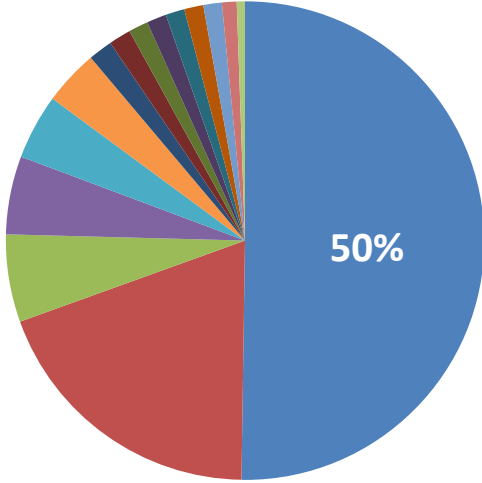
Net Loans

\$22.80 Billion
As of 9/30/2018



Total Deposits

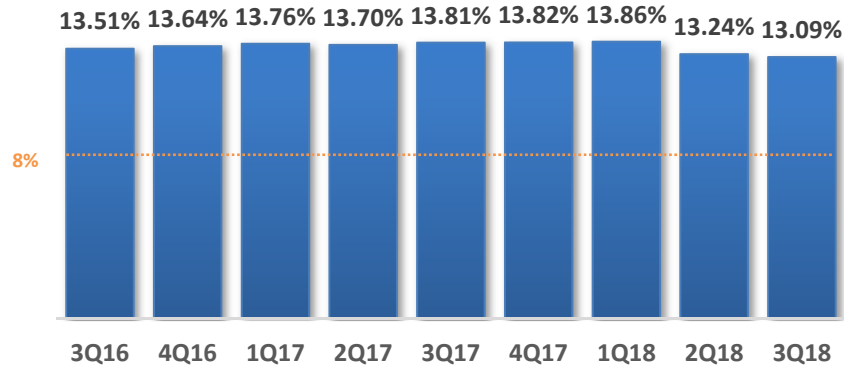
\$24.00 Billion
As of 9/30/2018



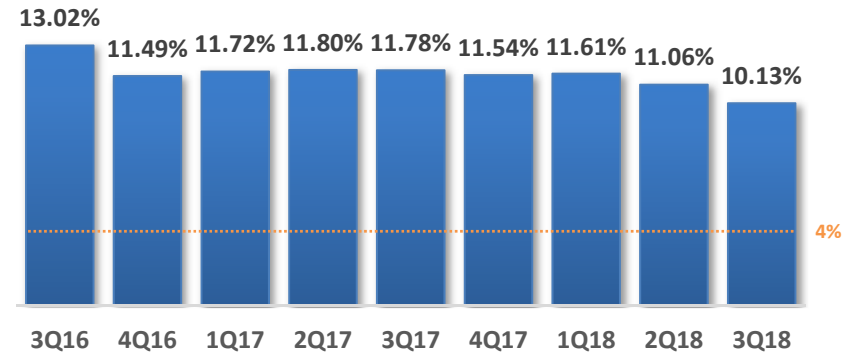
- Bank of Hope
- Hanmi Bank
- Pacific City Bank
- Metro City Bank
- Commonwealth Business Bank
- Open Bank
- First IC Bank
- Noah Bank
- US Metro Bank
- NewBank
- NOA Bank
- New Millennium Bank
- UniBank
- Ohana Pacific Bank

