

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: **001-38437**

OP BANCORP

(Exact name of registrant as specified in its charter)

California

(State or other jurisdiction of
incorporation or organization)

**1000 Wilshire Blvd., Suite 500,
Los Angeles, CA**

(Address of principal executive offices)

81-3114676

(I.R.S. Employer
Identification No.)

90017

(Zip Code)

(213) 892-9999

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	OPBK	Nasdaq Global Market

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares outstanding of the Registrant's Common Stock as of April 30, 2026 was 14,894,239.

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INTRODUCTION

This Quarterly Report on Form 10-Q (this "Form 10-Q") is filed by OP Bancorp, a California corporation and a registered bank holding company ("Company") with respect to its consolidated financial condition, results of operations, and business as of March 31, 2026. The Company's primary business operations are conducted through its wholly owned subsidiary, Open Bank, a California chartered commercial bank ("Bank"), and unless the context requires otherwise, statements about the Company generally are intended to describe the consolidated operations of the Company and the Bank.

FORWARD-LOOKING STATEMENTS

Certain matters set forth herein constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder. All statements that are not statements of historical fact are forward-looking. Forward-looking statements in this report include comments about the Company's current business plans and expectations regarding future operating results, as well as management's statements about expected future events and economic developments, plans, strategies and objectives. All such statements reflect the current intentions, beliefs and expectations of the Company's executive management based on currently available information and current and expected market conditions. Forward-looking statements can sometimes be identified by the use of forward-looking language, such as "likely result in," "expects," "anticipates," "estimates," "forecasts," "projects," "intends to," or may include other similar words or phrases, such as "believes," "plans," "trend," "objective," "continues," "remains," or similar expressions, or future or conditional verbs, such as "will," "would," "should," "could," "may," "might," "can," or similar verbs. Readers should not construe these statements as assurances of a given level of performance, or as promises that we will take the actions our management currently expects.

Our forward-looking statements are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those projected, or that could cause us to change plans or strategies or otherwise to take actions that differ from those we currently expect. The known risks and uncertainties that may have these effects are described in Part II, Item 1A, of this Form 10-Q, and in our other filings with the Securities and Exchange Commission. You should read all forward-looking statements in the context of the foregoing and should not consider them to be reliable predictions of future events or as assurances of a particular level of performance or intended course of action. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

OP BANCORP AND SUBSIDIARY CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	March 31, 2026 (Unaudited)	December 31, 2025
ASSETS		
Cash and due from banks	\$ 12,842	\$ 10,911
Interest-bearing deposits with banks	147,418	156,400
Cash and cash equivalents	160,260	167,311
Available-for-sale ("AFS") debt securities, at fair value	209,006	192,785
Other investments	17,213	17,208
Loans held-for-sale	9,498	11,443
Net loans (net of allowance for credit losses on loans of \$28,406 and \$27,975)	2,205,853	2,165,694
Premises and equipment, net	5,516	5,744
Accrued interest receivable	10,683	10,482
Servicing assets	9,834	10,057
Company owned life insurance	23,794	23,616
Deferred tax assets, net	12,417	12,438
Operating right-of-use assets	8,253	8,804
Other assets	26,300	24,644
TOTAL ASSETS	\$ 2,698,627	\$ 2,650,226
LIABILITIES		
Deposits:		
Noninterest-bearing	\$ 546,550	\$ 520,865
Interest-bearing:		
Money market and others	398,756	388,066
Time deposits greater than \$250	743,153	683,956
Other time deposits	638,835	687,660
Total deposits	2,327,294	2,280,547
Federal Home Loan Bank ("FHLB") advances	75,000	75,000
Subordinated note (net of unamortized debt issuance cost of \$392 and \$414)	24,607	24,586
Accrued interest payable	15,181	14,595
Operating lease liabilities	10,508	11,175
Other liabilities	13,326	16,430
Total liabilities	2,465,916	2,422,333
SHAREHOLDERS' EQUITY		
Preferred stock – no par value; 10,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock – no par value; 50,000,000 shares authorized; 14,894,239 and 14,889,540 shares issued and outstanding	73,018	73,018
Additional paid-in capital	11,995	11,849
Retained earnings	158,730	153,283
Accumulated other comprehensive loss, net of tax	(11,032)	(10,257)
Total shareholders' equity	232,711	227,893
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,698,627	\$ 2,650,226

