

Risk Factors Comparison 2025-02-26 to 2024-02-28 Form: 10-K

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In the course of conducting our business operations, we are exposed to a variety of risks, some of which are inherent in the financial services industry and others of which are more specific to our own business. The following discussion addresses the most significant risks that could affect our business, financial condition, liquidity, results of operations, and capital position. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occurs, our business, financial condition and results of operations may be materially and adversely effected. In that event, the market price for our common stock would likely decline. Risks Related to our Business Economic conditions in the markets in which we operate may adversely affect our loan portfolio and reduce the demand for our services. Adverse economic conditions in our market areas could potentially have a material adverse impact on the quality of our business. An economic slowdown in the markets in which we operate, or may do so in the future, may have any or all of the following consequences, any of which may reduce our net income and adversely affect our financial condition: • loan delinquencies may increase; • problem assets and foreclosures may increase; • the level and duration of deposits may decline; • demand for our products and services may decline; and • collateral for loans may decline in value below the principal amount owed by the borrower. We have a high level of loans secured by real estate collateral. A downturn in the real estate market may seriously impair our loan portfolio. As of December 31, ~~2023~~ **2024**, approximately ~~64~~ **63**% of our loan portfolio consisted of loans secured by various types of commercial real estate (excluding 1- 4 family residential mortgage loans). A slowdown in the economy is often accompanied by declines in the value of real estate, which may have a material and adverse effect on our net income and capital levels. Our commercial loan and commercial real estate loan portfolios expose us to risks. Charge- offs on commercial and commercial real estate loans may be larger on a per loan basis than those incurred with our residential or consumer loan portfolios. The payment experience on commercial real estate loans that are secured by income producing properties are typically dependent on the successful operation of the related property tenants and thus, may subject us to adverse conditions in the real estate market or to the general economy. The collateral securing these loans typically cannot be liquidated as easily as residential real estate. If we foreclose on these loans, our holding period for the collateral typically is longer than **for** residential properties because there are fewer potential purchasers of the collateral. Unexpected deterioration in the credit quality of our commercial or commercial real estate loan portfolios would require us to increase our provision for credit losses, which would reduce our profitability and could materially adversely affect our business, financial condition, results of operations and prospects. In addition, with respect to commercial real estate loans, federal and state banking regulators have expressed concerns about weakness in the commercial real estate market. As a result, banking regulators are examining commercial real estate lending activity with heightened scrutiny and may require banks with higher levels of commercial real estate ~~loans~~ **loan growth or exposure** to implement more stringent underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for losses and capital levels ~~as a result of commercial real estate lending growth and exposures~~. Because a significant portion of our loan portfolio is comprised of commercial real estate loans, the banking regulators may require us to maintain higher levels of capital than we would otherwise be expected to maintain, which could limit our ability to leverage our capital and have a material adverse effect on our business, financial condition, results of operations and prospects. Our allowance for credit losses may not cover our actual loan losses. As a lender, we are exposed to the risk that the principal of, or interest on, a loan will not be paid timely, or at all, or that the value of any collateral supporting a loan will be insufficient to cover our outstanding exposure. In accordance with ~~U.S.~~ **generally accepted accounting principles in the United States of America (“GAAP”)**, we maintain an allowance for credit losses to provide for loan defaults and non- performance. If our actual credit losses exceed the amount we have allocated for estimated current expected credit losses, our business will be adversely affected. We attempt to limit the risk that borrowers will fail to repay loans by carefully underwriting our loans, but losses nevertheless occur in the ordinary course of business operations. We create allowances for estimated credit losses through provisions that are recorded as reductions in income in our accounting records. We base these allowances on estimates of the following: • historical experience with our loans; • evaluation of current economic conditions and other factors; • reviews of the quality, mix and size of the overall loan portfolio; • reviews of delinquencies; and • the quality of the collateral underlying our loans. If our allowance estimates are inadequate, we may incur losses, our financial condition may be materially and adversely affected, and we may be required to try and raise additional capital to enhance our capital position. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the adequacy of our allowance. These agencies may require us to establish additional allowances based on their judgment of the information available at the time of their examinations. No assurance can be given that we will not sustain loan losses in excess of present or future levels of the allowance for credit losses or that regulatory agencies will not require us to increase our allowance thereby, impacting our profitability. An increase in nonperforming assets would reduce our income and increase our expenses. If the level of nonperforming assets increases in the future, it may adversely affect our operating results and financial condition. Nonperforming assets are mainly loans on which the borrowers are not making their required payments. Nonperforming assets also include loans that have been restructured to permit the borrower to make payments, and real estate that has been acquired through foreclosure or deed in lieu of foreclosure of unpaid loans. To the extent that assets are nonperforming, we would have a lower balance of earning assets generating interest income and an increase in credit related expenses, including provisions for credit losses. Increases in the level of our problem assets, occurrence of operating losses or a

