First General Bank
大通銀行

Your Path to Success 攜手大通　邁向成功

2023 Annual Report

Your Path to Success 攜手大通　邁向成功

MISSION & VALUES 使命和價值

Our mission is to create value for our shareholders, customers, employees and community.

為股東，客戶，員工和社區創造最高價值。

Creating value for shareholders 為股東創造價值

Creating and maximizing shareholder value is a mission and goal of our Bank. Our strategy is to create value for our shareholders through profitable and sustainable growth. We understand that long-term shareholder value can be maximized only when the Bank is able to create value for our customers, our employees, and our community. We believe we have succeeded in these areas, and we are proud to continue our mission to create and add value for our shareholders, year after year.

創造和實現股東最高獲利是我們銀行的使命。我們通過持續盈利的增長，為股東創造價值。我們相信當銀行能夠為我們的客戶，員工和社會創造最大價值的時候，就是股東的最高價值。我們感恩能夠每年持續的為股東創造最高價值。

Creating value for employees 為員工創造價值

Our employees are our most important assets – Therefore, providing a harmonious and rewarding environment for our employees is also our focus. Over the years, the Bank has greatly invested in training and developing its employees, along with a competitive, merit-based compensation and benefit program. The reward? A team of dedicated, professional employees who share a common goal of the First General Bank family: Creating value for our customers, shareholders, employees, and community.

我們的員工是我們最重要的資產。我們提供一個和諧，成長和獎勵的工作環境，並為員工增進其競爭力及專業發展，最終提高整體服務品質。我們的員工成就了我們銀行的使命:為股東，客戶和社區創造最高價值。

Creating value for customers 為客戶創造價值

Since the Bank's beginning, we understand that we can only compete in the marketplace by creating value for our customers. We accomplish this in several ways: Ensuring that each of our employees understand that the "Customer" is our top priority; understanding each of our customer's unique business needs; and providing responsive, valuable and quality services. Our business exists because of our customers – Going the extra mile for our customers has always been a standard at our Bank.

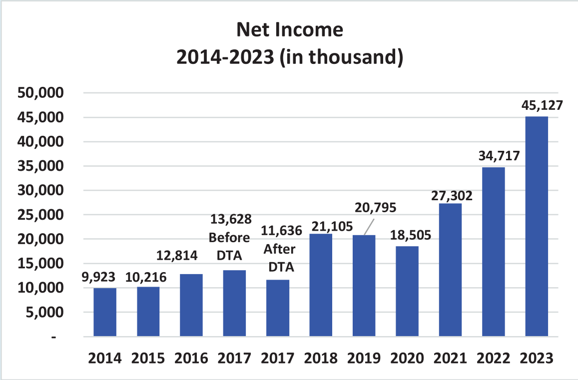
從銀行開幕營運以來，我們的使命就是為客戶創造最高價值。服務「客戶」是我們的首要任務。我們了解客戶的需求，以最迅速專業的服務來滿足客戶。我們永遠會為客戶提供優質，及時和增值的服務來確保客戶能獲得最高價值。

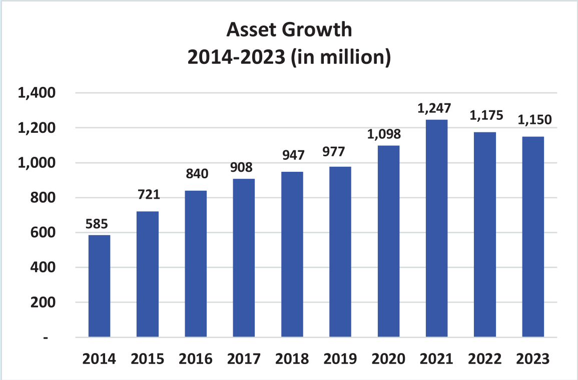
Creating value for our community 為社區創造價值

The Bank's roots lie in the community. We owe much of our success to the community's support – Therefore, we have been committed to its well-being. In addition to providing financial support to numerous community organizations, our Bank's employees have volunteered to serve the community through teaching financial literacy, assisting low-income families with tax returns filing. Through such volunteering opportunities, our Bank has been able to foster a community-focused culture within the organization, and expand our community network.

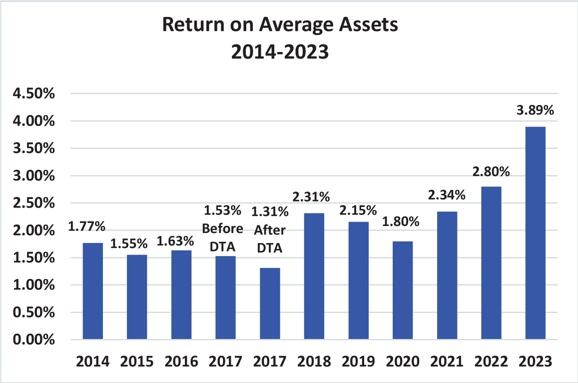
我們創行以來始終秉持著以人為本的基本理念。我們的成功來自於社會各界的支持。因此，我們提供慈善捐款幫助社區組織並鼓勵所有員工積極參與社區服務。創造和實現幸福的社區是我們的最高價值。

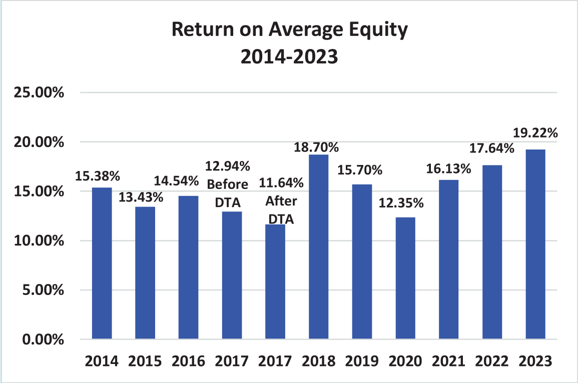
Financial Highlights

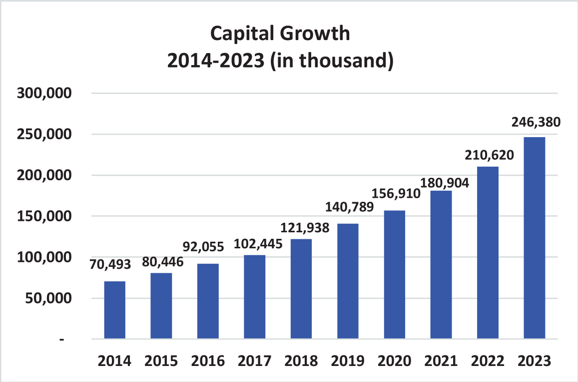


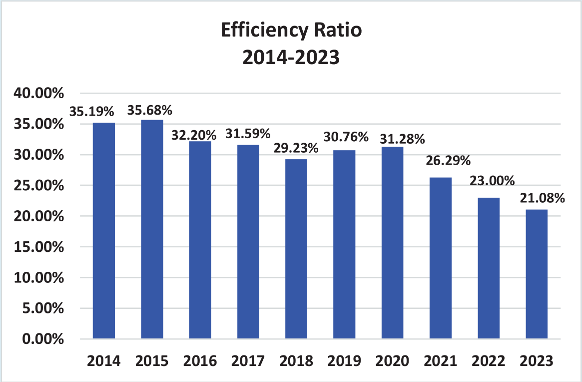


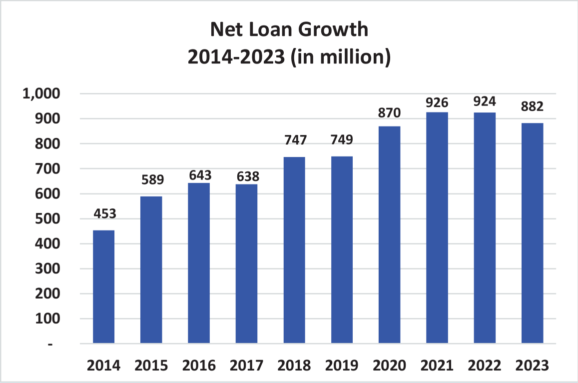
DTA = Deferred Tax Assets/One time $1.992 million yearend DTA write down due to the new Tax Cuts and Jobs Act on Dec. 22, 2017

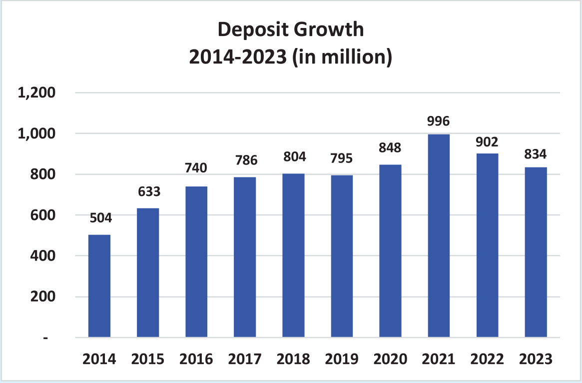












Letter to Shareholders

Dear Shareholders,

While 2023 presented a challenging economic climate for the banking industry, First General Bank persevered and achieved another year of record earnings. Our perseverance, strategic initiatives and our continued dedication to maximizing shareholder value is reflected in your recent dividend checks received over the year.

The year began with industry-wide caution, as many forecasted economic uncertainties due to inflation, a fast-rising interest rate environment and other macroeconomic issues. However, no one could predict the dramatic collapse of three regional banks during the first half of 2023. Despite assurances from the government, regulatory agencies and economists that these bank failures were isolated incidents, the impact could be felt, as panic and reduced confidence by customers caused deposit outflow from smaller institutions to find safe harbor in larger institutions.

During this period, some of our valued customers understandably expressed concern about First General Bank's safety and soundness. Our Management and staff worked tirelessly to put many of these concerns to rest, and showed our customers that we are a world class organization. We are incredibly grateful for their continued trust, shareholders' support and the dedication of our employees, that has enabled us to deliver another year of safe, sound and profitable operations.

2023 Financial Performance

Building on our momentum over the past decade, for 2023, our Bank continued to overachieve in many areas:

- Our Bank posted a record breaking before-tax NOI of $63.94 million, which is a year-over-year increase of 29.99%.
- Similarly, our After-Tax Net Income of $45.13 million was an increase of 29.99% over 2022.
- The Bank's performance ratios continue to top most banks in the nation, with ROAE (Return on Average Equity) at 19.22% and ROAA (Return on Average Assets) at 3.89%.
- Total Assets of $1.15 billion, a decrease of 2.18% as compared to $1.18 billion in 2022. Amid the exceptionally high interest rate environment and uncertain economic outlook, management strategically opted not to grow assets aggressively, nor compete with peer banks for high-cost retail deposits.
- $163.99 million in new loan commitments booked.
- Total Gross Loans decreased slightly from $938.11 million to $898.59 million by year-end. The decrease was planned due to the Bank's concern about economic uncertainty and the impact of high interest rate environment on CRE asset quality.
- Total Deposits decreased by approximately 7.21% to $834.22 million, as compared to 2022, with sufficient on hand liquidity, the Bank opted not to compete for high-cost retail deposits during the year.
- Community Bank Leverage Ratio was well-capitalized at 21.92%, an increase of 4.40% over 2022.
- Tangible Shareholders' Equity increased by 17.14% in the year to $245.76 million.
- Tangible Book Value per share increased by 16.04% to $59.41 compared to $51.20 in 2022.
- Dividends totaling $2.50 per common share to stockholders, 100% increase from 2022.
- We continued to be certified as a Community Development Financial Institution (CDFI) by the U.S. Treasury Development.