See accompanying notes to unaudited Consolidated Financial Statements

OP BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME (unaudited)

(\$ in thousands, except per share data)	Three Months Ended March 31,	
	2026	2025
INTEREST INCOME		
Interest and fees on loans	\$ 34,879	\$ 31,689
Interest on AFS debt securities	1,761	1,496
Other interest income	1,897	1,674
Total interest income	38,537	34,859
Interest expense		
Interest on deposits	16,845	16,608
Interest on borrowings	679	833
Interest on subordinated note	490	—
Total interest expense	18,014	17,441
Net interest income	20,523	17,418
Provision for credit losses	412	736
Net interest income after provision for credit losses	20,111	16,682
NONINTEREST INCOME		
Service charges on deposits	463	1,000
Loan servicing fees, net of amortization	722	1,007
Gains on sale of loans	2,050	2,019
Other income	797	790
Total noninterest income	4,032	4,816
NONINTEREST EXPENSE		
Salaries and employee benefits	9,276	8,776
Occupancy and equipment	1,811	1,581
Data processing and communication	411	296
Professional fees	399	407
FDIC insurance and regulatory assessments	418	487
Promotion and advertising	120	156
Directors' fees	144	180
Foundation donation and other contributions	725	556
Other expenses	929	1,375
Total noninterest expense	14,233	13,814
INCOME BEFORE INCOME TAX EXPENSE	9,910	7,684
Income tax expense	2,676	2,124
NET INCOME	\$ 7,234	\$ 5,560
BASIC EARNINGS PER SHARE ("EPS")	\$ 0.49	\$ 0.37
DILUTED EPS	\$ 0.48	\$ 0.37

See accompanying notes to unaudited Consolidated Financial Statements

OP BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

(\$ in thousands)	Three Months Ended March 31,	
	2026	2025
Net income	\$ 7,234	\$ 5,560
Other comprehensive (loss) income, net of tax:		
Net change in AFS debt securities	(1,084)	2,233
Net change in cash flow hedges	309	(362)
Total other comprehensive (loss) income	(775)	1,871
Comprehensive income	\$ 6,459	\$ 7,431

See accompanying notes to unaudited Consolidated Financial Statements

OP BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

(\$ in thousands, except per share data)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares Outstanding	Amount				
Balance at December 31, 2025	14,889,540	\$ 73,018	\$ 11,849	\$ 153,283	\$ (10,257)	\$ 227,893
Net income	—	—	—	7,234	—	7,234
Other comprehensive loss	—	—	—	—	(775)	(775)
Stock issued under stock-based compensation plans, net of shares withheld to satisfy tax liability	4,699	—	(34)	—	—	(34)
Stock-based compensation, net	—	—	180	—	—	180
Cash dividends declared (\$0.12 per share)	—	—	—	(1,787)	—	(1,787)
Balance at March 31, 2026	<u>14,894,239</u>	<u>\$ 73,018</u>	<u>\$ 11,995</u>	<u>\$ 158,730</u>	<u>\$ (11,032)</u>	<u>\$ 232,711</u>
Balance at December 31, 2024	14,819,866	\$ 73,697	\$ 11,928	\$ 134,781	\$ (15,413)	\$ 204,993
Net income	—	—	—	5,560	—	5,560
Other comprehensive income	—	—	—	—	1,871	1,871
Stock issued under stock-based compensation plans, net of shares withheld to satisfy tax liability	94,395	—	(717)	—	—	(717)
Stock-based compensation, net	—	—	160	—	—	160
Repurchase of common stock	—	—	—	—	—	—
Cash dividends declared (\$0.12 per share)	—	—	—	(1,778)	—	(1,778)
Balance at March 31, 2025	<u>14,914,261</u>	<u>\$ 73,697</u>	<u>\$ 11,371</u>	<u>\$ 138,563</u>	<u>\$ (13,542)</u>	<u>\$ 210,089</u>