failure to comply with requirements of the agencies which that regulate us, which may materially and adversely affect our business and the market price of our common stock. The DFPI, the FDIC, and the FRB each have authority to take actions to require that we comply with applicable regulatory capital requirements, cease engaging in what they perceive to be unsafe or unsound practices or make other changes in our business. Among others, the corrective measures that such regulatory authorities may take include requiring us to enter into informal or formal agreements regarding our operations, the issuance of cease and desist orders to refrain from engaging in unsafe and unsound practices, removal of officers and directors and, or the assessment of civil monetary penalties. See Item 1 “ Business – Supervision and Regulation ” for a further description of such regulatory powers. Our use of appraisals in deciding whether to make loans secured by real property does not ensure that the value of the real property collateral will be sufficient to repay our loans. In considering whether to make a loan secured by real property, we require an appraisal of the property. However, an appraisal is only an estimate of the value of the property at the time the appraisal is made and requires the exercise of a considerable degree of judgment. If the appraisal does not accurately reflect the amount that may be obtained upon sale or foreclosure of the property, whether due to a decline in property value after the date of the original appraisal or defective preparation of the appraisal, we may not realize an amount equal to the indebtedness secured by the property and as a result, we may suffer losses. Changes in interest rates affect our profitability. The interest rate risk inherent in our lending, investing, and deposit taking activities is a significant market risk to us and our business. We derive our income mainly from the difference or “ spread ” between the interest earned on loans, securities and other interest earning assets, and interest paid on deposits, borrowings and other interest bearing liabilities. In general, the wider the spread, the more net interest income we earn. When market interest rates of interest change, the interest we receive on our assets and the interest we pay on our liabilities will fluctuate. This can cause decreases in our spread and can greatly affect our income. In addition, interest rate fluctuations can affect how much money we may be able to lend. There can be no assurance that we will be successful in minimizing the potentially adverse effects of changes in interest rates. If we lose key employees, our business may suffer. There is intense competition for experienced and highly qualified personnel in the banking industry. Our future success depends on the continued employment of existing senior management personnel. If we lose key employees temporarily or permanently, it may hurt our business. We may be particularly hurt if our key employees, including any of our executive officers, became employed by our direct competitors. We are exposed to the risks of natural disasters. A significant portion of our operations are concentrated in Southern California, which is an earthquake and fire prone region. A major earthquake or fire in the Greater Los Angeles Area may result in material loss to us. A significant percentage of our loans are and will be secured by real estate. Our Many of our borrowers may suffer uninsured property damage, experience interruption of their businesses or lose their jobs after an earthquake or fire. Those borrowers might not be able to repay their loans, and the collateral for such loans may decline significantly in value. Unlike a bank with operations that are more geographically diversified, we are vulnerable to greater losses if an earthquake, fire, flood, mudslide, or other natural catastrophe occurs in Southern California. The Greater Los Angeles Area fires in early 2025 did not have material impact to the Company or its borrowers. Changes in U. S. trade policies, including the imposition of tariffs and retaliatory tariffs, may adversely impact our business, financial condition, and results of operations. The current Presidential Administration has signaled that tariffs and retaliatory tariffs, as well as other trade restrictions, may be imposed against U. S. trading partners. In response to tariffs, foreign countries have implemented, or may implement, retaliatory tariffs on U. S. goods. Historically, tariffs have led to increased trade and political tensions. Political tensions as a result of trade policies could reduce trade volume, investment, technological exchange, and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. It may also cause the prices of our customers’ products to increase, which could reduce demand for such products, or reduce our customers’ margins, and adversely impact their revenues, financial results, and ability to service debt. This in turn could adversely affect our financial condition and results of operations. In addition, to the extent changes in the political environment have a negative impact on us, or on the markets in which we operate our business, our results of operations and financial condition could be materially and adversely impacted in the future. At this time, it remains unclear what the U. S. government or foreign governments will or will not do with respect to additional tariffs that may be imposed or international trade agreements and policies. We may experience adverse effects from acquisitions. We have acquired other banking companies and bank offices in the past, and will consider additional acquisitions as opportunities arise. For example, on April 26, 2024, we entered into a merger agreement with Territorial