

FEDERAL DEPOSIT INSURANCE CORPORATION

Re: Bank Irvine (proposed)
Irvine, Orange County, California

Application for Federal Deposit Insurance

ORDER

The undersigned acting on behalf of the Board of Directors of the Federal Deposit Insurance Corporation ("FDIC") pursuant to delegated authority, has fully considered all available facts and information relative to the statutory factors enumerated in Section 6 of the Federal Deposit Insurance Act, including financial history and condition, capital adequacy, future earnings prospects, general character of management, risk to the fund, convenience and needs of the community, and consistency of corporate powers, as they relate to the application for Federal Deposit Insurance with membership in the Deposit Insurance Fund for Bank Irvine ("Bank"), a proposed state nonmember bank to be located at 6201 Oak Canyon, Irvine, California 92618, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, for the reasons set forth in the attached Statement, that the application submitted by the proposed bank for Federal Deposit Insurance be, and the same hereby is, approved, subject to the following conditions:

1. Beginning paid-in capital funds shall not be less than \$25,000,000.
2. The institution's Tier 1 capital to assets leverage ratio (as defined in the appropriate capital regulation and guidance from the institution's primary federal regulator) shall be maintained at not less than eight percent (8%) throughout the first three years of operation and that an adequate allowance for loan and lease losses will be provided.
3. Any changes in proposed management or the proposed ownership of 10% or more of stock, including new acquisitions of or subscriptions to 10% or more of stock, shall be approved by the FDIC prior to opening.
4. An accrual accounting system shall be adopted for maintaining the financial records of the institution.
5. Where applicable, the applicant has submitted any proposed contracts, leases, or agreement relating to construction or rental of permanent quarters to the appropriate FDIC Regional Director for review and comment.
6. Where applicable, full disclosure has been made to all proposed directors and stockholders of the facts concerning the interest of any insider in any transactions being effected or then contemplated, including the identity of the parties to the transaction and the terms and costs involved. An insider is one who is or is proposed to be a director, officer, or incorporator of an applicant; a shareholder who directly or indirectly controls 10 or more percent of any class of the applicant's outstanding voting stock; or the associates or interests of any such person.

7. The persons(s) selected to serve as the principal operating officers(s) shall be acceptable to the appropriate FDIC Regional Director.
8. Prior to the effective date of Federal Deposit Insurance, the institution shall obtain sufficient fidelity coverage in a sufficient amount to conform to generally accepted banking practices.
9. The institution shall obtain an audit of its financial statements by an independent public accountant annually for at least the first three years after deposit insurance is effective and shall submit to the appropriate FDIC Regional Director, (i) a copy of the audited annual financial statements and the independent public auditor's report thereon within 90 days after the end of the depository institution's fiscal year, (ii) a copy of any other reports by the independent auditor (including any management letters) within 15 days after their receipt by the institution, and (iii) written notification within 15 days when a change in the institution's independent auditor occurs.
10. During the first three years of operations, the institution shall notify the appropriate FDIC Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.
11. The institution must operate within the parameters of the Business Plan submitted to the FDIC. During the first three years of operation, the institution shall seek the prior approval of the appropriate FDIC Regional Director and its primary federal regulatory, if not the FDIC, for any proposed major deviation or material change from the submitted Business Plan, at least 60 days prior to implementation of any such major deviation or material change.
12. Prior to the effective date of deposit insurance, a complete shareholder list shall be provided to the appropriate FDIC Regional Director, which shall include the following for each beneficial owner or control party: name, domicile, number of shares owned or controlled directly or indirectly, dollar amount of shares owned or controlled directly or indirectly, and percentage of shares owned or controlled directly or indirectly. The shareholder list shall also identify any related direct or indirect interests in shares, whether such interests are held as owner, control party, beneficiary, trustee, or investment advisor, or whether due to another similar relationship that, following the offering and when aggregated, will equal or exceed 10 percent of the institution's shares.
13. With respect to any proposed director or senior executive officer of the institution, the institution shall take such action(s) as the appropriate FDIC Regional Director may require if the FDIC objects to any such person based on information obtained during a background check. The term "senior executive officer" shall have the meaning set forth in 12 C.F.R. 303.101.
14. During the first three years of operation, the institution shall submit written notice to and obtain the written non-objection of the appropriate FDIC Regional Director for any proposed change to the board of directors or to any senior executive officer position. Such notice shall be submitted at least 30 days prior to the proposed election to the board or appointment, and shall include a complete Interagency Biographical and Financial Report for each individual proposed for election or appointment. The term "senior executive officer" shall have the meaning set forth in 12 C.F.R. 303.101.