See accompanying notes to unaudited Consolidated Financial Statements

OP BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(\$ in thousands)	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities		
Net income	\$ 7,234	\$ 5,560
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Provision for credit losses	412	736
Deferred income tax expense	330	923
Depreciation, amortization and accretion, net	2,067	1,280
Gains on sale of loans	(2,050)	(2,019)
Stock-based compensation	180	160
Earnings on company owned life insurance	(178)	(172)
Origination of loans held-for-sale	(31,596)	(32,216)
Proceeds from sales of loans held-for-sale	34,877	33,580
Net change in:		
Accrued interest receivable and other assets	(2,308)	(1,238)
Accrued interest payable and other liabilities	(1,251)	(977)
Net cash provided by operating activities	7,717	5,617
Cash flows from investing activities		
Net change in loans receivable	(40,021)	(85,216)
Proceeds from matured, called, or paid-down AFS debt securities	11,783	6,600
Purchase of loans	—	(1,750)
Purchase of AFS debt securities	(29,706)	—
Purchase of premises and equipment, net	(114)	(1,424)
Net change in investments in low-income housing partnerships	(1,636)	—
Net cash used in investing activities	(59,694)	(81,790)
Cash flows from financing activities		
Net change in deposits	46,747	162,586
Proceeds from FHLB advances	25,000	—
Repayment of FHLB advances	(25,000)	(20,000)
Cash dividend paid on common stock	(1,787)	(1,778)
Payments related to tax-withholding for vested restricted stock awards	(34)	(717)
Net cash provided by financing activities	44,926	140,091
Net change in cash and cash equivalents	(7,051)	63,918
Cash and cash equivalents at beginning of period	167,311	134,943
Cash and cash equivalents at end of period	\$ 160,260	\$ 198,861
Supplemental cash flow information:		
Cash paid during the period for:		
Income taxes		
State/Local		
New York	\$ 25	\$ 14
Virginia	2	—
New Jersey	2	—
Georgia	2	7
Total income taxes paid	\$ 31	\$ 21
Interest	17,428	18,514

See accompanying notes to unaudited Consolidated Financial Statements

OP BANCORP AND SUBSIDIARY
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Basis of Presentation and Significant Accounting Policies

OP Bancorp (referred to herein on an unconsolidated basis as "OP Bancorp" and on a consolidated basis as the "Company") is a California corporation and the registered bank holding company for Open Bank ("Open Bank" or the "Bank").

The accompanying unaudited Consolidated Financial Statements and notes thereto have been prepared in accordance with the Securities and Exchange Commission's ("SEC") rules and regulations for Form 10-Q, conform to practices within the banking industry, and include all of information and disclosures required by Generally Accepted Accounting Principles in the United States of America ("GAAP") for interim financial reporting. The accompanying unaudited consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments), which are necessary for a fair presentation of the financial results for the interim periods presented, including eliminating intercompany transactions and balances. Certain items in our Consolidated Financial Statements and notes for prior periods have been reclassified to conform to the current presentation. Reclassification had no effect on prior year net income or shareholders' equity. The results of operations for the interim periods are not necessarily indicative of the results for the full year. These interim unaudited financial statements should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Annual Report on Form 10-K"). Descriptions of our significant accounting policies are included in *Note 1. Significant Accounting Policies* to Consolidated Financial Statements in the 2025 Annual Report on Form 10-K.

Accounting Pronouncements Adopted in 2026

The following standards were adopted on January 1, 2026, but they did not have a material impact on the Company's Consolidated Financial Statements:

- ASU 2024-04, *Debt - Debt with Conversion and Other Options* (Subtopic 470-20): *Induced Conversions of Convertible Debt Instruments*
- ASU 2025-05, *Financial Instruments - Credit Losses* (Topic 326): *Measurement of Credit Losses for Account Receivable and Contract Assets*

Note 2 — Securities

The following tables summarize the amortized cost, gross unrealized gains and losses, and fair value of AFS debt securities as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
U.S. Government agencies or sponsored agency securities:				
Residential mortgage-backed securities	\$ 33,911	\$ —	\$ (2,625)	\$ 31,286
Residential collateralized mortgage obligations	184,192	652	(12,647)	172,197
Municipal securities - tax exempt	5,929	—	(406)	5,523
Total AFS debt securities	<u>\$ 224,032</u>	<u>\$ 652</u>	<u>\$ (15,678)</u>	<u>\$ 209,006</u>

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
(\$ in thousands)				
U.S. Government agencies or sponsored agency securities:				
Residential mortgage-backed securities	\$ 35,279	\$ —	\$ (2,585)	\$ 32,694
Residential collateralized mortgage obligations	165,103	1,219	(11,859)	154,463
Municipal securities - tax exempt	5,913	—	(285)	5,628
Total AFS debt securities	<u>\$ 206,295</u>	<u>\$ 1,219</u>	<u>\$ (14,729)</u>	<u>\$ 192,785</u>