Honors and Awards Received

2005 -	Founded in Rowland Heights
2008 -	Rated as "FIVE STAR Bank" by Bauer Financial
2009 -	Rated as "FIVE STAR Bank" by Bauer Financial
2011 -	Ranked as "Super Premier Performing Bank" by Findley Reports
2012 -	Ranked as "Top Bank" by SNL Financials Ranked as "Most Profitable Bank" by LA Business Journal Ranked as "Super Premier Performing Bank" by Findley Reports
2013 -	Ranked as "SBA Export Lender of the Year" by SBA Ranked as "Super Premier Performing Bank" by Findley Reports
2014 -	Ranked as "Super Premier Performing Bank" by Findley Reports
2015 -	Rated as "FIVE STAR Bank" by Bauer Financial Ranked as "Super Premier Performing Bank" by Findley Reports
2016 -	Rated as "FIVE STAR Bank" by Bauer Financial Ranked as "Super Premier Performing Bank" by Findley Reports
2017 -	Rated as "FIVE STAR Bank" by Bauer Financial Ranked as "Super Premier Performing Bank" by Findley Reports Rated "Top Financial Institution" by LA Business Journal Rated "Top SBA Lender" by Orange County Business Journal
2018 -	Rated as "FIVE STAR Bank" by Bauer Financial Ranked as "Super Premier Performing Bank" by Findley Reports
2019-	Rated as "FIVE STAR Bank" by Bauer Financial, and ranked as "Super Premier Performing Bank" by Findley Reports. Named one of the "100 Top Community Banks" by S&P Global Intelligence
2020-	Rated as "FIVE STAR Bank" by Bauer Financial, and ranked as "Super Premier Performing Bank" by Findley Reports.
2021-	Rated as "FIVE STAR Bank" by Bauer Financial Ranked as "Super Premier Performing Bank" by Findley ReportsRanked #1 as Best Performing Bank in California and 4th in the U.S. (under $3 billion in assets) by S&P Global
2022-	Rated as "FIVE STAR Bank" by Bauer Financial Ranked as "Super Premier Performing Bank" by Findley Reports Ranked #1 as Best Performing Bank in US West Region (under $10 billion in assets) by S&P Global
2023-	Rated as "FIVE STAR Bank" by Bauer Financial Ranked as "Super Premier Performing Bank" by Findley Reports Ranked Top 50 Best Bank in the US West Region (under $10 billion in assets) by S&P Global

TURNING CHALLENGES INTO OPPORTUNITIES

Looking ahead, 2024 remains a challenge. Economic uncertainty, high interest rates, potential CRE loan defaults and intensifying competition for deposits will have an impact on community banks' asset growth. All these are challenges that First General Bank is prepared to overcome.

Since 2005, we've successfully navigated the 2008 financial crisis, the COVID-19 pandemic and subsequent interest rate drop, the current high interest rate environment and the most recent banking crisis. Each time, we have emerged stronger and turned these challenges into opportunities to grow as an organization.

We will continue our commitment to conservative balance sheet management, vigorous expense control and serving our core customer base. Additionally, we continue to leverage technology to enhance cybersecurity and streamline operations.

We would like to thank our loyal customers, shareholders, directors and dedicated team for their never-ending support in helping us achieve our goals. We look forward to a successful 2024 and beyond, united together.

Jackson Yang
Chairman of the Board

Cliff J. Hsu
President & CEO

致股東函

親愛的股東們:

儘管 2023 年銀行業的經濟環境充滿挑戰，但大通銀行堅持不懈，再次創造了破紀錄的利潤。我們的堅毅和策略部署以及我們對股東價值最大化的持續努力都實現在您最近一年中收到的股息支票中。

從2023年初，因爲通膨、快速上升的利率環境和其他宏觀經濟問題帶來總體經濟不確定性，整個產業都保持謹慎態度。然而，沒有人能夠預測 2023 年上半年三家地區性銀行會急劇倒閉。儘管政府、監管機構和經濟學家保證這些銀行倒閉只是獨立事件，但其影響是可以感受到的，因爲恐慌和信心下降，導致客戶存款從規模較小的機構流出，到規模較大的機構尋求安全港。

在此期間，我們也有一些客戶對大通銀行的安全和穩健表示擔憂，這是可以理解的。我們的管理階層和員工不懈怠地工作，消除了許多這些擔憂，並向我們的客戶展示了我們是個一流的銀行。我們非常感謝他們的持續信任、股東的支持和員工的奉獻，使我們能夠在這一年實現安全、穩健和盈利的營運。

2023年財務表現

建立在過去堅實的基礎上，2023年，我們在多個領域繼續保持強度水平:

- 銀行的稅前獲利爲創紀錄的6,394萬元，較去年上升29.99%。
- 同樣地，稅後淨利爲4,513萬元，比2022年增加了29.99%。
- 銀行的績效比率繼續在全國大多數銀行中名列前茅，ROAE（平均資本回報率）爲 19.22%，ROAA（平均資產回報率）爲 3.89%。
- 總資產達到11.5億美元，較2022年的11.8億美元減少了2.18%。在利率環境非常高和經濟前景不明朗的情況下，管理層選擇暫時不積極擴大資產規模，也不競爭超高成本的零售存款，以免對銀行的風險造成負面影響。
- 新增貸款金額有1.63億美元。
- 貸款總額從2022年的9.38億美元略微下降至8.98億美元，此次下調是由於銀行擔心經濟不確定性以及高利率環境對商業房地產資產品質的影響。
- 總存款額從2022年9.00億美元減至8.34億美元，約減少了7.21%。由於銀行有充足的現金流量，因此刻意不競爭高超成本的零售存款。
- 銀行資本比率爲21.92% ，比2022年增長了4.40%，顯示本行資本充足。
- 股東淨值增長17.14%，至2.45億美元。
- 股票帳面值從2022年的51.20美元增加16.04%至每股59.41美元。
- 向股東發放的2023股利總計爲每股普通股 2.50 美元，較 2022 年增加 100%。
- 我們持續獲得美國財政部的社區發展金融機構（CDFI）認證，並獲得銀行企業獎，以表彰我們對社區發展的持續投資。

榮譽與獎項

2005 - 大通銀行於羅蘭崗開幕營運
2008 - BauerFinancial 評選爲最高榮譽之「五星獎」
2009 - BauerFinancial 評選爲最高榮譽之「五星獎」
2011 - Findley Reports 評選爲「超級優異營運之銀行」
2012 - SNL Financials 評選爲「第一名頂級銀行」
LA Business Journal洛杉磯商業雜誌評選爲「洛杉磯獲利率最高之銀行」
Findley Reports 評選爲「超級優異營運之銀行」
2013 - SBA 評選爲「中小型企業出口貸款之年度銀行」
Findley Reports 評選爲「超級優異營運之銀行」
2014 - Findley Reports 評選爲「超級優異營運之銀行」
2015 - BauerFinancial 評選爲最高榮譽之「五星獎」
Findley Reports 評選爲「超級優異營運之銀行」
2016 - BauerFinancial 評選爲最高榮譽之「五星獎」
Findley Reports 評選爲「超級優異營運之銀行」
2017 - BauerFinancial 評選爲最高榮譽之「五星獎」
Findley Reports 評選爲「超級優異營運之銀行」
LA Business Journal洛杉磯商業雜誌評選爲「洛杉磯獲利率最高之銀行」
Orange County Business Journal 評選爲「優等中小型企業貸款performance-price ratio銀行」
2018 - BauerFinancial 評選爲最高榮譽之「五星獎」
Findley Reports 評選爲「超級優異營運之銀行」
2019 - BauerFinancial 評選爲最高榮譽之「五星獎」
Findley Reports 評選爲「超級優異營運之銀行」
S&P Global Intelligence 評選爲“100家頂級社區銀行”之一
2020 - BauerFinancial 評選爲最高榮譽之「五星獎」和Findley Reports 評選爲「超級優異營運之銀行」
2021 - BauerFinancial 評選爲最高榮譽之「五星獎」和Findley Reports 評選爲「超級優異營運之銀行」
S&P Global 30億美元資產以下銀行 評選爲「加州最佳表現銀行第一名 」和 「全美國第四名」
2022 - BauerFinancial 評選爲最高榮譽之「五星獎」和Findley Reports 評選爲「超級優異營運之銀行」
S&P Global 評選爲 (資產規模小於100億美元以下銀行的12個州) 「美西最佳銀行第一名 」
2023 - Bauer Financial 評選爲最高榮譽之「五星獎」和 Findley Reports 評選爲「超級優異營運之銀行」
S&P Global 評選爲(資產規模小於100億美元以下銀行的12個州) 「美西最佳銀行 50 強」

化挑戰爲機遇

展望未來，2024 年仍是艱難的挑戰。經濟的不確定性、高利率、潛在的商業房地產貸款違約以及存款競爭的加劇將對社區銀行的資產成長產生影響。所有這些都是我們大通銀行需要克服的挑戰。

自2005年開行以來，我們成功應對了2008年金融危機、2020年COVID-19 大流行和隨後的利率下降、當前的高利率環境以及最近的銀行危機。每一次，我們都變得更加強大，並將這些挑戰轉化爲堅實發展的機會。

我們將繼續致力於保守的資產負債表管理、嚴格的費用控制和用心服務我們的核心客戶群。此外，我們會繼續利用科技來增強網路安全並簡化營運。

我們要感謝我們忠實的客戶、股東、董事和敬業的銀行團隊，感謝大家幫助我們實現目標並給予我們的無盡支持。我們團結一致，期待 2024 年及以後取得更大的成功。

董事長
楊信

總裁/執行長
徐仁貴

CONTENTS

Independent Auditor's Report

To the Board of Directors
First General Bank
Rowland Heights, California

Report on the Audit of the Financial Statements and Internal Control over Financial Reporting

Opinions on the Financial Statements and Internal Control Over Financial Reporting

We have audited the financial statements of First General Bank, which comprise the statements of financial condition as of December 31, 2023 and 2022, and the related statements of income, comprehensive income, changes in shareholders equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of First General Bank as of December 31, 2023 and 2022, and the results of their operations and their cash flows for years then ended in accordance with accounting principles generally accepted in the United States of America.