Bancorp Inc. See Item 1 “ Business- Business Overview ” and Note 24 of our Notes to Consolidated Financial Statements for more information about our pending merger with Territorial Bancorp Inc. If we do not adequately address the financial and operational risks associated with acquisitions of other companies, we may incur material unexpected costs and disruption of our business. Future acquisitions may increase the degree of such risks. Risks involved in acquisitions of other companies include: • the risk of failure to adequately evaluate the asset quality of the acquired company; • difficulty in assimilating the operations, technology, and personnel of the acquired company; • diversion of management’ s attention from other important business activities; • costs and unpredictability of stockholder litigation in connection with acquisitions; • difficulty in maintaining good relations with the loan and deposit customers of the acquired company; • inability to maintain uniform and effective operating standards, controls, procedures, and policies; • potentially dilutive issuances of equity securities or the incurrence of debt and contingent liabilities; and • amortization of expenses related to acquired intangible assets that have finite lives. Liquidity risks may impair our ability to fund operations and jeopardize our financial condition. Liquidity is essential to our business. An inability to raise funds through deposits, borrowings, the sale of loans, and other sources may have a material adverse effect on our liquidity. Our access to funding sources in amounts adequate to finance our activities may be impaired by factors that affect us specifically or the financial services industry in general. Factors that may detrimentally impact our access to liquidity sources include a decrease in the level of our business activity due to a market downturn or adverse

regulatory action against us. Our ability to acquire deposits or borrow may also be impaired by factors that are not specific to us, such as a disruption of the financial markets or negative views and expectations about the prospects for the banking industry or the general financial services industry as a whole. Fraudulent activity or breaches or failures of our information system controls, including those related to cybersecurity incidents, could have a material adverse effect on our business. As a financial institution, we are susceptible to fraudulent activity and security breaches, including those related to cybersecurity incidents, that may materially and adversely affect us or our clients or our third- party service providers. Fraudulent activity may take many forms, including check fraud, electronic fraud, wire fraud, phishing, social engineering, and other dishonest acts. Information system breaches and other cybersecurity threats may include fraudulent or unauthorized access to systems used by us or our clients, denial or degradation of service attacks, and ransomware or other cyber- attacks. There continues to be a rise in electronic fraudulent activity, security breaches, and cyber- attacks within the financial services industry, especially in the commercial banking sector due to cyber criminals targeting commercial bank accounts. Consistent with industry trends, we have also experienced an increase in attempted electronic fraudulent activity and information system breaches in recent periods. As a financial institution, we receive and maintain the business and personal information of our customers on a daily basis. Information pertaining to us and our clients is maintained, and transactions are executed, on the networks and information systems owned or used by us, our clients and certain of our third- party service providers, such as our online banking or reporting systems. The secure maintenance and transmission of confidential information, as well as execution of transactions over these information systems, are essential to protect us and our clients against fraud and security breaches and to maintain our clients' confidence. We face the risk that this information may be fraudulently or otherwise improperly accessed, used, or disclosed in a cyber- attack or other security breach of the information systems we rely upon. Large corporations, including financial institutions and retail companies, have increasingly suffered major cybersecurity incidents relating to information system breaches, in some cases exposing not only confidential and proprietary corporate information, but also sensitive financial and other personal information of their customers and employees and subjecting them to potential fraudulent activity. In the ordinary course of our business, we have experienced and expect to continue to experience cyber- based attacks and other cybersecurity threats that may compromise our information systems, the consequences of which could be material and adverse. Our inability to anticipate or adequately mitigate against fraudulent activity, cybersecurity incidents and other security breaches may result in financial losses, litigation, increased regulatory scrutiny or supervisory actions and / or damage to our reputation, any of which may be material. We rely on technology and information systems that may be disrupted, which would pose operational risks. Our business depends on the continuous operation of our information and data processing systems and related operational infrastructure, some of which are provided by third party vendors. We rely on these systems for, among other things, communications, processing customer transactions, recordkeeping, and financial controls. The failure of any of these resources, including but not limited to failures due to cybersecurity incidents, operational or systems failures, interruptions of client service operations or interruptions in third party data processing or other vendor support, may cause material disruptions in our business, impairment of customer relations, exposure to our customers for liability, reputational harm, and action by bank regulatory authorities. Breaches of the information systems owned or used by us also may occur, and on occasion have occurred, through intentional or unintentional acts by those having access to our systems or our clients' or counterparties' confidential information, including employees. In addition, increases in criminal activity, and the