Expected maturities may differ from contractual maturities on certain securities as the issuers and borrowers of the underlying collateral may have the right to call or prepay obligations with or without call or prepayment penalties. The amortized cost and fair value of AFS debt securities as of March 31, 2026, by contractual maturity, are shown below:

	Amortized Cost	Fair Value
(\$ in thousands)		
Within one year	\$ 14	\$ 14
After one year through five years	501	490
After five years through ten years	20,594	19,061
After ten years	202,923	189,441
Total AFS debt securities	<u>\$ 224,032</u>	<u>\$ 209,006</u>

The following tables present the fair values and the associated gross unrealized losses of AFS debt securities, aggregated by length of time that the securities have been in a continuous unrealized loss position as of March 31, 2026 and December 31, 2025:

	March 31, 2026					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
(\$ in thousands)						
U.S. Government agencies or sponsored agency securities:						
Residential mortgage-backed securities	\$ 4,293	\$ (34)	\$ 26,993	\$ (2,591)	\$ 31,286	\$ (2,625)
Residential collateralized mortgage obligations	36,810	(297)	77,347	(12,350)	114,157	(12,647)
Municipal securities - tax exempt	2,977	(124)	2,546	(282)	5,523	(406)
Total AFS debt securities	<u>\$ 44,080</u>	<u>\$ (455)</u>	<u>\$ 106,886</u>	<u>\$ (15,223)</u>	<u>\$ 150,966</u>	<u>\$ (15,678)</u>

	December 31, 2025					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
(\$ in thousands)						
U.S. Government agencies or sponsored agency securities:						
Residential mortgage-backed securities	\$ —	\$ —	\$ 32,694	\$ (2,585)	\$ 32,694	\$ (2,585)
Residential collateralized mortgage obligations	—	—	80,404	(11,859)	80,404	(11,859)
Municipal securities - tax exempt	3,038	(57)	2,590	(228)	5,628	(285)
Total AFS debt securities	\$ 3,038	\$ (57)	\$ 115,688	\$ (14,672)	\$ 118,726	\$ (14,729)

As of March 31, 2026 and December 31, 2025, the number of AFS debt securities in an unrealized loss position was 83 and 78, respectively.

The Company monitors credit quality of individual AFS debt securities by evaluating a range of factors, including issuer credit ratings, changes in those ratings over time, market indicators of credit risk, and any adverse economic or sector-specific conditions that may affect the issuer's ability to meet its obligations. These evaluations inform the Company's assessment of the appropriateness of the allowance for credit losses. The gross unrealized losses presented in the preceding tables were primarily attributable to changes in interest rates rather than credit deterioration.

As of March 31, 2026 and December 31, 2025, the Company's AFS debt securities portfolio was primarily composed of securities issued, guaranteed, or otherwise supported by the U.S. government. These securities were considered to have a zero credit loss assumption, and no material changes in credit ratings or adverse conditions were identified. Approximately 97% of the portfolio consisted of residential mortgage-backed securities and collateralized mortgage obligations issued by U.S. government-sponsored agencies, including Ginnie Mae, Fannie Mae and Freddie Mac. The remaining 3% consisted of the portfolio comprised of tax-exempt municipal securities. These securities were evaluated using similar criteria, including issuer credit ratings and financial condition. No significant deterioration in credit quality or adverse developments were noted for these securities, and there were no downgrades in credit ratings during the period. Based on this evaluation, the Company did not record an allowance for credit losses on its AFS debt securities as of March 31, 2026 and December 31, 2025. For a discussion of the factors and criteria the Company uses in analyzing securities for impairment related to credit losses, see *Note 1. Significant Accounting Policies* to Consolidated Financial Statements in the 2025 Annual Report on Form 10-K.

The amortized cost of the AFS debt securities excluded accrued interest receivables of \$627 thousand and \$604 thousand as of March 31, 2026 and December 31, 2025, respectively, which are included in *Accrued interest receivable* on the Consolidated Balance Sheets. For additional information on the Company's accounting policy related to securities' accrued interest receivables and impairment, see *Note 1. Significant Accounting Policies* to Consolidated Financial Statements in the 2025 Annual Report on Form 10-K.