We also have audited First General Bank's internal control over financial reporting as of December 31, 2023, based on the criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, First General Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in the *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control Over Financial Reporting section of our report. We are required to be independent of First General Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note A to the financial statements, the Bank adopted the provisions of FASB Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as of January 1, 2023, using the modified retrospective approach with an adjustment at the beginning of the adoption period. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements and Internal Control over Financial Reporting

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management Report Regarding Statement of Management's Responsibilities, Compliance with Designated Laws and Regulations, and Management's Assessment of Internal Control over Financial Reporting.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about First General Bank's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control Over Financial Reporting

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and about whether effective internal control over financial reporting was maintained in all material respects, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of financial statements or an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit of financial statements and an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances.
- Obtain an understanding of internal control over financial reporting relevant to the audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about First General Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the financial statement audit.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. Because of management's assessment and our audit were conducted to meet the reporting requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (FDICA), our audit of First General Bank's internal control over financial reporting included controls over the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and with the instructions to the Reports of Condition and Income for A Bank with Domestic Offices Only (Call Report instructions). An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Eide Bailly LLP

Laguna Hills, California
March 29, 2024

FIRST GENERAL BANK

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Cash and Due from Banks	$ 214,488,386	$ 137,989,118
Federal Funds Sold	-	66,000,000
TOTAL CASH AND CASH EQUIVALENTS	214,488,386	203,989,118
Interest-Bearing Deposits in Other Banks	2,990,000	1,494,000
Securities Available for Sale at fair value (Amortized Cost at 2023 of $6,511,112 and $6,749,455 at 2022, net of allowance for credit losses of $0 at 2023)	5,310,158	5,497,285
Securities Held to Maturity (Fair Value of $5,154,060 at 2023 and 5,802,946 at 2022, net of allowance for credit losses at 2023 of $0)	5,309,363	6,040,770
Loans:		
Real Estate	866,806,846	904,202,383
Commercial	30,185,372	31,902,782
TOTAL LOANS	896,992,218	936,105,165
Net Deferred Loan Fees	(1,425,175)	(1,568,450)
Unaccreted Discount on Acquired Loans	-	(9,661)
Allowance for Credit Losses	(13,838,923)	(10,653,382)
NET LOANS	881,728,120	923,873,672
Premises and Equipment	1,572,038	1,732,033
Right of Use ("ROU") Assets	5,651,027	6,287,901
Federal Home Loan Bank (FHLB) Stock, at cost	5,147,900	5,073,900
Bank Owned Life Insurance ("BOLI")	6,665,540	6,518,011
Deferred Income Taxes	9,969,046	7,272,116
Goodwill	248,671	248,671
Accrued Interest and Other Assets	10,721,892	7,387,408
TOTAL ASSETS	$ 1,149,802,141	$ 1,175,414,885

FIRST GENERAL BANK

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2023 AND 2022

LIABILITIES AND SHAREHOLDERS' EQUITY

	2023	2022
Deposits:		
Noninterest-Bearing Demand	$ 127,814,910	$ 177,767,954
Savings, NOW and Money Market Accounts	169,308,106	227,877,977
Time Deposits	537,098,824	493,363,520
TOTAL DEPOSITS	834,221,840	899,009,451
FHLB Advance	38,000,000	38,000,000
Operating Lease Liabilities	6,398,000	6,977,990
Accrued Interest and Other Liabilities	24,802,367	20,807,929
TOTAL LIABILITIES	903,422,207	964,795,370
Commitments and Contingencies - Note L		
Shareholders' Equity:		
Preferred Stock - 10,000,000 Shares Authorized, No Par Value; No Shares Issued and Outstanding	-	-
Common Stock - 10,000,000 Shares Authorized, No Par Value; Shares Issued and Outstanding of 4,136,303 at 2023 and 4,097,303 at 2022	46,787,218	45,894,967
Additional Paid-in-Capital	2,325,490	2,309,920
Retained Earnings	198,113,177	163,296,656
Accumulated Other Comprehensive Loss - Unrealized Loss on Available-for-Sale Securities, Net of Taxes of $355,002 at 2023 and $370,142 at 2022	(845,951)	(882,028)
TOTAL SHAREHOLDERS' EQUITY	246,379,934	210,619,515
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,149,802,141	$ 1,175,414,885

FIRST GENERAL BANK

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
INTEREST INCOME		
Interest and Fees on Loans	$ 89,666,665	$ 62,090,946
Interest on Investment Securities	352,383	210,315
Interest on Federal Funds Sold and Other	9,259,675	4,467,636
TOTAL INTEREST INCOME	99,278,723	66,768,897
INTEREST EXPENSE		
Interest on Savings, NOW and Money Market Accounts	2,092,807	814,696
Interest on Time Deposits	16,021,940	3,963,620
Interest on Other Borrowings	555,968	182,747
TOTAL INTEREST EXPENSE	18,670,715	4,961,063
NET INTEREST INCOME	80,608,008	61,807,834
Provision for Credit Losses	3,400,000	800,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	77,208,008	61,007,834
NONINTEREST INCOME		
Service Charges and Fees on Deposits	345,303	379,520
CDFI (Community Development Financial Institutions fund) Grant	2,296,479	170,699
Other Charges and Fees	1,016,859	1,370,621
Earnings on BOLI	147,528	143,340
Gain on Sale of Loans	596,259	1,051,294
	4,402,428	3,115,474
NONINTEREST EXPENSE		
Salaries and Employee Benefits	11,975,271	9,145,490
Occupancy and Equipment Expenses	1,795,082	1,733,290
Other Expenses	3,897,417	4,053,681
	17,667,770	14,932,461
INCOME BEFORE INCOME TAXES	63,942,666	49,190,847
Income Tax Expense	18,815,387	14,473,827
NET INCOME	$ 45,127,279	$ 34,717,020

FIRST GENERAL BANK

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Net Income	$ 45,127,279	$ 34,717,020
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized Gains and (Losses) on Securities Available for Sale:		
Changes in Unrealized Gains (Losses)	51,217	(1,137,334)
Changes in Related Income Taxes	(15,140)	336,196
OTHER COMPREHENSIVE INCOME (LOSS)	36,077	(801,138)
TOTAL COMPREHENSIVE INCOME	$ 45,163,356	$ 33,915,882

FIRST GENERAL BANK

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common Stock		Additional		Accumulated Other	
	Number of Shares	Amount	Paid-in Capital	Retained Earnings	Comprehensive Income/(Loss)	Total
Balance at January 1, 2022	4,060,302	$ 45,105,407	$ 2,178,109	$ 133,701,265	$ (80,890)	$ 180,903,891
Net Income				34,717,020		34,717,020
Stock-Based Compensation			271,499			271,499
Exercise of Stock Options	37,001	789,560	(139,688)			649,872
Dividends Declared				(5,121,629)		(5,121,629)
Other Comprehensive Loss, Net of Taxes					(801,138)	(801,138)
Balance at December 31, 2022	4,097,303	45,894,967	2,309,920	163,296,656	(882,028)	210,619,515
Net Income				45,127,279		45,127,279
Stock-Based Compensation			166,100			166,100
Exercise of Stock Options	39,000	892,251	(150,530)			741,721
Dividends Declared				(10,310,758)		(10,310,758)
Other Comprehensive Gain, Net of Taxes					36,077	36,077
Balance at December 31, 2023	4,136,303	$ 46,787,218	$ 2,325,490	$ 198,113,177	$ (845,951)	$ 246,379,934

FIRST GENERAL BANK

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING ACTIVITIES		
Net Income	$ 45,127,279	$ 34,717,020
Adjustments to Reconcile Net Income to Net Cash		
From Operating Activities:		
Depreciation, Amortization and Accretion, Net	200,007	190,141
Provision for Credit Losses	3,400,000	800,000
Stock-Based Compensation	166,100	271,499
Decrease in Payment Protection Program deferred loan fees	(500)	(627,440)
Gain on Sale of Loans	(596,259)	(1,051,294)
Earnings on BOLI	(147,528)	(143,340)
Deferred Income Tax Benefit	(2,712,070)	(828,535)
Change in Accrued Interest and Other Assets	(2,706,355)	1,283,398
Change in Accrued Interest and Other Liabilities	2,331,623	4,996,976
NET CASH FROM OPERATIONS	$ 45,062,297	$ 39,608,425
INVESTING ACTIVITIES		
Net Change in Interest-Bearing Deposits in Other Banks	(1,496,000)	(502,000)
Purchase of Held-To-Maturity Securities	-	(3,535,140)
Maturity/Principal Paydowns of Held to Maturities	736,207	580,930
Maturity/Principal Paydowns of Available-for-Sale Securities	230,967	358,276
Purchase in FHLB and Other Stock	(74,000)	(309,800)
Net Decrease (increase) in Loans	26,255,906	(13,853,439)
Proceeds from Loan Sales	13,096,067	17,046,377
Purchases of Premises and Equipment	(38,352)	(28,514)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	$ 38,710,795	$ (243,310)
FINANCING ACTIVITIES		
Net Change in Demand Deposits and Savings Accounts	(108,522,916)	(33,900,682)
Net Change in Time Deposits	43,735,304	(62,981,490)
Repayment of Long-Term FHLB Advances	-	(10,000,000)
Dividends Paid	(9,227,933)	(4,055,769)
Proceeds from Exercise of Stock Options, Including Tax Benefit	741,721	649,873
NET CASH USED IN FINANCING ACTIVITIES	$ (73,273,824)	$ (110,288,068)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 10,499,268	$ (70,922,953)
Cash and Cash Equivalents at Beginning of Year	203,989,118	274,912,071
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 214,488,386	$ 203,989,118
Supplemental Disclosures of Cash Flow Information:		
Interest Paid	$ 18,027,670	$ 4,697,770
Taxes Paid	$ 23,850,000	$ 14,660,000

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and FDIC Part 350.4 Statement

The Bank has been incorporated in the State of California and organized as a single operating segment that operates five full-service branches in Rowland Heights, Arcadia, San Gabriel, Irvine, and Cerritos, California. The Bank's primary source of revenue is providing loans to customers, who are predominately small and middle-market businesses and individuals. These financial statements have not been reviewed, or confirmed for accuracy or relevance, by the Federal Deposit Insurance Corporation ("FDIC"). The Bank is considered a public business entity.

Subsequent Events

The Bank has evaluated subsequent events for recognition and disclosure through March 29, 2024 which is the date the financial statements were available to be issued.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A material estimate that is particularly susceptible to significant change in the near term is the determination of the allowance for credit losses.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash, due from banks, federal funds sold and term federal funds sold with original maturities of less than 90 days.

Cash and Due From Banks

Banking regulations require that banks maintain a percentagef their deposits as reserves in cash or on deposit with the Federal Reserve Bank. There were no reserves required to be held as of December 31, 2023. The Bank was in compliance with all reserve requirements as of December 31, 2023 and 2022.

The Bank maintains amounts due from banks, which may exceed federally insured limits. Management regularly evaluates the credit risk associated with these banks and believes that the Bank is not exposed to any significant credit risk on cash and cash equivalents. The Bank has not experienced any losses in such accounts.

Interest-Bearing Deposits in Other Banks

Interest-bearing deposits in other banks mature within one year and are carried at cost.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Debt Securities

Debt securities are classified in three categories and accounted for as follows: debt securities that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity and are measured at amortized cost; debt securities bought and held principally for the purpose of selling in the near term are classified as trading securities and are measured at fair value, with unrealized gains and losses included in earnings; debt securities not classified as either held-to-maturity or trading securities are deemed as available-for-sale and are measured at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. Gains or losses on sales of debt securities are determined using the specific identification method. Premiums and discounts are amortized or accreted using the interest method over the expected lives of the related securities.

Prior to January 1, 2023, management evaluates securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows; OTTI related to credit loss, which must be recognized in the income statement and; OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis.

Effective January 1, 2023, the Bank accounts for credit losses on available for sale securities in accordance with ASC 326-30. Debt securities are measured at fair value and subject to impairment testing. When a debt security is considered impaired, the Bank must determine if the decline in fair value has resulted from a credit-related loss or other factors and then, (1) recognize an allowance for credit loss by a charge to earnings for the credit-related component (if any) of the decline in fair value, and (2) recognize in other comprehensive income (loss) any non-credit related components of the fair value change. If the amount of the amortized cost basis expected to be recovered increases in a future period, the valuation reserve would be reduced, but not more than the amount of the current existing reserve for that security.