Solid Capital Position

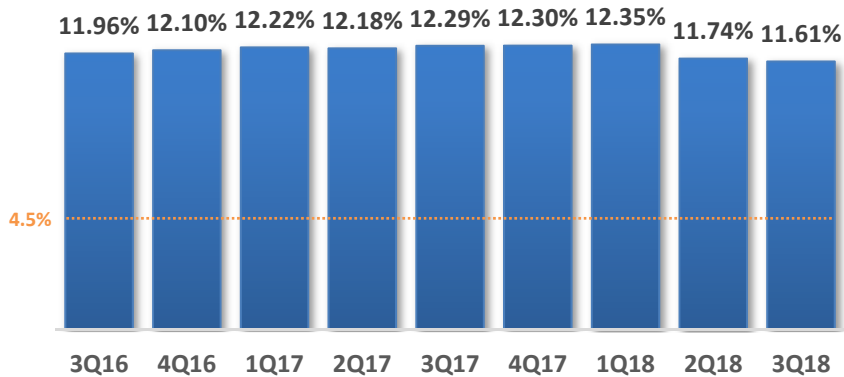
Total Risk-Based Capital Ratio



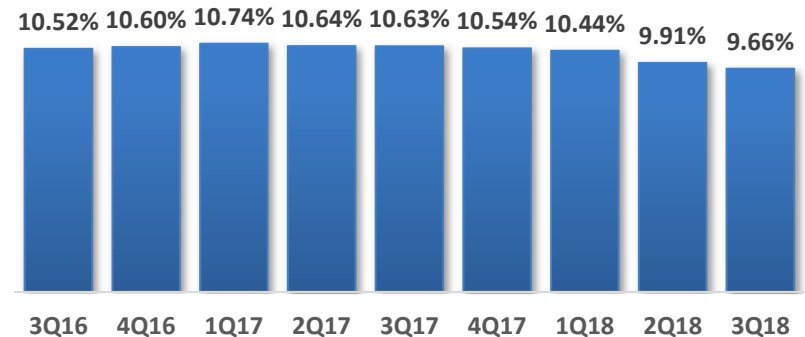
Tier 1 Leverage Capital Ratio



Tier 1 Common Equity Ratio

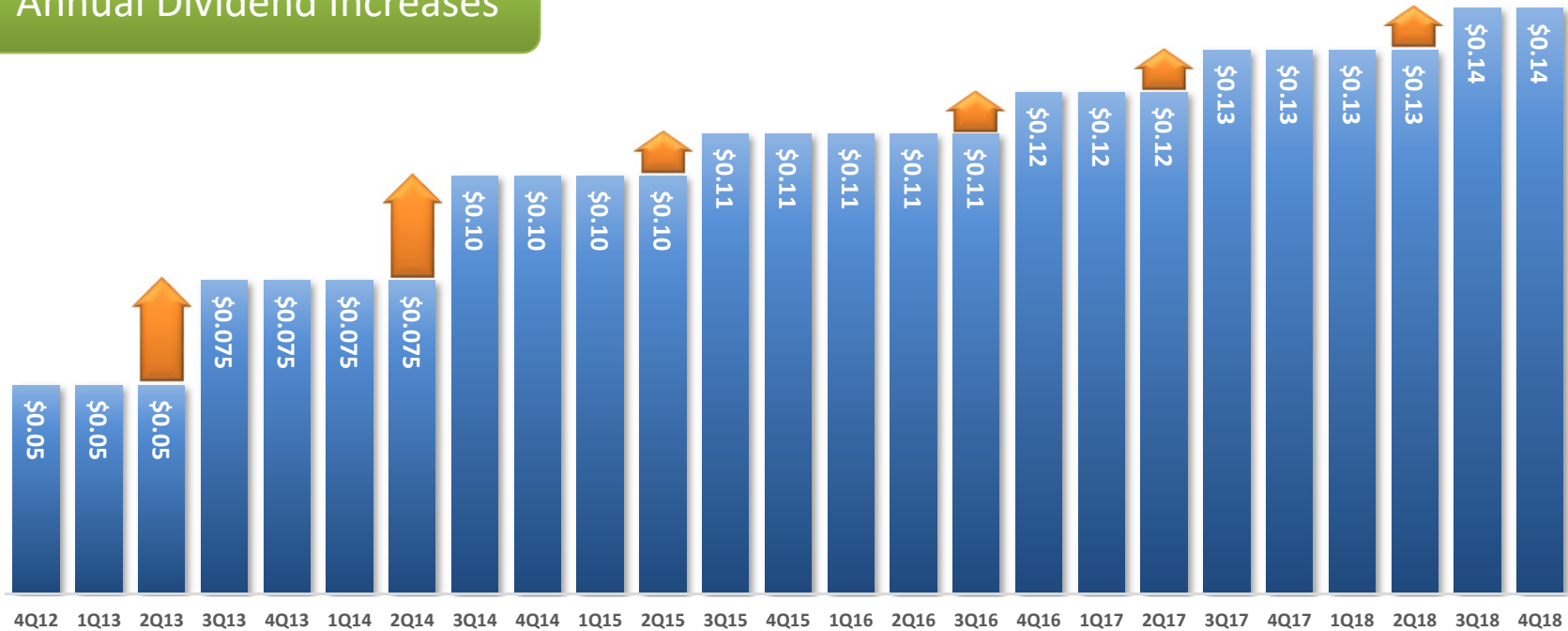


Tangible Common Equity/Tangible Assets



Increasing Capital Returns

Annual Dividend Increases

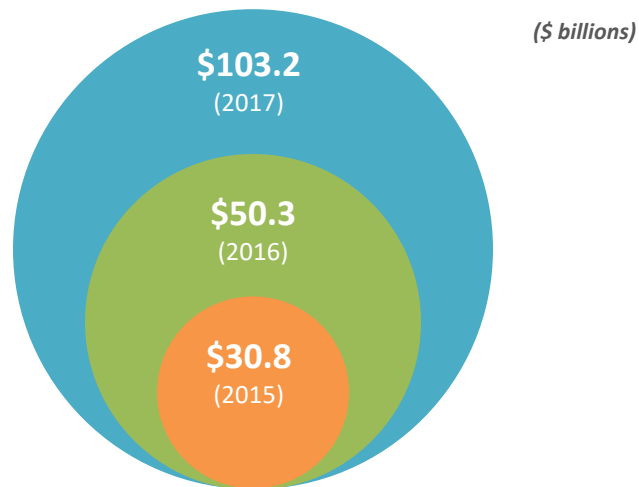


Stock Buybacks

- ❑ **7/26/2018** – Completed \$100 million stock repurchase program initiated in Q2 2018, reducing shares outstanding by 5,565,696 shares
- ❑ **9/26/2018** – Board authorization of new \$50 million share repurchase program

Unique Growth Opportunities

Increasing Korean Investment in the U.S.



South Korean Companies Among Top Foreign Investors in the U.S.

- Hyundai Motor and Kia Motors announced Jan 2017 plans to spend \$3.1 billion in U.S. in the next five years
 - 50% more than the \$2.1 billion spent in the previous five-year period
- 250-plus Korean-national companies in Hyundai and Kia supply chains with operations in Georgia and Alabama
- 28 Tier-1 Hyundai/KIA suppliers with \$1MM-\$2MM in DDA

As the only super regional Korean-American bank, Bank of Hope is uniquely positioned to provide banking services to a growing number of South Korean companies operating in the U.S.

Near-Term Outlook & Strategies

- ❑ **Well positioned to meet or exceed loan growth guidance of 6-8% for 2018**
 - Year-to-date loan growth of 7%
- ❑ **Managing deposit costs will be key priority**
 - Continuing to remain active in deposit gathering strategies to fund good lending opportunities that are accretive to earnings
- ❑ **Implementing deposit building initiatives focused on enhancing deposit mix**
- ❑ **Focusing on higher-yielding earnings assets**
 - Residential mortgage focus shifting to sellable mortgage loans
 - On-balance sheet growth focusing on variable rate C&I and SBA loans
- ❑ **Anticipate net interest margin pressure**
 - Impact of rising deposit costs to be partially offset by higher interest-earning assets and loan yields
- ❑ **Noninterest expenses to average assets annualized in the 1.80% to 1.90% range**