As of March 31, 2026 and December 31, 2025, there were no pledged securities to secure public deposits, borrowing and letters of credit from the FHLB and the Board of Governors of the Federal Reserve System, and for other purposes required or permitted by law.

The following table presents the other investment securities, which are included in *Other investments* on the Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026	December 31, 2025
FHLB stock	\$ 13,156	\$ 13,156
Pacific Coast Bankers Bank ("PCBB") stock	190	190
Mutual fund - Community Reinvestment Act ("CRA") qualified ⁽¹⁾	3,762	3,757
Time deposits placed in other banks	105	105
Total other investments	<u>\$ 17,213</u>	<u>\$ 17,208</u>

(1) The Company recorded \$(24) thousand and \$52 thousand unrealized (losses) gains for the three months ended March 31, 2026 and 2025 respectively. The unrealized (losses) gains of the mutual fund are included in *other income* in the Consolidated Statements of Income.

Note 3 — Loans and Allowance for Credit Losses on Loans

Loans

The following table presents the composition of the loan portfolio as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026	December 31, 2025
Commercial real estate ("CRE")	\$ 1,173,366	\$ 1,132,223
Small Business Administration ("SBA")—real estate	260,714	242,041
SBA—non-real estate	23,468	22,482
C&I	219,367	221,270
Home mortgage	556,952	574,300
Consumer	392	1,353
Gross loans	2,234,259	2,193,669
Allowance for credit losses	(28,406)	(27,975)
Net loans ⁽¹⁾	<u>\$ 2,205,853</u>	<u>\$ 2,165,694</u>

(1) Includes net deferred loan costs (fees) and net unamortized premiums (discounts) of \$(844) thousand as of March 31, 2026 and \$(331) thousand as of December 31, 2025.

Allowance for Credit Losses on Loans

For loans that share risk characteristics, the Company employs a modeled approach that takes into account current and future economic conditions to estimate lifetime expected losses on a collective basis. With the adoption of Current Expected Credit Losses ("CECL"), the Company elected not to consider accrued interest receivable in its estimated credit losses as the Company writes off the uncollectible accrued interest receivable in a timely manner. Generally, loans are placed on nonaccrual status when they become 90 days or more past due, and any previously accrued but unpaid interest is reversed against interest income. Accrued interest receivable on loans totaled \$8.9 million and \$8.8 million as of March 31, 2026 and December 31, 2025, respectively.

For collectively evaluated loans, the Company uses transition matrices to develop the Probability of Default ("PD") and Loss Given Default ("LGD") approaches, incorporating quantitative factors and qualitative considerations in the calculation of the allowance. The model provides forecasts of PD based on national unemployment rates using regression analysis. The Company incorporates future economic conditions using a weighted multiple scenario approach: baseline and adverse. The Company applies a reasonable and supportable period of one year for the baseline scenario and two years for the adverse scenario, after which loss assumptions revert to historical loss information through a one-year reversion period for the baseline scenario and a two-year reversion period for the adverse scenario. The Company segments the loan portfolio by major loan type using the Call Report codes and internal loan risk ratings to determine the Bank's allowance for credit losses.

The methodologies described above generally rely on historical loss experience to determine the quantitative portion of the allowance for credit losses. The Company also considers other qualitative and macroeconomic variables related to current conditions and reasonable and supportable forecasts that may indicate current expected credit losses could differ from the historical information reflected in the quantitative models. Key qualitative and macroeconomic variables include GDP, unemployment rates, interest rates, asset quality ratios, loan portfolio concentration, California house price index, and CRE price index. The parameters for making adjustments are established under a Credit Risk Matrix that provides different possible scenarios for each of the factors listed below. The Credit Risk Matrix and the possible scenarios enable the Bank to qualitatively adjust the loss rates. This matrix considers the following nine factors, which are patterned after the guidelines provided under the Federal Financial Institutions Examination Council Interagency Policy Statement on the Allowance for Credit Losses, updated to reflect the adoption of CECL:

- Changes in lending policies and procedures, including changes in underwriting standards and practices for collection, charge-offs, and recoveries;
- Actual and expected changes in national and local economic and business conditions and developments in which the institution operates that affect the collectivity of loans;
- Changes in the nature and volume of the loan portfolio;
- Changes in the experience, ability, and depth of lending management and staff;
- Changes in the volume and severity of past-due loans, the volume of nonaccrual loans, and the volume and severity of adversely classified loans;
- Changes in the quality of the credit review function;
- Changes in the value of the underlying collateral for loans that are not collateral-dependent;
- The existence, growth, and effect of any concentrations of credit, and
- The effect of other external factors, such as the regulatory, legal and technological environments; competition; and events such as natural disasters.