For available-for-sale debt securities in an unrealized loss position, the Bank first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security’s amortized cost basis is written down to fair value through income. For debt securities available-for-sale that do not meet the aforementioned criteria, the Bank evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income (loss).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Changes in the allowance for credit losses are recorded as credit loss expense (or reversal). Losses are charged against the allowance when management believes the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest receivable on available-for-sale securities total $11,700 at December 31, 2023 and is excluded from the estimate of credit losses.

The Bank measures expected credit losses on held-to-maturity debt securities on a collective basis by major security type. Accrued interest receivable on held-to-maturity debt securities totaled $12,000 at December 31, 2023 is included in accrued interest and other assets on the statements of financial condition and is excluded from the estimate of credit losses.

For agency securities there are no expected credit losses as they are guaranteed by U.S. government, are highly rated by major rating agencies, and a have long history of no credit losses. For municipality securities, the estimate of expected credit losses is considered through historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. Changes in the ACL on held-to-maturity debt securities are recorded as a component of provision for credit losses in the statements of income. Losses are charged against the ACL when the Bank believes the uncollectibility of a held-to-maturity debt security is confirmed.

Loans

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances reduced by any charge-offs or specific valuation accounts and net of any deferred fees or costs on originated loans, or unamortized premiums or discounts on purchased loans. Loan origination fees and certain direct origination costs are capitalized and recognized as an adjustment of the yield of the related loan. Premiums and discounts on loans purchased are grouped by type and certain common risk characteristics and amortized or accreted as an adjustment of yield over the weighted-average remaining contractual lives of each group of loans, adjusted for prepayments when applicable, using methodologies which approximate the interest method.

Loans on which the accrual of interest has been discontinued are designated as nonaccrual loans. The accrual of interest on loans is discontinued when principal or interest is past due 90 days based on the contractual terms of the loan or when, in the opinion of management, there is reasonable doubt as to collectibility. When loans are placed on nonaccrual status, all interest previously accrued but not collected is reversed against current period interest income. Income on nonaccrual loans is subsequently recognized only to the extent that cash is received and the loan's principal balance is deemed collectible. Interest accruals are resumed on such loans only when they are brought current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to all principal and interest.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Allowance for Credit Losses - Loans

Effective January 1, 2023, the Bank accounts for credit losses on loans in accordance with ASC 326, which requires the Bank to record an estimate of expected lifetime credit losses for loans at the time of origination. The allowance for credit losses ("ACL") is maintained at a level deemed appropriate by management to provide for expected credit losses in the portfolio as of the date of the balance sheet. Loans are charged-off against the allowance when management believes the collectability of the loan balance is unlikely. Subsequent recoveries, if any, are credited to the ACL. Estimating expected credit losses requires management to use relevant forward-looking information, including the use of reasonable and supportable forecasts. The measurement of the ACL is performed by collectively evaluating loans with similar risk characteristics. The Bank has elected to utilize the weighted average remaining maturity (WARM) to determine the allowance for expected credit losses. The Bank chose the WARM method based on the size and complexity of the loan portfolio and based on the complexity and sophistication of the credit risk management process being performed by the company for specific pools of financial assets.

The Bank's methodology incorporates expectations of future economic conditions, using reasonable and supportable forecasts. The use of reasonable and supportable forecasts requires significant judgment, such as selecting forecast scenarios and related scenario-weighting, as well as determining the appropriate length of the forecast horizon. The Bank's methodology utilizes 1 to 1.5 year reasonable and supportable forecast period. Management relies on multiple forecasts, blending them into a single loss estimate and will then revert back to the same loss rate as historical losses.

Management estimates the allowance over the loan's entire contractual term, adjusted for expected prepayments when appropriate. The allowance estimate considers relevant, available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for qualitative factors that cause the estimate for expected losses as of the evaluation date to differ from historical loss experience.

The Bank uses qualitative factors within the CECL model: lending policies, procedures, and strategies; changes in nature and volume of the portfolio; credit & lending personnel experience; changes in volume and trends in classified loans, delinquencies, and nonaccrual; concentration risk; collateral values; regulatory and business environment; loan review results; and economic conditions.

The Bank has identified the following loan pools: construction and land development, residential real estate, multi-family, commercial – owner occupied, commercial-others, commercial and industrial. Relevant risk characteristics for these loan pools include debt service coverage, loan-to-value ratios and financial performance.

The Bank assesses expected credit losses for individual instruments that have different risk characteristics than those that are evaluated on a collective (pooled) basis. An individual analysis will provide a specific reserve for instruments involved with fair market value of collateral or present value of future cash flow. In such a manner, the Bank performs individual analysis on loans that are 90 or more days past due, on non-accrual status or modified loans.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A loan is considered collateral dependent when management determines that foreclosure is probable or when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The ACL on collateral dependent loans is measured using the amortized cost basis of the financial asset less the fair value of the underlying collateral, adjusted for costs to sell, when applicable. If the value of the underlying collateral is determined to be less than the recorded amount of the loan, a specific reserve for that loan is recorded. If the Bank determines that the loss represented by the specific reserve is uncollectible it records a charge-off for the uncollectible portion. Accrued interest receivable on loans totaled $6,787,000 at December 31, 2023 is included in accrued interest and other assets on the statements of financial condition and is excluded from the estimate of credit losses.

Prior to the adoption of ASU 2022-02 on January 1, 2023, a loan was classified as a troubled debt restructuring (TDR) when the Bank granted a concession to a borrower experiencing financial difficulties that it otherwise would not consider under its normal lending policies under ASC Subtopic 310-40, Troubled Debt Restructurings by Creditors. Upon adoption of ASU 2022-02, the Bank evaluates all receivable modifications under ASC 310 to determine whether a modification made to a borrower result in a new loan or a continuation of the existing loan. The Bank no longer consider renewals, modifications, or extensions resulting from reasonably expected TDRs when calculating the allowance for credit losses under ASC 326. The post-modification effective interest rate is used to calculate the allowance for credit losses when discounted cash flow ("DCF") method is applied. The Bank applied the general loan modification guidance provided in ASC 310-20 to all loan modifications, including modifications made for borrowers experiencing financial difficulty. The Bank considers some of the indicators that a borrower is experiencing financial difficulty to be: currently in payment default on any of their debt, declaring bankruptcy, going concern, insufficient cash flow to service all debt service requirements, inability to obtain funds from other sources at a market rate for similar debt to non-troubled borrowers, and currently classified as substandard loans that are categorized as having well-defined weaknesses.

ASU 2022-02 requires that certain types of modifications be reported, which consist of (1) principal forgiveness; (2) interest rate reduction; (3) other-than-insignificant payment delay; (4) term extension; and any combination the Bank applied the general loan modification guidance provided in ASC 310-20 to all loan modifications, including modifications made for borrowers experiencing financial difficulty. The Bank considers some of the indicators that a borrower is experiencing financial difficulty to be: currently in payment default on any of their debt, declaring bankruptcy, going concern, insufficient cash flow to service all debt service requirements, inability to obtain funds from other sources at a market rate for similar debt to non-troubled borrowers, and currently classified as substandard loans that are categorized as having well-defined weaknesses.

<u>Allowance for Loan Losses</u>

Prior to the Bank's adoption of ASC 326 on January 1, 2023, the Bank maintained an allowance for loan losses ("ALLL") in accordance with ASC 450, *Contingencies* and ASC 310, *Receivables*. The ALLL was a valuation allowance for probable incurred credit losses. Loan losses were charged against the allowance when management believed the uncollectibility of a loan balance was confirmed. Subsequent recoveries, if any, were credited to the allowance. Management estimated the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may have been made for specific loans, but the entire allowance was available for any loan that, in management's judgment, should be charged-off. Amounts were

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

charged-off when available information confirmed that specific loans or portions thereof, were uncollectible. This methodology for determining charge-offs was consistently applied to each segment.

Allowance for Credit Losses on Off-Balance Sheet Credit Exposures

The Bank records a liability for lifetime expected losses on off-balance-sheet credit exposure that do not fit the definition of unconditionally cancelable in accordance with ASC 326. The Bank uses the loss rate and exposure of default framework to estimate a reserve for unfunded commitments. Loss rates for the expected funded balances are determined based on the associated pooled loan analysis loss rate and the exposure at default is based on an estimated utilization given default. The allowance for off-balance sheet commitments totaled $330,000 at December 31, 2023 and $80,000 at December 31, 2022, and is included in other liabilities on the statements of financial condition.

Bank Owned Life Insurance

Bank owned life insurance is recorded at the amount that can be realized under insurance contracts at the date of the statement of financial condition, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Other Real Estate Owned

Real estate acquired by foreclosure or deed in lieu of foreclosure is recorded at fair value at the date of foreclosure, establishing a new cost basis by a charge to the allowance for credit losses, if necessary. Other real estate owned is carried at the lower of the Bank's carrying value of the property or its fair value, less estimated carrying costs and costs of disposition. Fair value is based on current appraisals less estimated selling costs. Any subsequent write-downs are charged against operating expenses and recognized as a valuation allowance. Operating expenses of such properties, net of related income, and gains and losses on their disposition are included in other operating expenses.

Premises and Equipment

Premises and equipment are carried at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives, which ranges from three to ten years for furniture, equipment, and computer equipment. Leasehold improvements are amortized using the straight-line method over the estimated useful lives of the improvements or the remaining lease term, whichever is shorter. Expenditures for improvements or major repairs are capitalized and those for ordinary repairs and maintenance are charged to operations as incurred.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Leases

The Bank determines if an arrangement contains a lease at contract inception and recognize right-of-use ("ROU") assets and operating lease liabilities based on the present value of lease payments over the lease term. While operating leases may include options to extend the term, the Bank does not take into account the options in calculating the ROU asset and lease liability unless it is reasonably certain such options will be reasonably exercised. The present value of lease payments is determined based on the Bank's incremental borrowing rate and other information available at lease commencement. Leases with an initial term of 12 months or less are not recorded in the statements of financial condition. Lease expense is recognized on a straight-line basis over the lease term. The Bank has elected to account for lease agreements with lease and non-lease components as a single lease component.

Goodwill and Other Intangible Assets

Goodwill is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquire, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but tested for impairment at least annually. The Bank has selected December 31 as the date to perform the annual impairment test. Intangible assets with definite useful lives are amortized over their estimated useful lives to their estimated residual values. Goodwill is the only intangible asset with an indefinite life on the statement of financial condition.

Other intangible assets consist of core deposit intangible assets arising from whole bank acquisitions. They are initially measured at fair value and then are amortized on an accelerated method over their estimated useful lives, which range from 7 to 10 years.

Federal Home Loan Bank ("FHLB") Stock

The Bank is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on the ultimate recovery of par value. Both cash and stock dividends are reported as income. The Bank's investment in FHLB stock was $5,147,900 and $5,073,900 at December 31, 2023 and 2022, respectively.