levels and sophistication of the same, advances in computer capabilities, vulnerabilities in third- party technologies (including browsers and operating systems), and other developments could result in a compromise or breach of the technology, processes and controls that we use in the operation of our business, which could have a material and adverse effect on our business, results of operation and financial condition. **The development and use of artificial intelligence (“ AI ”) presents risks and challenges that may adversely impact the Company’ s business. The Company may develop or incorporate AI technology in certain business processes, services, or products in the future. In addition, the Company’ s third- party (or fourth- party) vendors, clients, or counterparties may have developed or in the future may develop AI technology in certain business processes, services, or products. The development and use of AI presents a number of risks and challenges to the Company’ s business. The legal and regulatory environment relating to AI is uncertain and rapidly evolving, both in the U. S. and internationally, and includes regulatory schemes targeted specifically at AI as well as provisions in intellectual property, privacy, consumer protection, employment, and other laws applicable to the use of AI. These evolving laws and regulations could require changes in the Company’ s implementation of AI technology and increase the Company’ s compliance costs and the risk of non- compliance. AI models, particularly generative AI models, may produce output or take action that is incorrect, that reflects biases included in the data on which they are trained, that results in the release of private, confidential, or proprietary information, that infringes on the intellectual property rights of others, or that is otherwise harmful. In addition, the complexity of many AI models makes it difficult to understand why they are generating particular outputs. This limited transparency increases the challenges associated with assessing the proper operation of AI models, understanding, and monitoring the capabilities of the AI models, reducing erroneous output, eliminating bias, and complying with regulations that require documentation or explanation of the basis on which decisions are made. Further, the Company may rely on AI models developed by third parties, and, to that extent, would be dependent in part on the manner in which those third parties develop and train their models, including risks arising from the inclusion of any unauthorized material in the training data for their models and the effectiveness of the steps these third parties have taken to limit the risks associated with the output of their models, matters over which the Company may have limited visibility. Any of these risks could expose the Company to liability or adverse legal or regulatory consequences and harm the Company’ s reputation and the public perception of its business or the effectiveness of its security measures. Diverse views, increasing increasing** scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or

additional risks. Companies are facing increasing scrutiny from customers, regulators, investors, investor advocacy groups, and other stakeholders related to their ESG practices and disclosure, especially as they relate to the environment, health and safety, diversity, labor conditions, and human rights. Increased ESG related compliance costs could result in increases to our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, and our financial condition and results of operations. **In addition, views about ESG are diverse and rapidly changing. In recent years, "anti- ESG" sentiment has gained momentum across the U. S., with several states and Congress having proposed or enacted " anti- ESG" policies, legislation, or initiatives. Recently an executive order was issued that opposes diversity and inclusion (" DEI") initiatives in the private sector. Institutional investors and proxy advisory firms have also updated or are in the process of updating their guidelines and expectations with respect to ESG and DEI initiatives.** New **and changing state or federal** government regulations could also result in **additional compliance obligations, new or more stringent forms of ESG oversight and expand mandatory and voluntary reporting, diligence, and disclosure , and could result in our sustaining reputational harm, which could adversely impact our financial condition and results of operations and could have an adverse effect on the trading price of our common stock**. Additionally, concerns over the long- term impacts of climate change have led and could continue to lead to governmental efforts around the world to mitigate those impacts. Consumers and businesses also may change their behavior on their own as a result of these concerns. We, along with our customers, will need to respond to new **or changing** laws and regulations as well as consumer and business preferences resulting from climate change concerns. We may also face cost increases, asset value reductions, and operating process changes, among other impacts. In addition, we could face reductions in creditworthiness on the part of some customers or in the value of assets securing loans. Our business reputation is important and any damage to it may have a material adverse effect on our business. Our reputation is very important for our business, as we rely on our relationships with our current, former, and potential clients and stockholders in the communities we serve. Any damage to our reputation, whether arising from regulatory, supervisory or enforcement actions, matters affecting our financial reporting or compliance with SEC and exchange listing requirements, negative publicity, our conduct of our business or otherwise may have a material adverse effect on our business. As we expand outside our traditional geographic markets, we may encounter additional risks that may adversely affect us. Currently, the majority of our offices are located in California, but we also have **branches or loan production** offices in the greater New York City **area**, Chicago, Houston, Dallas, Tampa, and Seattle metropolitan areas, New Jersey, ~~Virginia~~, Colorado, Georgia, and Alabama. Over time, we may seek to establish offices in other parts of the United States as well. We may