



## Open Bank Announces Third Quarter 2011 Results

LOS ANGELES, November 7, 2011—Open Bank (OTCBB:OPBK) today announced a net income of \$271 thousand for the third quarter of 2011 and \$1.4 million for the nine months of 2011.

Min Kim, President and Chief Executive Officer said, "We are very pleased with our third quarter results, which is in line with our plan and mark three consecutive quarters of profits for the bank. We continue to focus on building new customer relationship through core deposits, maintaining a strong capital position while improving the quality of our overall loan portfolio and reducing the bank's exposure to non-performing loans."

### Third Quarter 2011 Highlights

- Net income of \$271 thousand for the three months ended September 30, 2011.
- Net income of \$1.4 million for the nine months ended September 30, 2011.
- Net interest margin improved significantly to 4.21% for the third quarter of 2011, compared from 3.54% for third quarter of 2010.
- Total deposits increased 11.1% to \$115.1 million, with 67.0% growth in demand deposits to \$31.9 million from December 31, 2010.
- Allowance for Loan Losses to Gross Loans was 4.47% at September 30, 2011.
- Non-Performing Loans to Total Loans was 2.55% of gross loans at September 30, 2011, compared to 3.16% at September 30, 2010.
- The Total risk-based capital ratio, tier 1 capital ratio and tier 1 leverage ratio were 18.71%, 17.43% and 14.42%, respectively at September 30, 2011.
- Efficiency ratio improved to 62.70% for the third quarter of 2011, compared to 113.11% for the third quarter of 2010.

### About Open Bank

Open Bank (the "Bank") is engaged in the general commercial banking business in Los Angeles County and is focused on serving the banking needs of small- and medium-sized businesses, professionals, and residents with a particular emphasis on the Korean and other ethnic minority communities. The Bank commenced its operations on June 10, 2005 as First Standard Bank and changed

its name to Open Bank on September 20, 2010. Its headquarters are located at 1000 Wilshire Blvd., Suite 100 Los Angeles, California 90017. Phone 213.892.9999; [www.myopenbank.com](http://www.myopenbank.com) *Member FDIC, Equal Housing Lender*

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## Safe Harbor

This press release contains certain forward-looking information about Open Bank that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. These forward-looking statements may include, but are not limited to, such words as "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "will," "should," "could," "predicts," "potential," "continue," or the negative of such terms and other comparable terminology or similar expressions and may include statements about the bank's focus on customer relationship, maintaining a strong capital position, improving the quality of the overall loan portfolio and reducing exposure to non-performing loans. Forward-looking statements are not guarantees. Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond the control of Open Bank. Open Bank cautions readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. If any of these risks or uncertainties materializes or if any of the assumptions underlying such forward-looking statements proves to be incorrect, Open Bank's results could differ materially from those expressed in, or implied or projected by such forward-looking statements. Open Bank assumes no obligation to update such forward-looking statements, except as required by law.

## Balance Sheet

(Dollars in thousand, except per share data)

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)	September 30, 2010 (Unaudited)
<b>Assets</b>			
Cash and due from banks	\$ 19,756	\$ 7,099	\$ 16,875
Federal fund sold/overnight investment	-	3,500	3,200
Interest-bearing deposits in other banks	-	245	1,715
Investment securities	8,039	7,868	6,828
Loans held for sale	7,137	16,906	-
Loans receivable	102,516	91,578	95,298
Allowance for loan losses	4,583	4,121	4,078
Net loans	97,933	87,456	91,219
Bank premises and equipment, net	337	313	277
Accrued interest receivable	401	241	311
Other real estate owned	-	400	597
FHLB and Pacific Coast Bankers Bank Stock, at cost	732	785	810
Servicing assets	1,240	295	213
Other assets	701	386	522
Total Assets	<u>\$ 136,276</u>	<u>\$ 125,494</u>	<u>\$ 122,567</u>
<b>Liabilities and Shareholders' Equity</b>			
Noninterest bearing demand	\$ 31,923	\$ 19,120	\$ 12,026
Savings	2,578	2,471	2,559
Money market and others	31,074	8,558	8,589
Time deposits of \$100,000 or more	23,288	28,513	35,510
Other time deposits	26,268	44,936	50,036
Total deposits	115,131	103,598	108,720
Secured borrowings	-	7,852	-
Other liabilities	1,888	671	980
Total liabilities	117,019	112,120	109,700
Total shareholders' equity	19,257	13,374	12,867
Total Liabilities and Shareholders' Equity	<u>\$ 136,276</u>	<u>\$ 125,494</u>	<u>\$ 122,567</u>

## Statement of Operations

(Dollars in thousand, except per share data)

	Three months ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Interest income	\$ 1,621	\$ 1,485	\$ 4,940	\$ 4,516
Interest expense	295	424	931	1,400
Net interest income	1,326	1,060	4,009	3,116
Provision for loan losses	682	236	1,462	2,462
Non interest income	1,231	463	4,274	787
Non interest expense	1,603	1,723	5,312	4,091
Income before income taxes	271	(436)	1,508	(2,650)
Provision for income taxes	-	-	108	1
Net income (loss)	<u>\$ 271</u>	<u>\$ (436)</u>	<u>\$ 1,401</u>	<u>\$ (2,650)</u>
Book Value	\$ 2.70	\$ 2.49	\$ 2.70	\$ 2.49
Basic EPS	\$ 0.04	\$ (0.09)	\$ 0.21	\$ (0.71)
Diluted EPS	\$ 0.03	\$ (0.07)	\$ 0.18	\$ (0.53)

## Key Ratios

Return on average assets *	0.08%	-1.41%	1.47%	-3.20%
Return on average equity *	5.72%	-14.32%	10.77%	-35.57%
Net interest margin *	4.21%	3.54%	4.39%	3.45%
Efficiency ratio	62.70%	113.11%	64.13%	104.82%
Tier I leverage	14.42%	10.32%	14.42%	10.32%
Tier I risk-based capital	17.43%	13.22%	17.43%	13.22%
Total risk-based capital	18.71%	14.50%	18.71%	14.50%

## Asset Quality

	9/30/2011	6/30/2011	3/31/2011	12/31/2010
Loans 90 days or more past due, accruing	-	-	-	-
Nonaccrual Loans	2,613	502	995	2,159
Total Non-Performing Loans	2,613	502	995	2,159
Other Real Estate Loans (OREO)	-	-	-	400
Accruing Restructured Loans	2,116	2,238	2,266	2,634
Total Non-Performing Assets	4,729	2,740	3,261	5,193
Non-Performing Loans/Total Loans	2.55%	0.53%	0.97%	2.47%
Non-Performing Assets/Total Assets	3.47%	2.03%	2.49%	4.14%
Allowance for Loan Losses/Gross Loans	4.47%	4.37%	4.42%	4.71%
Allowance for Loan Losses/Non-Performing Loans	175%	828%	456%	191%
YTD Net Charge-offs	\$ 1,001	\$ 743	\$ 620	\$ 4,390
YTD Net Charge-offs to Average Loans *	1.85%	1.49%	2.55%	4.56%

\* Annualized