Pursuant to the adoption of ASU 2016-01 on January 1, 2018, the Bank elected the measurement alternative for measuring equity securities without readily determinable fair values at cost less impairment, plus or minus observable price changes in orderly transactions. No adjustments were required.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonable estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue Recognition – Noninterest Income

In accordance with Topic 606, revenues are recognized when control of promised goods or services is transferred to customers in an amount that reflects the consideration the Bank expects to be entitled to in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of Topic 606, the Bank performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligation in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation in the contract; and (v) recognize revenue when (or as) the Bank satisfies a performance obligation. The Bank only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of Topic 606, the Bank assesses the goods or services that are promised within each contract and identifies those that contain performance obligation, and assesses whether each promised good or service is distinct. The Bank then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. All of the Bank's revenue from contracts with customers within the scope of ASC 606 is recognized in non-interest income.

The following is a discussion of key revenues within the scope of Topic 606.

Service Charges and Fees on Deposit Accounts

The Bank earns fees from its deposit customers for account maintenance, transaction-based and overdraft services. Account maintenance fees consist primarily of account fees and analyzed account fees charged on deposit accounts on a monthly basis. The performance obligation is satisfied and the fees are recognized on a monthly basis as the service period is completed. Transaction-based fees on deposits accounts are charged to deposit customers for specific services provided to the customer, such as non-sufficient funds fees, overdraft fees, and wire fees. The performance obligation is completed as the transaction occurs and the fees are recognized at the time each specific service is provided to the customer.

Advertising Costs

The Bank's expenses in advertising were $14,160 and $9,100 at December 31, 2023 and 2022, respectively.

Stock-Based Compensation

The Bank recognizes the cost of employee services received in exchange for awards of stock options, or other equity instruments, based on the grant-date fair value of those awards. This cost is recognized over the period which an employee is required to provide services in exchange for the award, generally the vesting period.

Compensation cost is recognized over the required service period, generally defined as the vesting period, on s straight-line basis. The Bank has elected to account for forfeitures of stock-based awards as they occur. Excess tax benefits and tax deficiencies relating to stock-based compensation are recorded as income tax expense or benefit in the income statement when incurred.

Note M for additional information on the Bank's stock option plan.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

Deferred income taxes are computed using the asset and liability method, which recognizes a liability or asset representing the tax effects, based on current tax law, of future deductible or taxable amounts attributable to events that have been recognized in the financial statements. A valuation allowance is established to reduce the deferred tax asset to the level at which it is "more likely than not" that the tax asset or benefits will be realized. Realization of tax benefits of deductible temporary differences and operating loss carryforwards depends on having sufficient taxable income of an appropriate character within the carryforward periods.

The Bank has adopted guidance issued by the Financial Accounting Standards Board ("FASB") that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by taxing authorities. Interest and penalties related to uncertain tax positions are recorded as part of income tax expense.

Comprehensive (Loss) Income

The change in unrealized gains and losses on available-for-sale securities is the only component of accumulated other comprehensive (loss) income for the Bank.

Credit Related Financial Instruments

In the ordinary course of business, the Bank has entered into off-balance sheet financial instruments consisting of commitments to extend credit, commercial letters of credit, and standby letters of credit as described in Note K. Such financial instruments are recorded in the financial statements when they are funded or related fees are incurred or received.

Fair Value Measurement

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Current accounting guidance establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect a Bank's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

See Note N for more information and disclosures relating to the Bank's fair value measurements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Bank, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Loan Sales and Servicing of Financial Assets

The Bank originates SBA loans that may be sold in the secondary market. Servicing rights are recognized separately when they are acquired through sale of loans. Servicing rights are initially recorded at fair value with the income statement effect recorded in gain on sale of loans. Fair value is based on a valuation model that calculates the present value of estimated future cash flows from the servicing assets. The valuation model uses assumptions that market participants would use in estimating cash flows from servicing assets, such as the cost to service, discount rates and prepayment speeds. The Bank compares the valuation model inputs and results to published industry data in order to validate the model results and assumptions. Servicing assets are subsequently measured using the amortization method which requires servicing rights to be amortized into noninterest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

Management periodically evaluates servicing assets for impairment, utilizing a fair value approach. Fair value is determined using prices for similar assets with similar characteristics, when available, or based upon discounted cash flows using market based assumptions. A valuation allowance is recorded where the fair value is below the carrying amount of the asset. If the Bank later determines that all or a portion of the impairment no longer exists for a particular grouping, a reduction of the allowance may be recorded as an increase in income. The fair values of servicing rights are subject to significant fluctuations as a result of changes in estimated and actual prepayments speeds and changes in the discount rates. The balance of servicing assets was $1,211,812 and $1,462,933 at December 31, 2023 and December 31, 2022, respectively, which are included within the accrued interest and other assets account on the statement of financial condition.

Servicing fee income which is reported on the income statement as service charges, fees and other is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal and recorded as income when earned. The amortization of servicing rights and changes in the valuation allowance are netted against loan servicing income.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting Standard Adopted in 2023

On January 1, 2023, the Bank adopted Accounting Standards Update (ASU) ASU 2016-13, Measurement of Credit Losses on Financial Instrument (Topic 326), including subsequent amendments to this ASU. This ASU changes how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The standard replaces "incurred loss" approach with an "expected loss" model. The new model, referred to as the current expected credit loss ("CECL") model, applies to: (1) financial assets subject to credit losses and measured at amortized cost, and (2) certain off-balance sheet credit exposures. This includes, but is not limited to: loans, held to maturity debt securities, and off-balance sheet credit exposures. For available for sale ("AFS") debt securities with unrealized losses, losses will be recognized as allowances rather than reductions in the amortized cost of the securities. ASU 2016-13 also expands the disclosure requirements regarding an entity's assumptions, models, and methods for estimating the allowance for credit losses. In addition, entities will need to disclose the amortized cost balance for each class of financial asset by credit quality indicator, disaggregated by the year of origination.

The Bank adopted Topic 326 using the modified retrospective method for all financial assets measured at amortized cost and off-balance-sheet credit exposures. Results for reporting periods beginning after January 1, 2023, are presented under the ASU, while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Bank did not have an adjustment to retained earnings as of January 1, 2023 for cumulative effect of adopting Topic 326.

On January 1, 2023, the Bank adopted ASU 2022-02, Financial Instruments – *Credit Losses (Topic 326): Trouble Debt Restructuring and Vintage Disclosures*. The ASU eliminates the recognition and measurement guidance for troubled debt restructurings and requires enhanced disclosures about loan modifications for borrowers experiencing financial difficulty. This ASU also requires enhanced disclosure for loans that have been charged off. The adoption of the ASU provisions did not have a significant impact on the Bank's financial statements.

NOTE B - DEBT SECURITIES

Debt securities have been classified in the statements of financial condition according to management's intent. The amortized cost of securities and their approximate fair values at December 31 were as follows:

December 31, 2023 Available-for-Sale:	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mortgage-Backed Securities:				
Agency	$ 6,504,063	$ 392	$ (1,201,487)	$ 5,302,968
Collateralized Mortgage Obligations:				
Agency	7,049	141	-	7,190
	$ 6,511,112	$ 533	$ (1,201,487)	$ 5,310,158
Held-to-Maturity:				
Mortgage-Backed Securities:				
Agency	$ 1,745,133	$ -	$ (180,116)	$ 1,565,017
U. S. Government/Sponsored Obligation:				
Agency	3,000,000	-	(5,367)	2,994,633
Municipal Bond	564,230	30,180	-	594,410
	$ 5,309,363	$ 30,180	$ (185,483)	$ 5,154,060
December 31, 2022				
Available-for-Sale:				
Mortgage-Backed Securities:				
Agency	$ 6,740,996	$ 455	$ (1,252,698)	$ 5,488,753
Collateralized Mortgage Obligations:				
Agency	8,459	73	-	8,532
	$ 6,749,455	$ 528	$ (1,252,698)	$ 5,497,285
Held-to-Maturity:				
Mortgage-Backed Securities:				
Agency	$ 2,501,627	$ -	$ (269,686)	$ 2,231,941
U. S. Government/Sponsored Obligation:				
Agency	3,000,000	4,446	-	3,004,446
Municipal Bond	539,143	27,416	-	566,559
	$ 6,040,770	$ 31,862	$ (269,686)	$ 5,802,946

NOTE B - DEBT SECURITIES - Continued

The carrying value of debt securities pledged for borrowings and for other purposes as required or permitted by law was approximately $10,055,000 at December 31, 2023 and $10,999,000 at December 31, 2022.

The Bank did not sell debt securities during 2023 or 2022.

The amortized cost and estimated fair value of all debt securities available for sale and held to maturity at December 31, 2023, by expected maturities are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available-for-Sale		Held-To-Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due Before Ten Years	$ 34,616	$ 34,918	$ 3,404,603	$ 3,372,676
Due After Ten Years	6,476,496	5,275,240	1,904,760	1,781,384
	$ 6,511,112	$ 5,310,158	$ 5,309,363	$ 5,154,060

As of December 31, unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are summarized as follows:

	Less than Twelve Months		Over Twelve Months		Total	
December 31, 2023 Available-for-sale	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Mortgage-Backed Securities:						
Agency	$ (68)	$ 4,985	$(1,201,419)	$ 5,270,170	$(1,201,487)	$5,275,155
December 31, 2022 Available-for-sale						
Mortgage-Backed Securities:						
Agency	$ (66,590)	$ 607,038	$(1,186,108)	$ 4,850,740	$(1,252,698)	$5,457,778
Held-to-Maturity						
Mortgage-Backed Securities:						
Agency	$ (269,686)	$ 2,231,941	$ -	$ -	$ (269,686)	$2,231,941

The securities that were in an unrealized loss position at December 31, 2023, were evaluated to determine whether the decline in fair value below the amortized cost basis resulted from a credit loss or other factors. For a discussion of the factors and criteria the Bank uses in analyzing securities for impairment related to credit losses, see Note A Summary of Significant Accounting Policies – Debt Securities. At December 31, 2023, allowance for credit losses on held-to-maturity were none.

The Bank concluded the unrealized losses were primarily attributed to yield curve movement, together with widened liquidity spreads and credit spreads. The issuers have not, to the Bank's knowledge, established any cause for default on these securities. The Bank expects to recover the amortized cost basis of its securities and has no present intent to sell and will not be required to sell securities that have declined below their cost before their anticipated recovery. Accordingly, no allowance for credit losses was recorded as of December 31, 2023.

NOTE C - LOANS

The Bank's loan portfolio consists primarily of loans to borrowers within Southern California. Although the Bank seeks to avoid concentrations of loans to a single industry or based upon a single class of collateral, real estate and real estate associated businesses are among the principal industries in the Bank's market area and, as a result, the Bank's loan and collateral portfolios are, to some degree, concentrated in those industries. The Bank has pledged loans to secure lines of credit with the Federal Home Loan Bank as discussed in Note G.

The Bank also originates SBA loans for potential sale to institutional investors. A portion of the Bank's revenues are from origination of loans guaranteed by the Small Business Administration under its various programs and sale of the guaranteed portions of the loans. Funding for these loans depends on annual appropriations by the U.S. Congress. The Bank was servicing $76,473,827 and $88,585,804 in SBA loans previously sold as of December 31, 2023 and 2022, respectively.