encounter significant risks, including unfamiliarity with the characteristics and business dynamics of new markets, increased marketing and administrative expenses and operational difficulties arising from our efforts to attract business in new markets, manage operations in noncontiguous geographic markets, comply with local laws and regulations and effectively , and consistently manage our non-California personnel and business. If we are unable to manage these risks, our operations may be materially and adversely affected. Adverse conditions in South Korea or globally may adversely affect our business. A substantial number of our customers have economic and cultural ties to South Korea and, as a result, we are likely to feel the effects of adverse economic and political conditions there. If economic or political conditions in South Korea deteriorate, we may, among other things, be exposed to economic and transfer risk, and may experience an outflow of deposits by our customers with connections to South Korea. Transfer risk may result when an entity is unable to obtain the foreign exchange needed to meet its obligations or to provide liquidity. This may materially and adversely impact the recoverability of investments in or loans made to such entities. Adverse economic conditions in South Korea may also negatively impact asset values and the profitability and liquidity of our customers who operate in this region. In addition, a general overall decline in global economic conditions may materially and adversely affect our profitability and overall results of operations. Legal and Regulatory Risks Governmental regulation and regulatory actions against us may further impair our operations or restrict our growth. We are subject to significant governmental supervision and regulation. These regulations affect our lending practices, capital structure, investment practices, dividend policy and growth, among other things. Congress and federal regulatory agencies continually review banking laws, regulations , and policies for possible changes. Statutes and regulations affecting our business may be changed at any time and the interpretation of these statutes and regulations by examining authorities may also change. In addition, regulations may be adopted which increase our deposit insurance premiums and enact special assessments which could increase expenses associated with running our business and adversely affect our earnings. There can be no assurance that such statutes and regulations, any changes thereto or to their interpretation will not adversely affect our business. In particular, these statutes and regulations, and any changes thereto, could subject us to additional costs (including legal and compliance costs), limit the types of financial services and products we may offer and / or increase the ability of non- banks to offer competing financial services and products, among other things. In addition to governmental supervision and regulation, we are subject to changes in other federal and state laws, including changes in tax laws, which could materially affect us and the banking industry generally. We are subject to the rules, regulations of, and examination by the FRB, the FDIC, the DFPI, and the CFPB. In addition, we are subject to the rules and regulation of the Nasdaq Stock Market and the SEC and are subject to enforcement actions and other punitive actions by these agencies. If we fail to comply with federal and state regulations, the regulators may limit our activities or growth, impose fines on us or in the case of our bank regulators, ultimately require our bank to cease its operations. Bank regulations can hinder our ability to compete with financial services companies that are not regulated in the same manner or are less regulated. Federal and state bank regulatory agencies regulate many aspects of our operations. These areas include: • the capital that must be maintained; • the kinds of activities that can be engaged in; • the kinds and amounts of investments that can be made; • the locations of offices; • insurance of deposits and the premiums that we must pay for this insurance; • procedures and policies we must adopt; • conditions and restrictions on our executive compensation; and • how much cash we must set aside as reserves for deposits. In addition, bank regulatory authorities have the authority to bring enforcement actions against banks and bank holding

companies, including the Bank and Hope Bancorp, for unsafe or unsound practices in the conduct of their businesses or for violations of any law, rule or regulation, any condition imposed in writing by the appropriate bank regulatory agency or any written agreement with the authority. Enforcement actions against us could include a federal conservatorship or receivership for the bank, the issuance of additional orders that could be judicially enforced, the imposition of civil monetary penalties, the issuance of directives to enter into a strategic transaction, whether by merger or otherwise, with a third party, the termination of insurance of deposits, the issuance of removal and prohibition orders against institution- affiliated parties, and the enforcement of such actions through injunctions or restraining orders. In addition, as we ~~are have grown~~ over \$ 10 billion in assets, we are subject to enhanced CFPB examination and required to perform more comprehensive stress- testing on our business and operations . **We cannot predict whether or in what form any other proposed regulations or statutes will be adopted or the extent to which our business may be affected by any new regulation or statute. These changes become less predictable, yet more likely to occur, following the transition of power from one presidential administration to another. Any such changes could subject our business to additional costs, limit the types of financial services and products we may offer and increase the ability of non- banks to offer competing financial services and products, among other things. Moreover, the turnover of the presidential administration is expected to result in certain changes in the leadership and senior staffs of the federal banking agencies. Such changes are likely to impact the rulemaking, supervision, examination and enforcement priorities and policies of the agencies. In addition, changes in key personnel at the agencies that regulate such banking organizations, including the federal banking agencies, may result in differing interpretations of existing rules and guidelines and potentially different enforcement priorities than previously. The potential impact of any changes in agency personnel, policies, priorities, and interpretations on the financial services sector, including us, cannot be predicted .