- ❑ **Stable to improving asset quality trends supported by proactive monitoring and early detection**
- ❑ **Focused on improving market sensitivity and cost management, leading to enhanced profitability**

Committed to Building on Strong Foundation for Sustained Growth and Value Creation

Investment Opportunity

The Only Super Regional Korean-American Bank in the Nation

- ❑ Definitive leadership position as the **representative bank of the Korean-American community**
- ❑ Strong **core earnings power** and capital
- ❑ **National platform** and solid presence across all geographic markets with largest populations of Asian Americans
- ❑ Well positioned to continue **proven track record of growth**
- ❑ Deep and **experienced executive management** team
- ❑ Diversified financial institution with **comprehensive offering** of products and services for commercial and consumer clients
- ❑ Well positioned to progressively transition to **less CRE-focused portfolio**
- ❑ Only Korean-American bank with **presence in Korea**
- ❑ Proven history of **driving consolidation** in the Korean-American banking industry



Appendix



Appendix –

Q3 2018 Financial Summary ¹

(\$ thousands)	Q3 2018	Q2 2018	Q3 2017
Net income	\$ 46,378	\$ 47,530	\$ 44,564
Diluted earnings per share	\$ 0.36	\$ 0.36	\$ 0.33
Net interest income	\$ 123,147	\$ 122,819	\$ 123,263
Net interest margin	3.47%	3.61%	3.83%
Noninterest income	\$ 13,447	\$ 15,269	\$ 16,246
Noninterest expense	\$ 67,455	\$ 71,629	\$ 61,837
Net loans receivable	\$ 11,836,553	\$ 11,581,559	\$ 10,879,341
Deposits	\$ 12,045,619	\$ 11,734,595	\$ 10,993,320
Nonaccrual loans ^{2,3}	\$ 56,299	\$ 68,226	\$ 43,323
ALLL to gross loans	0.76%	0.77%	0.76%
ALLL to nonaccrual loans ^{2,3}	160.98%	131.74%	193.05%
ALLL to nonperforming assets ^{2,3}	76.67%	69.60%	66.51%
Provision for loan losses	\$ 7,300	\$ 2,300	\$ 5,400
Net charge-offs (recoveries)	\$ 6,552	\$ (1,120)	\$ 1,841
ROA	1.24%	1.30%	1.30%
ROE	9.76%	9.89%	9.26%
Efficiency ratio	49.38%	51.87%	44.32%

¹ Financial results include pre-tax acquisition accounting adjustments related to mergers, as detailed on Appendix slide 36.