The types of loans as of December 31, 2023 and December 31, 2022 were as follows:

	2023	2022
Loans: (1)		
Real Estate:		
Construction and land development	$ 87,074,369	$ 72,428,862
Single-family residential mortgages	32,973,073	54,477,431
Multifamily	152,095,380	156,674,537
Owner occupied commercial real estate	159,722,293	136,142,910
Non-Owner occupied commercial real estate	430,028,562	482,900,532
Commercial and industrial	33,673,366	31,902,782
Total loans (1)	$ 895,567,043	$ 934,527,054
Allowance for credit losses	(13,838,923)	(10,653,382)
Total loans, net	$ 881,728,120	$ 923,873,672

(1) net of discounts and deferred fees and costs

NOTE C - LOANS – Continued

The following table presents the activity in the allowance for credit losses by portfolio segment for the year ended December 31, 2023:

December 31, 2023	Real Estate	Commercial & Industrial	Total
Allowance for Credit Losses:			
Beginning of Year	$ 10,517,095	$ 136,287	$ 10,653,382
Provisions	2,994,617	155,383	3,150,000
Recoveries	-	35,541	35,541
Charge-offs	-	-	-
End of Year	$ 13,511,712	$ 327,211	13,838,923

The following table presents the recorded investment in loans, net of deferred loan fees and costs, and impairment method as of December 31, 2022 and the activity in the allowance for loan losses by portfolio segment for the years then ended:

December 31, 2022	Real Estate	Commercial & Industrial	Total
Allowance for Loan Losses:			
Beginning of Year	$ 9,716,517	$ 135,480	$ 9,851,997
Provisions	800,578	(578)	800,000
Recoveries	-	1,385	1,385
Charge-offs	-	-	-
End of Year	$ 10,517,095	$ 136,287	$ 10,653,382
Reserves:			
Specific	$ -	$ -	$ -
General	10,517,095	136,287	10,653,382
	$ 10,517,095	$ 136,287	$ 10,653,382
Loans Evaluated for Impairment:			
Individually	$ 896,028	$ 93,090	$ 989,118
Collectively	901,728,244	31,809,692	933,537,936
	$ 902,624,272	$ 31,902,782	$ 934,527,054

NOTE C - LOANS - Continued

The Bank categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, collateral adequacy, credit documentation, and current economic trends, among other factors. The Bank analyzes loans individually by classifying the loans as to credit risk. This analysis typically includes larger, non-homogeneous loans such as commercial real estate and commercial and industrial loans. This analysis is performed on an ongoing basis as new information is obtained. The Bank uses the following definitions for risk ratings:

Pass - Loans classified as pass include loans not meeting the risk ratings defined below.

Special Mention - Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard - Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Impaired - A loan is considered impaired, when, based on current information and events, it is probable that the Bank will be unable to collect all amounts due according to the contractual terms of the loan agreement. Additionally, all loans classified as troubled debt restructurings are considered impaired.

Doubtful - Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

NOTE C - LOANS – Continued

The following table summarizes the Bank's loan held for investment as of December 31, 2023 by loan portfolio segments, risk ratings and vintage year. The vintage year is the year of origination:

	Term Loans - Amortized Cost Basis by Origination Year						
December 31, 2023	2023	2022	2021	Prior	Revolving	Revolving Converted to Term During the Period	Total
Real Estate:							
Construction and land development							
Pass	15,114,825	33,961,117	16,115,843	21,882,584	-	-	87,074,369
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Total	15,114,825	33,961,117	16,115,843	21,882,584	-	-	87,074,369
YTD gross charge-offs	-	-	-	-	-	-	-
Single-family residential mortgages							
Pass	1,062,598	6,309,569	7,927,478	9,962,903	3,626,799	1,016,926	29,906,273
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	2,043,148	-	1,023,653	3,066,801
Doubtful	-	-	-	-	-	-	-
Total	1,062,598	6,309,569	7,927,478	12,006,051	3,626,799	2,040,579	32,973,074
YTD gross charge-offs	-	-	-	-	-	-	-
Multifamily							
Pass	27,815,352	33,193,468	18,507,205	68,008,701	3,150,779	-	150,675,505
Special mention	-	-	-	1,419,875	-	-	1,419,875
Substandard	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-
Total	27,815,352	33,193,468	18,507,205	69,428,576	3,150,779	-	152,095,380
YTD gross charge-offs	-	-	-	-	-	-	-
Owner occupied commercial real estate							
Pass	37,564,746	29,263,528	18,579,115	58,087,626	-	-	143,495,015
Special mention	-	-	-	-	-	-	-
Substandard	-	15,940,922	-	286,356	-	-	16,227,278
Doubtful	-	-	-	-	-	-	-
Total	37,564,746	45,204,450	18,579,115	58,373,982	-	-	159,722,293
YTD gross charge-offs	-	-	-	-	-	-	-
Non-Owner occupied commercial real estate							
Pass	36,988,287	102,473,944	81,070,175	201,229,902	1,240,994	-	423,003,302
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	7,025,260	-	-	7,025,260
Doubtful	-	-	-	-	-	-	-
Total	36,988,287	102,473,944	81,070,175	208,255,162	1,240,994	-	430,028,562
YTD gross charge-offs	-	-	-	-	-	-	-
Commercial and industrial							
Pass	1,280,923	612,762	6,339	7,254,593	24,451,184	-	33,605,801
Special mention	-	-	-	-	-	-	-
Substandard	-	-	-	67,564	-	-	67,564
Doubtful	-	-	-	-	-	-	-
Total	1,280,923	612,762	6,339	7,322,157	24,451,184	-	33,673,365
YTD gross charge-offs	-	-	-	-	-	-	-
Total by risk rating:							
Pass	119,826,731	205,814,388	142,206,155	366,426,309	32,469,756	1,016,926	867,760,265
Special mention	-	-	-	1,419,875	-	-	1,419,875
Substandard	-	15,940,922	-	9,422,328	-	1,023,653	26,386,903
Doubtful	-	-	-	-	-	-	-
Total loans	119,826,731	221,755,310	142,206,155	377,268,512	32,469,756	2,040,579	895,567,043

NOTE C - LOANS – Continued

The following table presents loan portfolio by risk rating as of December 31, 2022:

December 31, 2022	Pass	Special Mention	Substandard	Impaired	Total
Real Estate:					
Construction and Land Development	$ 72,428,862	$ -	$ -	$ -	$ 72,428,862
Residential Real Estate	53,768,624	-	-	708,807	54,477,431
Multi-Family	156,544,392	-	-	130,145	156,674,537
Commercial - Owner Occupied	135,864,829	-	278,081	-	136,142,910
Commercial - Other	478,552,161	4,291,295		57,076	482,900,532
Commercial and Industrial	31,806,325		3,367	93,090	31,902,782
	$ 928,965,193	$ 4,291,295	$ 281,448	$ 989,118	$ 934,527,054

NOTE C - LOANS - Continued

Past due and nonaccrual loans presented by class of loans were as follows as of December 31, 2023 and 2022:

	30-89 Days Past Due	Over 90 Days Past Due	Nonaccrual With No Allowance for Credit Loss	Nonaccrual With An Allowance Recorded
	Accruing			
December 31, 2023				
Real Estate:				
Construction and Land Development	$ -	$ -	$ -	$ -
Residential Real Estate	246,600	-	2,820,201	-
Multi-Family	-	-	-	-
Commercial - Owner Occupied	16,496,893	-	-	-
Commercial - Other	7,025,260	-	-	-
Commercial and Industrial	-	-	65,945	-
	$ 23,768,753	$ -	$ 2,886,146	$ -
December 31, 2022				
Real Estate:				
Construction and Land Development	$ -	$ -	$ -	$ -
Residential Real Estate	-	-	708,807	-
Multi-Family	-	-	130,145	-
Commercial - Owner Occupied	-	-	-	-
Commercial - Other	-	-	57,076	-
Commercial and Industrial	-	-	93,090	-
	$ -	$ -	$ 989,118	$ -

The Bank has no loans that are 90 days or more past due and still accruing at December 31, 2023 and December 31, 2022. No interest income was recognized on a cash basis as of December 31, 2023 and 2022. We did not recognize any interest income on nonaccrual loans during the years ended December 31, 2023 and December 31, 2022 while the loans were in nonaccrual status.

NOTE C - LOANS – Continued

The following tables presents the amortized cost basis of collateral dependent loans, by the primary collateral type, which are individually evaluated to determine expected credit losses, and the related ACL allocated to these loans as of December 31, 2023:

	Collateral Type				
December 31, 2023	Real Estate	Equipment	Other	Total	ACL
Real Estate:					
Construction and Land Development	$ -	$ -	$ -	$ -	$ -
Residential Real Estate	3,066,801	-	-	3,066,801	-
Multi-Family	-	-	-	-	-
Commercial - Owner Occupied	15,940,922	-	-	15,940,922	-
Commercial - Other	7,025,260	-	-	7,025,260	2,493,701
Commercial and Industrial	-	-	-	-	-
	$ 26,032,983	$ -	$ -	$ 26,032,983	$ 2,493,701

NOTE C - LOANS - Continued

In connection with the adoption of ASU 2016-13, the Bank no longer provides information on impaired loans. Information relating to individually impaired loans presented by class of loans was as follows as of December 31, 2022:

	With no Allowance Recorded		With an Allowance Recorded		
	Unpaid Principal Balance	Recorded Investment	Unpaid Principal Balance	Recorded Investment	Related Allowance
December 31, 2022					
Real Estate:					
Construction and Land Development	$ -	$ -	$ -	$ -	$ -
Residential Real Estate	706,880	708,807	-	-	-
Multi-Family	337,166	130,145	-	-	-
Commercial - Owner Occupied	-	-	-	-	-
Commercial - Other	482,747	57,076	-	-	-
Commercial and Industrial	143,500	93,090	-	-	-
	$ 1,670,293	$ 989,118	$ -	$ -	$ -

Information relating to the average recorded investment and interest income recognized by class for individually impaired loans follows for the year 2022:

	2022	
	Average Recorded Investment	Interest Income
Real Estate:		
Construction and Land Development	$ -	$ -
Residential Real Estate	734,000	-
Multi-Family	152,000	-
Commercial - Owner Occupied	-	-
Commercial - Other	147,000	-
Commercial	72,000	-
	$ 1,105,000	$ -

Occasionally, the Bank may modify loans to borrowers who are experiencing financial difficulty. Loan modifications to borrowers experiencing financial difficulty may be in the form of principal forgiveness, term extension, an other-than-insignificant payment delay, interest rate reduction, or combination thereof. The Bank had no loan modifications during the year ended December 31, 2023.

The Bank had no troubled debt restructurings during the year ended December 31, 2022.

NOTE D - PREMISES AND EQUIPMENT

A summary of premises and equipment as of December 31 follows:

	2023	2022
Leasehold Improvements	$ 3,270,348	$ 3,270,348
Furniture, Fixtures, and Equipment	722,313	723,442
Computer Equipment	302,693	265,782
	4,295,354	4,259,572
Less Accumulated Depreciation and Amortization	(2,723,316)	(2,527,539)
	$ 1,572,038	$ 1,732,033

Total depreciation expense was approximately $198,000 and $237,000, respectively, for the years ended December 31, 2023 and 2022.

NOTE E - LEASES

The Bank has entered into operating leases for its branches and administrative offices, which expire at various dates through 2031 with the Bank committing to renewal periods for one leased location through 2040. These leases include provision for periodic rent increases as well as payment by the lessee of certain operating expenses. Total lease expense was $1,170,398 and $1,152,507 which includes common area maintenance costs of $91,061 and $67,433 for the years ended December 31, 2023 and 2022, respectively.