For loans that do not share similar risk characteristics such as nonaccrual loans above \$500 thousand, the Company evaluates these loans on an individual loan basis. Such nonaccrual loans are considered to have different risk profiles than performing loans and are therefore evaluated individually. The Company elected to collectively assess nonaccrual loans with balances below \$500 thousand along with the performing and accrual loans, in order to reduce the operational burden of individually assessing small nonaccrual loans with immaterial balances. When a loan is individually evaluated for the allowance for credit losses, the Company uses one of two different asset valuation measurement methods: 1) the present value of future cash flows discounted at the loan's effective interest rate; or 2) the fair value of the collateral for a collateral-dependent loan. For the collateral-dependent loans, the Company obtains a new "as-is" valuation appraisal to determine an updated fair value of collateral. To ensure that appraised values remain current, the Company obtains updated appraisals every twelve months from a qualified independent appraiser. If the fair value of the collateral is less than the amortized balance of the loan, the Company recognizes an allowance for credit losses with a corresponding charge to the provision for credit losses.

The Company maintains a separate allowance for credit losses for its off-balance sheet commitments. The Company uses an estimated funding rate to allocate an allowance to undrawn exposures. This funding rate serves as a credit conversion factor, reflecting the likelihood that undrawn lines of credit may be drawn at any time. The funding rate is determined based on a look-back period of eight quarters. Credit loss is not estimated for off-balance sheet commitments that are unconditionally cancellable by the Company.

The following table summarizes the activity in the allowance for credit losses on loans by portfolio segment and unfunded commitments for the three months ended March 31, 2026 and 2025:

(\$ in thousands)		CRE	SBA— Real Estate	SBA —Non- Real Estate	C&I	Home Mortgage	Consumer	Total
Balance as of December 31, 2024		\$ 9,290	\$ 5,557	\$ 418	\$ 1,844	\$ 7,684	\$ 3	\$ 24,796
Provision for (reversal of) credit losses	(a)	(280)	(176)	89	(105)	1,162	(3)	687
Charge-offs		—	—	(10)	(29)	(91)	—	(130)
Recoveries		—	—	15	—	—	—	15
Balance as of March 31, 2025		\$ 9,010	\$ 5,381	\$ 512	\$ 1,710	\$ 8,755	\$ —	\$ 25,368

Balance as of December 31, 2025		\$ 10,427	\$ 6,385	\$ 587	\$ 1,611	\$ 8,956	\$ 9	\$ 27,975
Provision for (reversal of) credit losses	(a)	1,566	595	87	237	(2,079)	(6)	400
Charge-offs		—	(31)	—	—	—	—	(31)
Recoveries		14	45	3	—	—	—	62
Balance as of March 31, 2026		\$ 12,007	\$ 6,994	\$ 677	\$ 1,848	\$ 6,877	\$ 3	\$ 28,406

(\$ in thousands)		Three Months Ended March 31,	
Unfunded commitments		2026	2025
Allowance for credit losses on unfunded commitments, beginning of period		\$ 274	\$ 360
(Reversal of) provision for credit losses	(b)	12	49
Allowance for credit losses on unfunded commitments, end of period		\$ 286	\$ 409
Provision for credit losses	(a) + (b)	\$ 412	\$ 736

Collateral-dependent loans are loans where repayment is expected to be provided solely by the sale of the underlying collateral, and there are no other available and reliable sources of repayment. The estimated credit losses for these loans are based on the collateral's fair value less selling costs. Generally, the Company records a partial charge-off to reduce the loan's carrying value to the collateral's fair value less selling costs at the time of foreclosure.

