

Message from Bank of Hope’s Chairman, President and CEO

Strength and Soundness in the Midst of Market Volatility

March 24, 2023

Dear Valued Partners –

In light of recent industry events and the resulting market volatility, I want to take a moment to reiterate the strength and soundness of our organization and reassure you that your deposits are safe at Bank of Hope.

It is important to understand how Bank of Hope is different from Silicon Valley Bank (“SVB”) and Signature Bank (“Signature”), which were heavily concentrated in the volatile venture capital and cryptocurrency sectors, and their failures are not reflective of systemic risks in the general banking industry.

Bank of Hope	SVB / Signature
<ul style="list-style-type: none"> • No Venture Capital or Crypto Exposure: Bank of Hope has a traditional banking business model and is well diversified in the customer base that we serve and the industry verticals where we have expertise. 	<ul style="list-style-type: none"> • SVB largely catered to the tech and venture capital community. • Signature was one of the main banks serving the cryptocurrency industry.
<ul style="list-style-type: none"> • Conservatively Managed Balance Sheet: Our investment securities portfolio represented approximately 11% of our total assets as of 12/31/22. 	<ul style="list-style-type: none"> • SVB’s investment securities portfolio accounted for 55% of total assets at 12/31/22. • Signature’s investment securities portfolio accounted for 22% of total assets at 12/31/22.
<ul style="list-style-type: none"> • Granular Deposit Base: 41% of Bank of Hope’s deposits were uninsured as of 12/31/22. 	<ul style="list-style-type: none"> • 94% of SVB’s deposits were reportedly uninsured. • 90% of Signature’s deposits were reportedly uninsured.

Bank of Hope is a diversified financial institution focused on a broad base of industries, with a conservatively managed balance sheet, robust capital position, ample liquidity, and strong asset quality. And we have not experienced any material changes in our operational trends to date.

- **Robust Capital Position:** At 12/31/22, our Tier 1 Capital Ratio was 11.15%, well in excess of the minimum requirement of 8.5%.
- **Strong Liquidity Position:** Bank of Hope has ample access to liquidity, including cash and securities on our balance sheet and available, unused borrowing facilities, all in aggregate sufficient to cover well more than a majority of our total deposits at 12/31/22.
- **Strong Asset Quality:** Bank of Hope has no exposure to venture capital, cryptocurrencies, SVB or Signature, and accordingly we do not expect any material negative impact to our strong asset quality metrics.

As Bankers, Experts and Neighbors, we thank you for your trust and patronage, and we look forward to continuing to do our very best to serve as your bank of choice. If you need any additional information, please do not hesitate to contact your relationship manager or visit any of our 53 branches across the country.

Sincerely,

Kevin S. Kim
Chairman, President & CEO
Bank of Hope