Substantially all leases are operating leases for corporate offices and branch locations. The amount of the lease liability and ROU asset is impacted by the lease term and the discount rate applied to determine the present value of future lease payments. The remaining terms of operating leases range from 7 months to 17 years.

Most leases include one or more options to renew, with renewal terms that can extend the lease term by varying amounts. The exercise of renewal options is at the sole discretion of the Bank. The Bank does include options for its main headquarters. Renewal option periods were included in the measurement of ROU assets and lease liabilities for the main headquarters of the Bank as they are considered reasonably certain of exercise.

NOTE E – LEASES - Continued

	2023	2022
Right of Use Assets	$ 5,651,027	$ 6,287,901
Operating Lease Liabilities	6,398,000	6,977,990
Weighted Average Remaining Lease Term, in Years	11.90	12.36
Weighted Average Discount Rate	5.34%	5.32%

Other Information:

	2023	2022
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	$ 1,110,433	$ 1,075,347

Maturities of lease liabilities for periods indicated:

2024	959,480
2025	942,366
2026	765,777
2027	730,989
2028	617,141
Thereafter	4,970,131
Total Lease Payments	8,985,884
Less Imputed Interest	(2,587,884)
Present Value of Net Future Minimum Lease Payments	$ 6,398,000

NOTE F - DEPOSITS

At December 31, 2023, the scheduled maturities of time deposits were as follows:

2024	513,216,014
2025	23,633,810
2026	249,000
	$ 537,098,824

Time deposits that equal or exceed the FDIC insurance limit of $250,000 amounted to $287,525,852 and $245,012,970 as of December 31, 2023 and 2022, respectively.

NOTE G - BORROWING ARRANGEMENTS

The Bank may borrow up to $75 million overnight on an unsecured basis from several correspondent banks. In addition, the Bank may borrow up to approximately $274 million from the Federal Home Loan Bank of San Francisco ("FHLB") collateralized by loans with an aggregate carrying value of approximately $406 million subject to fulfilling other conditions of the credit facility. As of December 31, 2023, the Bank had a total of $38 million of Federal Home Loan Bank advances that bear average interest at 5.70% per annum, due in 2024. As of December 31, 2022, the Bank had a total of $38 million of Federal Home Loan Bank advances that bear average interest at 0.43% per annum due in 2023.

The schedule of FHLB advance maturities as of December 31, 2023 is as follows:

Maturity	Coupon Rate	Par Amount
January 2, 2024	5.70%	38,000,000
		$ 38,000,000

The Bank also has a borrowing capacity of approximately $8.40 million with the Federal Reserve Bank discount window. The Bank has pledged investment securities of approximately $9.60 million as collateral for this line. There were no borrowings under this arrangement as of December 31, 2023 and 2022.

NOTE H - INCOME TAXES

The asset and liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Income tax expense consists of the following:

	2023	2022
Current Expense:		
Federal	$ 13,804,834	$ 9,801,940
State	7,722,623	5,500,422
Deferred (Benefit) Expense	(2,712,070)	(828,535)
Total Income Tax Expense	$ 18,815,387	$ 14,473,827

A comparison of the federal statutory income tax rates to the Bank's effective income tax rates at December 31 follows:

	2023		2022	
	Amount	Rate	Amount	Rate
Statutory Federal Tax	$ 13,427,960	21.0%	$ 10,330,078	21.0%
State Franchise Tax, Net of Federal Benefit	5,450,739	8.5%	4,193,151	8.5%
Other Items, Net	(63,312)	(0.1%)	(49,402)	(0.1%)
Actual Tax Expense	$ 18,815,387	29.4%	$ 14,473,827	29.4%

NOTE H - INCOME TAXES - Continued

Deferred taxes are a result of differences between income tax accounting and generally accepted accounting principles with respect to income and expense recognition.

The following is a summary of the components of the net deferred tax asset (liability) accounts recognized in the accompanying statements of financial condition at December 31:

	2023	2022
Deferred Tax Assets:		
Depreciation Differences	$ 33,172	$ -
Allowance for Credit Losses Due to Tax Limitations	4,091,284	3,149,524
Stock-Based Compensation	385,072	383,158
Available-For-Sale Securities	355,002	370,142
Deferred Compensation	2,034,738	1,524,827
Nonaccrual Loan Interest	169,686	234,396
California Franchise Tax	1,621,355	1,154,465
Acquisition Accounting Adjustments	-	2,856
Operating Lease Liability	1,891,479	2,062,945
Other	1,519,592	730,539
	12,101,380	9,612,852
Deferred Tax Liabilities:		
Depreciation Differences	-	(615)
Deductible Prepaid Items	(56,551)	(64,615)
Capitalized Loan Costs	(113,009)	(137,170)
Right of Use Asset	(1,670,647)	(1,858,930)
Other	(292,127)	(279,406)
	(2,132,334)	(2,340,736)
Net Deferred Tax Assets	$ 9,969,046	$ 7,272,116

Unrecognized tax benefits are not expected to significantly increase or decrease within the next twelve months.

The Bank is subject to Federal income tax and California franchise tax. Income tax returns for the years ended after December 31, 2019 are open to audit by the federal authorities and California returns for the years ended on or after December 31, 2018 are open to audit by state authorities.

As of December 31, 2023, the Bank has fully utilized all Federal and state net operating loss carryforwards.

NOTE I - OTHER EXPENSES

Other expenses as of December 31 are comprised of the following:

	2023	2022
Data Processing	$ 551,034	$ 540,357
Marketing and Business Promotion	169,308	121,280
Professional Fees	266,262	374,450
Office Expenses	399,357	410,573
Insurance	665,901	545,133
Director Fees and Expenses	1,364,160	1,508,160
Other Expenses	481,395	553,728
	$ 3,897,417	$ 4,053,681

NOTE J - RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Bank has granted loans to certain directors and the companies with which they are associated. The balance of these loans outstanding at December 31, 2023 and 2022 amounted to approximately $5,140,000 and $5,153,000, respectively.

Deposits from certain directors, officers and their related interests with which they are associated held by the Bank at December 31, 2023 and 2022 amounted to approximately $22,678,000 and $41,154,000, respectively.

NOTE K - COMMITMENTS

In the ordinary course of business, the Bank enters into financial commitments to meet the financing needs of its customers. These financial commitments include commitments to extend credit and standby letters of credit. Those instruments involve to varying degrees, elements of credit and interest rate risk not recognized in the Bank's financial statements.

The Bank's exposure to loan loss in the event of nonperformance on commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments as it does for loans reflected in the financial statements.

As of December 31, 2023 and 2022, the Bank had the following outstanding financial commitments whose contractual amount represents credit risk:

	2023	2022
Commitments to Extend Credit	$ 81,383,000	$ 116,778,000
Letters of Credit	4,078,000	2,866,000
	$ 85,461,000	$ 119,644,000

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Since many of the commitments are expected to expire without being drawn upon, the total amounts do not necessarily represent future cash requirements. The Bank evaluates each client's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by the Bank is based on management's credit evaluation of the customer. The majority of the Bank's commitments to extend credit and standby letters of credit are secured by real estate.

The Bank has entered into Supplemental Executive Retirement Plan ("SERP") agreements approved in 2014 for selected executive management and employees of the Bank. Under the SERP agreements, the Bank has agreed to pay each participant, or their beneficiary, a designated monthly amount over a ten years period, beginning with the individual's termination of service. As of December 31, 2023 and 2022, $1,613,756 and $1,557,052, respectively, have been accrued in conjunction with these agreements. The expense incurred for the deferred compensation was $61,276 and $($8,340) for the years 2023 and 2022, respectively. The Bank is the beneficiary of life insurance policies that have been purchased as a method of financing the benefits under the agreements. As of December 31, 2023 and 2022, the cash surrender value of these insurance policies was $6,665,540 and $6,518,011, respectively.

NOTE L - EMPLOYEE BENEFIT PLANS

The Bank has a 401(k) retirement plan which is generally available to all employees age 21 and older with one year of service. The Bank matches 50% of the employee contributions up to 6% of the employee's annual compensation. Employer contributions are vested to participants over five years. The Bank made contributions in the amount of $144,635 and $131,015 during 2023 and 2022, respectively.

NOTE M - STOCK OPTION PLAN

Under the terms of the Amended 2005 Stock Option Plan, officers and key employees may be granted both nonqualified and incentive stock options and directors and other consultants, who are not also an officer or employee, may be granted nonqualified stock options. The Plan provides for options to purchase up to a maximum of 1,001,954 shares of common stock at a price not less than 100% of the fair market value of the stock on the date of grant. Options may vest over a period of three to five years. Stock options expire no later than ten years from the date of the grant and generally vest over three years. As of May 20, 2015, this Plan expired. Any shares that become available for reuse due to forfeiture, expiration, cancellation, or the like, shall become available for delivery under the new plan.

The shareholders of the Bank approved the 2015 Long-term Incentive Plan ("2015 Plan") on May 20, 2015. The 2015 Plan replaces the Amended 2005 Stock Option Plan. Under the terms of the 2015 Plan, employees, directors and service providers of the Bank may be granted several types of equity awards including stock options and stock awards. The 2015 Plan provides for maximum number of shares that may be delivered upon the plan of 612,854 plus any shares that are covered under a prior plan that otherwise would become available for reuse. The exercise price of each stock option shall not be less than 100% of the fair market value of the stock on the date of grant. Awards may vest over a period of three to five years. Stock options expire no later than ten years from the date of the grant. The 2015 Plan provides for accelerated vesting if there is a change of control. The 2015 Plan expires in 2025.

The Bank recognized stock-based compensation cost of $166,100 and $271,499 in 2023 and 2022, respectively. The Bank also recognized income tax benefits related to stock-based compensation of approximately $31,100 and $51,000 in 2023 and 2022, respectively.

Fair value of each stock option granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2023
Risk Free Interest Rate	3.88%
Estimated Average Life	10 years
Expected Dividend Rates	2.71%
Expected Stock Volatility	22.00%
Weighted-Average Fair Value	$ 7.12

Since the Bank has a limited amount of historical stock activity the expected volatility is based on the historical volatility of similar banks that have a longer trading history. The expected term represents the estimated average period of time that the options remain outstanding. Since the Bank does not have sufficient historical data on the exercise of stock options, the expected term is based on the "simplified" method that measures the expected term as the average of the vesting period and the contractual term, adjusted for management’s estimate on the period of time that options granted are expected to be outstanding. The risk free rate of return reflects the grant date interest rate offered for zero coupon U.S. Treasury bonds over the expected term of the options.

NOTE M - STOCK OPTION PLAN - Continued

A summary of the status of the Bank's stock option plan as of December 31, 2023 and changes during the year then ended is presented below:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at Beginning of Year	414,667	$ 20.96		
Granted	40,000	$ 29.59		
Exercised	(39,000)	$ 19.02		
Forfeited	(2,000)	$ 17.67		
Outstanding at End of Year	413,667	$ 22.00	5.38 years	$ 3,140,000
Options Exercisable	355,334	$ 20.91	4.73 years	$ 3,084,000

As of December 31, 2023, there was $383,000 of total unrecognized compensation cost related to the outstanding stock options that will be recognized over a weighted-average period of 2.03 years. The intrinsic value of stock options exercised in 2023 and 2022 was approximately $411,000 and $362,000, respectively.