15. During the first three years of operation, the institution shall submit written notice to and obtain the written non-objection of the appropriate FDIC Regional Director prior to implementing any change(s) in the duties, responsibilities, or authorities of any director or senior executive officer. Such notice shall be submitted at least 30 days prior to the proposed change(s), and the notice shall fully describe the reason(s) for such change(s). The term "senior executive officer" shall have the meaning set forth in 12 C.F.R. 303.101.
16. Prior to executing final employment agreements and compensation arrangements for any senior executive officer, and prior to the institution commencing operations, the institution shall submit copies of, and obtain the appropriate FDIC Regional Director's written non-objection to the final employment agreements and compensation arrangements (including a written description of salary, benefits, deferred compensation, stock compensation or incentives, and bonus and severance payments, as applicable) for the institution's senior executive officers. The term "senior executive officer" shall have the meaning set forth in 12C.F.R. 303.101.
17. During the first three years of operation, the institution shall submit copies of and obtain the written non-objection of the appropriate FDIC Regional Director prior to implementing any stock benefit plan, including with respect to stock options, stock warrants, stock grants, or other similar stock-based compensation. Any such plan shall comply with the FDIC Statement of Policy on Applications for Deposit Insurance. Furthermore, during the first three years of operation, the institution shall submit written notice at least 60 days prior to, and obtain the appropriate Regional Director's written non-objection prior to implementing any major change to or material deviation from any previously submitted stock benefit plan.
18. Prior to receiving deposit insurance, shareholder and proposed Chief Executive Officer/President/Director Jianyin (Paul) Peng will consent and submit to the jurisdiction of any United States Federal court of competent jurisdiction and of any Federal banking authority (including the FDIC) for purposes of any investigation or possible investigation, subpoena, examination, action or proceeding by any Federal banking authority (including the FDIC), the United States Department of Treasury, or the United States Department of Justice, relating to or pursuant to the administration and enforcement of any United States banking law.
19. Shareholder and proposed Chief Executive Officer/President/Director Jianyin (Paul) Peng will at all times maintain in the United States a designated agent, acceptable to the FDIC, to accept service on their behalf (including service of any legal process, notice, order or subpoena) solely in connection with the consent to jurisdiction required in the preceding condition. Mr. Peng will update the designation from time to time, as circumstances warrant, but will not change the designation without the prior written consent of the FDIC.
20. Federal Deposit Insurance shall not become effective until the applicant is authorized to operate as a State bank by the appropriate State authority.

21. If the institution does not commence operations within twelve (12) months from the date of this ORDER, the consent granted herein shall expire, unless the FDIC approves a request for an extension of the deadline prior to the expiration.
22. Until the FDIC's conditional commitment becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment if warranted.

By Order of the Regional Director of the San Francisco Regional Office, acting pursuant to delegated authority for the Board of Directors of the FDIC.

Dated at San Francisco, California this 28th day of July, 2022.

/ S /

Kathy L. Moe
Regional Director

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STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act ("FDI Act") (12 U.S.C. § 1815), the Federal Deposit Insurance Corporation ("FDIC") received an Interagency Charter and Federal Deposit Insurance Application ("Application") filed on behalf of Bank Irvine ("Bank"), a proposed new community bank that will be located in Irvine, California. The Application is intended to establish a newly-chartered state nonmember commercial bank. The organizers concurrently applied to the California Department of Financial Protection and Innovation ("CDFPI") for a state bank charter to form a de novo commercial bank to be known as Bank Irvine.

Notice of the Application, in a form approved by the FDIC, was initially published pursuant to the FDI Act on November 25, 2021. Notice of the Application was additionally subsequently published on May 26, 2022, after the location of the Bank was finalized. The Bank has not established a bank holding company. The opening capital of the Bank will be realized from an offering of a minimum of 2,500,000 shares and up to a maximum of 3,000,000 shares of its non-par common stock at a price of \$10.00 per share.

The Bank's business plan is to operate a state-chartered nonmember community bank that provides banking services in the Orange County and Los Angeles County market area. The Bank will offer traditional products and services and will be overseen by an experienced management team, including a diversified and knowledgeable Board of Directors who is committed to serving the local community.

The Bank will operate with sufficient capital and managerial resources to accomplish the strategies and goals contained in the business plan. The Bank will be capitalized with an amount sufficient to achieve and maintain a Tier 1 capital to assets leverage ratio, as defined in the capital regulations of the FDIC, of not less than eight percent (8.00%) throughout the Bank's first three years of operation. Projected growth and future earnings prospects appear attainable. The Bank's plans appear to satisfy the convenience and needs of the community. Corporate powers to be exercised are consistent with the purposes of the FDI Act, and no undue risk to the Deposit Insurance Fund is evident.

Accordingly, based upon a careful evaluation of all available facts and information, and in consideration of the factors of Section 6 of the FDI Act, the San Francisco Regional Director, pursuant to delegated authority, has concluded that approval of the Application is warranted, subject to certain prudential conditions.

**REGIONAL DIRECTOR
DIVISION OF RISK MANAGEMENT SUPERVISION
FEDERAL DEPOSIT INSURANCE CORPORATION**