** We face a risk of noncompliance and enforcement action with the Bank Secrecy Act and other anti- money laundering statutes and regulations. The BSA, the USA PATRIOT Act of 2001, the Anti- Money Laundering Act of 2020, and other laws and regulations require financial institutions, among other duties, to institute and maintain an effective anti- money laundering program and file suspicious activity and currency transaction reports as appropriate. The federal Financial Crimes Enforcement Network is authorized to impose significant civil money penalties for violations of those requirements and has recently engaged in coordinated enforcement efforts with the individual federal banking regulators, as well as the U. S. Department of Justice, Drug Enforcement Administration, and Internal Revenue Service. We are also subject to increased scrutiny of compliance with the rules enforced by the Office of Foreign Assets Control and compliance with the Foreign Corrupt Practices Act. If our policies, procedures , and systems are deemed deficient, we would be subject to liability, including fines and regulatory actions, on our ability to engage in expansionary activities, such as mergers and acquisitions, and restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain aspects of our business plan. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us. Any of these results could materially and adversely affect our business, financial condition , and results of operations. SBA lending is an important part of our business. Our SBA lending program is dependent upon the federal government, and we face specific risks associated with originating SBA loans. Our SBA lending program is dependent upon the federal government. As an SBA Preferred Lender, we enable our clients to obtain SBA loans without being subject to the potentially lengthy SBA approval process required for lenders that are not SBA Preferred Lenders. The SBA periodically reviews the lending operations of participating lenders to assess, among other things, whether the lender exhibits prudent risk management. When weaknesses are identified, the SBA may request corrective actions or impose enforcement actions, including revocation of the lender' s Preferred Lender status. If we lose our status as a Preferred Lender, we may lose some or all of our customers to lenders who are SBA Preferred Lenders, and as a result we could experience a material adverse effect to our financial results. Any changes to the SBA program, including changes to the level of guarantee provided by the federal government on SBA loans, may also have a material adverse effect on our business. The sales of SBA 7 (a) loans ~~results-~~ **result** in both premium income at the time of sale and a stream of future servicing income. We may not be able to continue originating these loans or selling them in the secondary market. Furthermore, even if we are able to continue originating and selling SBA 7 (a) loans in the secondary market, we might not continue to realize premiums upon the sale of the guaranteed portion of these loans. When we sell the guaranteed portion of our SBA 7 (a) loans, we incur credit risk on the non- guaranteed portion of the loans, and if a customer defaults on the non- guaranteed portion of a loan, we share any loss and recovery related to the loan pro- rata with the SBA. If the SBA establishes that a loss on an SBA guaranteed loan is attributable to significant technical deficiencies in the manner in which the loan was originated, funded or serviced by us, the SBA may seek recovery of the principal loss related to the deficiency from us, which could materially adversely affect our business, financial condition, results of operations , and prospects. The laws, regulations and standard operating procedures that are applicable to SBA loan products may change in the future. We cannot predict the effects of these changes on our business and profitability. Because government regulation greatly affects the business and financial results of all commercial banks and bank holding companies and especially our organization, changes in the laws, regulations and procedures applicable to SBA loans could adversely affect our ability to operate profitably. Environmental laws may force us to pay for environmental problems. The cost of cleaning up or paying damages and penalties associated with environmental problems may increase our operating expenses. When a borrower defaults on a loan secured by real property, we often purchase the property in foreclosure or accept a deed to the property surrendered by the borrower. We may also take over the management of commercial properties whose owners have defaulted on loans. We also lease premises where our branches and other facilities are located, all where environmental problems may exist. Although we have lending, foreclosure and facilities guidelines that are intended to exclude properties with an unreasonable risk of contamination, hazardous substances may exist on some of the properties that we own, lease, manage or occupy. We may face the risk that environmental laws may force us to clean up the properties at our expense. The cost of cleaning up a property may exceed the value of the property. We may also be liable for pollution generated by a borrower' s

operations if we take a role in managing those operations after a default. We may find it difficult or impossible to sell contaminated properties. Changes in accounting standards may affect how we record and report our financial condition and results of operations. Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. From time to time, the Financial Accounting Standards Board and SEC change the financial accounting and reporting standards that govern the preparation of our financial statements. These changes and their impacts on us can be hard to predict and may result in unexpected and materially adverse impacts on our reported financial condition and results of operations.