NOTE N - FAIR VALUE MEASUREMENTS

The following is a description of valuation methodologies used for assets and liabilities recorded at fair value:
Securities: The fair values of securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1) or matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2).

Collateral-dependent individually evaluated loan: Collateral-dependent individually evaluated loans are carried at fair value when it is probable that the Bank will be unable to collect all amount due according to the contractual terms of the original loan agreement and the loan has been written down to the fair value of its underlying collateral, net of expected disposition costs where applicable (Level 3).

The following table provides the hierarchy and fair value for each major category of assets and liabilities measured at fair value at December 31, 2023 and 2022:

	Fair Value Measurements			
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Securities Available for Sale	$ -	$ 5,310,158	$ -	$ 5,310,158
December 31, 2022				
Assets measured at fair value on a recurring basis				
Securities Available for Sale	$ -	$ 5,497,285	$ -	$ 5,497,285

Under certain circumstances, the Bank may make adjustments to fair value for assets and liabilities although they are not measured at fair value on an ongoing basis. The following table sets forth the assets and liabilities measured at fair value on a non-recurring basis at December 31, 2023:

December 31, 2023	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**
Collateral Dependent Loans:				
Real Estate:				
Commercial - Other	$ 4,531,559	$ -	$ -	$ 4,531,559

The following table presents quantitative information about non-recurring Level 3 fair value measurements at December 31, 2023:

December 31, 2023	2023	Valuation Technique	Unobservable Input	Selling Cost
Collateral Dependent Loans:				
Real Estate:				
Commercial - Other	$ 4,531,559	Collateral valuation	Estimated Selling Cost	8%

NOTE O - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the asset or obligation could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the entire holdings of a particular financial instrument. Because no market value exists for a significant portion of the financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature, involve uncertainties and matters of judgment, and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates are based on financial instruments both on and off the balance sheet without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments. Additionally, tax consequences related to the realization of the unrealized gains and losses can have a potential effect on fair value estimates and have not been considered in many of the estimates.

The estimated fair value of significant financial instruments at December 31, 2023 and 2022 is summarized as follows (dollar amounts in thousands):

		2023		2022	
	Fair Value Hierarchy	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:					
Cash and Due From Banks	Level 1	$ 214,488	$ 214,488	$ 137,989	$ 137,989
Federal Funds Sold	Level 1	-	-	66,000	66,000
Interest-Bearing Deposits in Other Banks	Level 1	2,990	2,990	1,494	1,494
Investment Securities	Level 2	11,820	10,464	12,790	11,300
Loans, net	Level 3	881,728	884,024	923,874	919,107
Accrued Interest Receivable	Level 2	7,071	7,071	5,647	5,647
Financial Liabilities:					
Deposits	Level 2	$ 834,222	$ 830,240	$ 899,009	$ 886,167
FHLB Advance	Level 2	38,000	38,000	38,000	38,000
Accrued Interest Payable	Level 2	1,004	1,004	361	361

NOTE P - REGULATORY MATTERS

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table below) of total, Tier 1 and CET1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). Management believes, as of December 31, 2023 and 2022 that the Bank meets all capital adequacy requirements to which it is subject.

As of December 31, 2023 and 2022 the most recent notification from the FDIC categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action (there are no conditions or events since that notification that management believes have changed the Bank's category). To be categorized as well-capitalized, the Bank must maintain minimum ratios as set forth in the table.

In 2019, the federal banking agencies jointly issued a final rule that provides for an optional, simplified measure of capital adequacy, the community bank leverage ratio framework (CBLR framework), for qualifying community banking organizations, consistent with Section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The final rule became effective on January 1, 2020 and was elected by the Bank as of December 31, 2020. In April 2020, the federal banking agencies issued an interim final rule that makes temporary changes to the CBLR framework, pursuant to section 4012 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and a second interim final rule that provides a graduated increase in the community bank leverage ratio requirement after the expiration of the temporary changes implemented pursuant to section 4012 of the CARES Act.

The community bank leverage ratio removes the requirement for qualifying banking organizations to calculate and report risk-based capital but rather only requires a Tier 1 to average assets (leverage) ratio. Qualifying banking organizations that elect to use the community bank leverage ratio framework and that maintain a leverage ratio of greater than required minimums will be considered to have satisfied the generally applicable risk based and leverage capital requirements in the agencies' capital rules (generally applicable rule) and, if applicable, will be considered to have met the well capitalized ratio requirements for purposes of section 38 of the Federal Deposit Insurance Act. Under the interim final rules the community bank leverage ratio minimum requirement is 9% for calendar year 2022 and beyond. The interim rule allows for a two-quarter grace period to correct a ratio that falls below the required amount, provided that the bank maintains a leverage ratio greater than 8%.

Under the final rule, an eligible banking organization can opt out of the CBLR framework and revert back to the risk-weighting framework without restriction. As of December 31, 2023 and 2022, the Bank was a qualifying community banking organization as defined by the federal banking agencies and adopted to measure capital adequacy under the CBLR framework.

NOTE P - REGULATORY MATTERS - Continued

The table below presents the Bank's actual and required capital amount and ratio as of December 31, 2023 and 2022 (dollar amount in thousands):

	Actual		Required Capital To Be Well-Capitalized Under Prompt Corrective Action CBLR Framework	
As of December 31, 2023:	Amount	Ratio	Amount	Ratio
Tier 1 Capital (to Average Assets)	$ 246,968	21.9%	$ 101,647	9.0%

			Required Capital To Be Well-Capitalized Under Prompt Corrective Action CBLR Framework	
As of December 31, 2022:	Amount	Ratio	Amount	Ratio
Tier 1 Capital (to Average Assets)	$ 211,228	17.5%	$ 108,549	9.0%

The California Financial Code provides that a bank may not make a cash distribution to its shareholders in excess of the lesser of the bank's undivided profits or the bank's net income for its last three fiscal years less the amount of any distribution made by the bank's shareholders during the same period. In addition, the Bank may not pay dividends that would result in its capital levels being reduced below the minimum requirements shown above. The Bank's dividend payments in 2023 and 2022 were in compliance with the various dividend limitation rules.

Corporate Profile

Your Path to Success

攜手大通, 邁向成功

Founded in October 2005, First General Bank is a community bank focused on providing value-added products and services to meet the financial needs of our customers. We are committed to reaching out and providing access to capital/financial services to our community, including those who are unserved/underserved, and lending to minorities. Our services are designed to create sustainable impact in our community, maximize shareholder value and provide a positive working environment for our employees. Most of our shareholders are established and well-respected members of the community with significant ties to the community. They have a first-hand understanding of the living and business environment and banking needs of the community, allowing the Bank to provide valuable and quality banking services to consumer and business customers, such as:

- Various types of depository accounts to meet different account needs
  - Checking, Interest-Checking, Business Checking
  - Savings, Money Market Accounts
  - Time Certificate of Deposit Accounts
  - CDARS® (Certificate of Deposit Account Registry Service) and ICS®, (Insured Cash Sweep®)

- Cash Management and Online Services
  - Online Banking
  - ACH Direct Deposit, Auto-Debit, ACH Credit Origination
  - Bill Pay
  - Wire Transfers
  - Mobile Banking & Mobile Deposit (for both consumers and businesses)
  - Remote Deposit Capture (for business customers)
  - ATM/debit cards
  - eStatement
    ZELLE® Person-to-Person Payments (P2P)
- SBA Loans
  - Land and Building acquisition (for owner-use property)
  - Business Acquisition / General / Export Working Capital Line
  - Equipment, Machinery and Inventory Purchase
  - Line of Credit for Contractors / Builders
  - Commercial Building Construction

- International Trade Financing and Services
  - Bill Discount / Foreign Currency Outgoing Remittance
  - LC Issuance / Advising & Confirmation/Negotiation
  - Import/Export Documentary Collection

- Commercial Loans
  - Line of Credit / Export & Import / Fixed Assets Term Loan

- Commercial Real Estate & Construction Loans
  - Track Home Development / Construction
  - Offices, Shopping Centers, Industrial Warehouses, Hotels / Motels
  - Mixed Used Property / Apartment

- Home Equity Line of Credit

- Credit Card Program (for both consumers and businesses)

Operating on the strategic advantage of knowing the community, and the commitment to superior customer service, the Bank has earned the trust and support from its customers and recognition from industry groups as one of the leading banks in its class, in terms of safety and soundness, growth and profitability.

First General Bank has been certified by the U.S. Department of the Treasury as a Community Development Financial Institution (CDFI) since 2016. In 2023, the CDFI renewed the Bank's CDFI Certification. CDFI Certification is the U.S. Department of the Treasury's recognition of specialized financial institutions with their primary mission of promoting community development and serving low-income communities.

As of December 31, 2023, First General Bank's Total Assets exceeded $1.150 billion, with five branch locations strategically spanning from the Greater San Gabriel Valley, Cerritos / Artesia area to Orange County, California.

Corporate Information

Board of Directors

Jackson Yang
Chairman of the Board, First General Bank
Chairman, Seville Classics, Inc.

Cliff J. Hsu
President & Chief Executive Officer
First General Bank

Dr. Lawrence Cheng
Dentist/Owner
Smile Haven Dental

Dr. Joseph Chiang
Retired Dentist

Edward Hsieh
Retired Investor

Jeff Lee
CEO, Nevis Capital, LLC

Harry Leu
Principal, HB, LLC

Johnny Lin
President, Long Win Inc.

Kansei Sai
President, Yanlot Development Corporation

Hsinya Shen
Attorney

Karena Sujo
CEO, Safco Realty and Investment, Inc.

John Sun
President, Best Restaurant Supply

Chris Wen
President, Walton Realty Inc.

Executive Officers

Cliff J. Hsu
President & Chief Executive Officer

Wilson Mach
Senior Executive Vice President &
Chief Operating Officer

Tony Chan
Executive Vice President &
Chief Lending Officer

Ada Chun (Retiring in April 2024)
Executive Vice President &
Chief Financial Officer

Jeanette Lin
Executive Vice President &
Chief Credit Officer

Bank Offices

Corporate Headquarters
19036 Colima Road, Rowland Heights, CA 91748
Tel: (626) 820-1099 • Fax (626) 820-1399

Administration Office
1744 S. Nogales Street, Suite A Rowland Heights, CA 91748
Tel: (626) 363-8878 • Fax (626) 363-8885

International Banking
19036 Colima Road, Rowland Heights, CA 91748
Tel: (626) 820-1234 • Fax (626) 820-1258

Arcadia Branch
1127 S. Baldwin Avenue, Arcadia, CA 91007
Tel: (626) 461-0288 • Fax (626) 461-0299

Cerritos Branch
17808 Pioneer Boulevard, #108, Artesia, CA 90701
Tel: (562) 677-8858 • Fax (562) 677-8855

Irvine Branch
5404-C&D Walnut Avenue, Irvine, CA 92604
Tel: (949) 769-8888 • Fax (949) 769-8885

Rowland Heights Main Branch
19036 Colima Road, Rowland Heights, CA 91748
Tel: (626) 820-1234 • Fax (626) 820-1299

San Gabriel Branch
801 E. Valley Boulevard, #103, San Gabriel, CA 91776
Tel: (626) 288-9288 • Fax (626) 280-1300

www.fgbusa.com

Note

Rowland Heights Main Branch and Headquarters

Arcadia Branch

Cerritos Branch

Irvine Branch

San Gabriel Branch