The following table represents the amortized cost basis of collateral-dependent loans by property type as of March 31, 2026 and December 31, 2025, for which repayment is expected to be obtained through the sale of the underlying collateral:

(\$ in thousands)	Hotel / Motel	Retail	Single-Family Residential	Office	Total ⁽¹⁾⁽²⁾
As of March 31, 2026					
CRE	\$ 6,228	\$ —	\$ 1,079	\$ —	\$ 7,307
SBA—real estate	5,327	2,538	—	—	7,865
SBA—non-real estate	—	—	14	139	153
Total	<u>\$ 11,555</u>	<u>\$ 2,538</u>	<u>\$ 1,093</u>	<u>\$ 139</u>	<u>\$ 15,325</u>
As of December 31, 2025					
CRE	\$ 2,134	\$ 211	\$ 1,079	\$ —	\$ 3,424
SBA—real estate	4,891	1,528	—	—	6,419
Home mortgage	—	—	589	—	589
Total	<u>\$ 7,025</u>	<u>\$ 1,739</u>	<u>\$ 1,668</u>	<u>\$ —</u>	<u>\$ 10,432</u>

(1) Excludes guaranteed portion of SBA loans totaling \$23.4 million and \$12.7 million as of March 31, 2026 and December 31, 2025, respectively.

(2) The allowance for credit losses allocated to these loans as of March 31, 2026 and December 31, 2025 was \$2.4 million and \$1.3 million, respectively.

The following table presents the amortized cost in nonaccrual loans and loans past due 90 or more days and still accruing interest as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	Nonaccrual Loans with a Related Allowance for Credit Losses	Nonaccrual Loans without a Related Allowance for Credit Losses	Total Nonaccrual Loans	90 or More Days Past Due & Still Accruing	Total ⁽¹⁾
As of March 31, 2026					
CRE	\$ 4,648	\$ 2,659	\$ 7,307	\$ —	\$ 7,307
SBA—real estate	7,862	2,070	9,932	—	9,932
SBA—non-real estate	665	—	665	—	665
C&I	393	—	393	—	393
Home mortgage	—	—	—	—	—
Total	<u>\$ 13,568</u>	<u>\$ 4,729</u>	<u>\$ 18,297</u>	<u>\$ —</u>	<u>\$ 18,297</u>
As of December 31, 2025					
CRE	\$ 554	\$ 2,870	\$ 3,424	\$ —	\$ 3,424
SBA—real estate	7,343	1,851	9,194	—	9,194
SBA—non-real estate	646	—	646	—	646
C&I	218	—	218	—	218
Home mortgage	—	589	589	—	589
Total	<u>\$ 8,761</u>	<u>\$ 5,310</u>	<u>\$ 14,071</u>	<u>\$ —</u>	<u>\$ 14,071</u>

(1) Excludes guaranteed portion of loans totaling \$30.8 million and \$20.9 million as of March 31, 2026 and December 31, 2025, respectively.

Nonaccrual loans and accruing loans past due 90 days or more include both (i) loans with similar risk characteristics that are collectively evaluated for allowance, and (ii) loans that do not share similar risk characteristics that are individually evaluated for allowance. Under the Company's policy, nonaccrual loans with outstanding balances above the \$500 thousand threshold that lack shared risk characteristics are subject to individual evaluation for expected credit losses.

The following table represents the aging analysis of gross loans as of March 31, 2026 and December 31, 2025:

	Still Accruing					
	30-59 Days Past Due ⁽¹⁾	60-89 Days Past Due	90 or More Days Past Due	Nonaccrual Loans ⁽²⁾	Current Accruing Loans	Total
(\$ in thousands)						
As of March 31, 2026						
CRE	\$ —	\$ —	\$ —	\$ 7,307	\$ 1,166,059	\$ 1,173,366
SBA—real estate	4,307	—	—	9,932	246,475	260,714
SBA—non-real estate	1,067	—	—	665	21,736	23,468
C&I	9	17	—	393	218,948	219,367
Home mortgage	3,911	—	—	—	553,041	556,952
Consumer	—	—	—	—	392	392
Total	\$ 9,294	\$ 17	\$ —	\$ 18,297	\$ 2,206,651	\$ 2,234,259
As of December 31, 2025						
CRE	\$ —	\$ —	\$ —	\$ 3,424	\$ 1,128,799	\$ 1,132,223
SBA—real estate	2,532	1,163	—	9,194	229,152	242,041
SBA—non-real estate	30	5	—	646	21,801	22,482
C&I	—	—	—	218	221,052	221,270
Home mortgage	557	2,005	—	589	571,149	574,300
Consumer	—	—	—	—	1,353	1,353
Total	\$ 3,119	\$ 3,173	\$ —	\$ 14,071	\$ 2,173,306	\$ 2,193,669

(1) Excludes guaranteed portion of loans totaling \$947 thousand and \$3.2 million as of March 31, 2026 and December 31, 2025, respectively, with the excluded portion classified within "Current Accruing" loans.