Financial and Market Risks We may reduce or discontinue the payment of dividends on common stock. Our stockholders are only entitled to receive such dividends as our board of directors (the “ Board ”) may declare out of funds legally available for such payments. Although we have historically declared cash dividends on our common stock, we are not required to do so and may need to reduce or eliminate our common stock dividend in the future. Our ability to pay dividends to our stockholders is subject to the restrictions set forth in Delaware law, by the FRB, and by certain covenants contained in our subordinated debentures. Notification to the FRB is also required prior to our declaring and paying a cash dividend to our stockholders during any period in which our quarterly and / or cumulative twelve- month net earnings are insufficient to fund the dividend amount, among other requirements. We may not pay a dividend if the FRB objects or until such time as we receive approval from the FRB or we no longer need to provide notice under applicable regulations. In addition, we often rely on cash distributions from the Bank to fund dividends to our stockholders. The Bank’ s ability to make cash distributions to Hope Bancorp is subject to the restrictions set forth under the California Financial Code and would also be subject to prior approval or restriction by the DFPI if the distribution by the Bank exceeds the lesser of (a) the retained earnings of the Bank or (b) three fiscal years net income, less distributions made by the Bank during such period. We cannot provide assurance that the Bank will be able to continue making cash distributions to Hope Bancorp, which could in turn, affect our ability to continue paying dividends on our common stock. The Bank may not be able to distribute cash to us if the DFPI objects or until such time as the Bank receives approval from the DFPI or the Bank no longer needs to obtain approval under applicable regulations. Further, the Bank may be restricted by applicable law or regulation or actions taken by its regulators, now or in the future, from making cash distributions to Hope Bancorp, which could, in turn, adversely impact our ability to pay dividends to our stockholders. Likewise, we may be restricted by applicable law or regulation or actions taken by our regulators, now or in the future, from paying dividends to our stockholders. Lastly, we cannot provide assurance that we will continue paying dividends on our common stock at current levels or at all. A reduction or discontinuance of dividends on our common stock could have a material adverse effect on our business, including the market price of our common stock. The value of our securities in our investment portfolio may decline in the future. The fair value of our investment securities may be adversely affected by market conditions, including changes in interest rates, implied credit spreads, and the occurrence of any events adversely affecting the issuer of particular securities in our investments portfolio or any given market segment or industry in which we are invested. We analyze our securities available for sale on a quarterly basis to determine if there is a requirement to recognize current expected credit losses. The process for determining current expected credit losses usually requires complex, subjective judgments about the future financial performance of the issuer in order to assess the probability of receiving all contractual principal and interest payments sufficient to recover our amortized cost of the security. Because of changing economic and market conditions affecting issuers, we may be required to recognize credit losses in future periods, which could have a material adverse effect on our business, financial condition, or results of operations. If we fail to maintain an effective system of internal controls and disclosure controls and procedures, we may not be able to accurately report our financial results or prevent fraud. Effective internal control over financial reporting and disclosure controls and procedures are necessary for us to provide reliable financial reports, effectively prevent fraud and to operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and business would be harmed. In addition, failure in our internal control over financial reporting and disclosure controls and procedures could cause us to fail to meet the continued listing requirements of the Nasdaq Global Select Market and, as a result, adversely impact the liquidity and trading price of our securities. Anti- takeover provisions in our charter documents and applicable federal and state law may limit the ability of another party to acquire us, which could cause our stock price to decline. Various provisions of our charter documents could delay or prevent a third- party from acquiring us, even if doing so might be beneficial to our stockholders. These include, among other things, advance notice requirements to submit stockholder proposals at stockholder meetings and the authorization to issue “ blank check ” preferred stock by action of the Board acting alone, thus without obtaining stockholder approval. In addition, applicable provisions of federal and state banking law require regulatory approval in connection with certain acquisitions of our common stock and supermajority voting provisions in connection with certain transactions. In particular, both federal and state law limit the acquisition of ownership of, generally, 10 % or more of our common stock without providing prior notice to the regulatory agencies and obtaining prior regulatory approval or non- objection or being able to rely on an exemption from such requirement. We are also subject to Section 203 of the Delaware General Corporation Law that, subject to exceptions, prohibits us from engaging in any business combinations with any interested stockholder, as defined in that section, for a period of three years following the date on which that stockholder became an interested stockholder. Collectively, these provisions of our charter documents and applicable federal and state law may prevent a merger or acquisition that would be attractive to stockholders and could limit the price investors would be willing to pay in the future for our common stock. Our common stock is not insured and you could lose the value of your entire investment. An investment in our common stock is not a deposit and is not insured against loss by any government agency.