² Excludes delinquent SBA loans that are guaranteed and currently in liquidation.

³ Nonperforming assets exclude acquired credit impaired loans.

Appendix –

Pre-Tax Acquisition Accounting Adjustments and Merger-Related Expenses

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Accretion of discount on acquired performing loans	\$2,969	\$3,189	\$ 3,197	\$ 7,629	\$ 4,566
Accretion of discount on acquired credit impaired loans	5,239	5,959	5,772	5,167	5,815
Amortization of low income housing tax credits	(84)	(85)	(84)	(85)	(84)
Amortization of premium on acquired FHLB borrowings	356	352	347	354	357
Accretion of discount on acquired subordinated debt	(271)	(269)	(264)	(263)	(262)
Amortization of premium on acquired time deposits	—	—	1	3	206
Amortization of core deposit intangibles	(615)	(616)	(615)	(676)	(676)
Total acquisition accounting adjustments	\$7,594	\$8,530	\$ 8,354	\$12,129	\$ 9,922
Merger-related expenses	—	—	7	(12)	(260)
Total	\$7,594	\$8,530	\$ 8,361	\$12,117	\$ 9,622

Appendix – Non-GAAP Reconciliations

	Three Months Ended 12/31/2017	Year Ended 12/31/2017
Net income	\$ 17,984	\$ 139,445
Add back tax reform adjustments:		
Deferred tax asset	23,835	23,835
Investments in affordable housing partnerships	1,588	1,588
Net income, excluding tax reform adjustments	\$ 43,407	\$ 164,868
Average assets	14,043,102	
Adjusted return on average assets	1.24%	
(Net income excluding tax reform adjustment/average assets)		
Average equity	1,944,404	
Adjusted return on average equity	8.93%	
(Net income excluding tax reform adjustment/average equity)		
Tangible equity (see return on tangible equity non-GAAP reconciliation table on Slide 38)	1,463,010	
Adjusted return on tangible equity	11.87%	
(Net income excluding tax reform adjustment/tangible equity)		

Appendix –

Non-GAAP Reconciliations

RETURN ON TANGIBLE COMMON EQUITY	09/30/16	12/31/16	03/31/17	06/30/17	09/30/17	12/31/17	03/31/18	06/30/18	09/30/18
Net Income	26,105	40,630	36,210	40,687	44,564	17,984	51,232	47,530	46,378
Average stockholders' equity	1,585,100	1,864,766	1,868,998	1,892,126	1,924,444	1,944,404	1,931,290	1,922,290	1,899,853
Goodwill and core deposit intangible assets, net	(370,003)	(484,071)	(481,983)	(482,270)	(482,069)	(481,394)	(480,742)	(480,127)	(479,501)
Tangible common equity	1,215,097	1,380,695	1,387,015	1,409,856	1,442,375	1,463,010	1,450,548	1,442,163	1,420,352
Return on Tangible Equity	8.59%	11.77%	10.44%	11.54%	12.36%	4.92%	14.13%	13.18%	13.06%

PRE-TAX PRE-PROVISION INCOME	09/30/16	12/31/16	03/31/17	06/30/17	09/30/17	12/31/17	03/31/18	06/30/18	09/30/18
Net income	26,105	40,630	36,210	40,687	44,564	17,984	51,232	47,530	46,378
Add back:									
Tax	17,169	27,240	22,999	25,451	27,708	48,231	17,733	16,629	15,461
Provision	6,500	800	5,600	2,760	5,400	3,600	2,500	2,300	7,300
Income Before Provision & Tax	49,774	68,670	64,809	68,898	77,672	69,815	71,465	66,459	69,139
Average Assets	11,777,564	13,506,836	13,335,727	13,470,745	13,737,532	14,043,102	14,214,250	14,596,963	15,019,224
PTPP Average Assets	1.69%	2.03%	1.94%	2.05%	2.26%	1.99%	2.01%	1.82%	1.84%