General Risk Factors Our common stock is equity and therefore is subordinate to indebtedness and preferred stock. Our common stock constitutes equity interests and does not constitute indebtedness. As such, common stock will rank junior to all current and future indebtedness and other non- equity claims on us with respect to assets available to satisfy claims against us, including in the event of our liquidation. We may, and the Bank and our other subsidiaries may also, incur additional indebtedness from time to time and may increase our aggregate level of outstanding indebtedness. Additionally,

holders of common stock are subject to the prior dividend and liquidation rights of any holders of our preferred stock that may be outstanding from time to time. The Board is authorized to cause us to issue additional classes or series of preferred stock without any action on the part of our stockholders. If we issue preferred shares in the future that have a preference over our common stock with respect to the payment of dividends or upon liquidation, or if we issue preferred shares with voting rights that dilute the voting power of the common stock, then the rights of holders of our common stock or the market price of our common stock could be materially adversely affected. We may raise additional capital, which could have a dilutive effect on the existing holders of our common stock and adversely affect the market price of our common stock. We periodically evaluate opportunities to access capital markets, taking into account our financial condition, regulatory capital ratios, business strategies, anticipated asset growth and other relevant considerations. It is possible that future acquisitions, organic growth, or changes in regulatory capital requirements could require us to increase the amount or change the composition of our current capital, including our common equity. For all of these reasons and others, and always subject to market conditions, we may issue additional shares of common stock or other capital securities in public or private transactions. The issuance of additional common stock, debt, or securities convertible into or exchangeable for our common stock or that represent the right to receive common stock, or the exercise of such securities, could be substantially dilutive to holders of our common stock. Holders of our common stock have no preemptive or other rights that would entitle them to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in dilution of the ownership interests of our stockholders. Climate change concerns could adversely affect our business and our customers. Concerns over the long-term impacts of climate change have led and could continue to lead to governmental efforts around the world to mitigate those impacts. Climate change presents multi-faceted risks, including operational risk from the physical effects of climate events on us; credit risk from borrowers with significant exposure to climate risk; transition risks associated with the transition to a less carbon-dependent economy; and reputational risk from stakeholder concerns about our practices related to climate change. Consumers and businesses are changing their behavior and business preferences as a result of these concerns. New governmental regulations or guidance relating to climate change, as well as changes in consumers' and businesses' behaviors and business preferences, may affect whether and on what terms and conditions we will engage in certain activities or offer certain products or services. The governmental and supervisory focus on climate change could also result in our becoming subject to new or heightened regulatory requirements relating to climate change, such as requirements relating to operational resiliency or stress testing for various climate stress scenarios. Any such new or heightened requirements could result in increased regulatory, compliance or other costs or higher capital requirements. In connection with the transition to a low carbon economy, legislative or public policy changes and changes in consumer sentiment could negatively impact the businesses and financial condition of our clients, which may decrease revenues from those clients and increase the credit risk associated with loans and other credit exposures to those clients. Our business, reputation, and ability to attract and retain employees may also be harmed if our response to climate change is perceived to be ineffective or insufficient. We may be adversely affected by the lack of soundness of other financial institutions. The recent failures of some depository institutions in 2023 have raised concerns among depositors that their deposits may be at risk. While we believe the Bank is operated in a safe and sound manner, a market-wide loss of depositor confidence caused by the failures, or the perceived unsoundness, of other depository institutions could lead to deposit outflows at the Bank, potentially at levels that could materially and adversely affect our business, financial condition, results of operations and stock price. Our ability to engage in routine funding transactions could be adversely affected by the actions and lack of soundness of other financial institutions. Financial services companies may be interrelated as a result of trading, clearing, counterparty, and other relationships. We have exposure to different industries and counterparties, and through transactions with counterparties in the financial services industry, including broker-dealers, commercial banks, investment banks, and other financial intermediaries. As a result, defaults by, declines in the financial condition of, or even rumors or questions about, one or more financial services companies, or the financial services industry in general, could lead to market-wide liquidity problems and losses or defaults by financial institutions. These losses could have a material and adverse effect on our business, financial condition, results of operations and stock price.