(2) Excludes guaranteed portion of loans totaling \$30.8 million as of March 31, 2026, including \$28.6 million in SBA—real estate and \$2.0 million in SBA—non-real estate and \$20.9 million as of December 31, 2025, including \$18.9 million in SBA—real estate and \$1.7 million in SBA—non-real estate.

Loan Modifications to Borrowers Experiencing Financial Difficulty

To help borrowers facing financial difficulty, the Company may agree to modify the contractual terms of a loan as a way to mitigate loss. These modifications are handled individually, aiming to create terms that support both repayment and the borrower's financial needs. A borrower is considered as experiencing financial difficulty when there is significant uncertainty regarding the borrower's ability to meet required debt payments or secure comparable financing from another creditor at a market rate for similar debt. Modifications may include, but not limited to, payment delays, interest rate reductions, term extensions, principal forgiveness, or a combination of such modifications.

The following tables present the amortized cost of loans as of March 31, 2026 that were modified for borrowers experiencing financial difficulty during the three months ended March 31, 2026 and 2025 by loan segment and modification type:

Three Months Ended March 31, 2026 (\$ in thousands)	Modification Type		Percentage to Each Loan Segment
	Payment Delay	Total	
SBA—real estate ⁽¹⁾	\$ 1,744	\$ 1,744	0.67 %
Total	\$ 1,744	\$ 1,744	

Three Months Ended March 31, 2025 (\$ in thousands)	Modification Type		Percentage to Each Loan Segment
	Payment Delay	Total	
CRE ⁽²⁾	\$ 3,155	\$ 3,155	0.31 %
SBA—real estate ⁽¹⁾	649	649	1.08 %
Total	\$ 3,804	\$ 3,804	

(1) Excludes guaranteed portion of SBA loans totaling \$3.0 million as of March 31, 2026. In comparison, excludes guaranteed portion of SBA loans totaling \$1.9 million as of March 31, 2025.

(2) Interest-only payment arrangements are included within payment deferments as other-than-significant payment delays under ASC 310-10-50-39.

The following tables describe the financial effect of the loan modifications made to borrowers experiencing financial difficulty for the periods presented:

Modification & Loan Types	Financial Effect	
	Description of Financial Effect	Three Months Ended March 31, 2026
Payment Delay:		
SBA—real estate	Deferment of payment by a weighted average of	0.5 years

Modification & Loan Types	Financial Effect	
	Description of Financial Effect	Three Months Ended March 31, 2025
Payment Delay:		
CRE ⁽¹⁾	Deferment of payment by a weighted average of	0.5 years
SBA—real estate	Deferment of payment by a weighted average of	0.5 years

(1) Interest-only payment arrangements are included within payment deferments as other-than-significant payment delays under ASC 310-10-50-39.

A modified loan may become delinquent and may result in a payment default (generally 90 days past due) subsequent to modification. There were no loans that received modifications within the previous 12 months preceding March 31, 2026 and 2025, and subsequently defaulted in three months ended March 31, 2026, and 2025.

For the three months ended March 31, 2026, and 2025, the Company had no additional commitments to lend to borrowers whose loans were modified during the periods.

The Company closely monitors the performance of modified loans to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table presents the performance of such loans that were modified in the twelve months ended March 31, 2026 and 2025:

Payment Performance as of March 31, 2026				
(\$ in thousands)	Current	30 - 89 Days Past Due	90+ Days Past Due	Total
CRE	\$ 2,598	\$ —	\$ —	\$ 2,598
SBA—real estate ⁽¹⁾	3,828	1,097	—	4,925
SBA—non-real estate	—	46	—	46
Total	\$ 6,426	\$ 1,143	\$ —	\$ 7,569

Payment Performance as of March 31, 2025				
(\$ in thousands)	Current	30 - 89 Days Past Due	90+ Days Past Due	Total
CRE	\$ 4,735	\$ —	\$ —	\$ 4,735
SBA—real estate ⁽¹⁾	4,095	—	—	4,095
C&I	250	—	—	250
Total	\$ 9,080	\$ —	\$ —	\$ 9,080

(1) Excludes guaranteed portion of SBA loans totaling \$12.6 million and \$7.4 million as of March 31, 2026 and 2025, respectively.

Credit Quality Indicators

The Company categorizes loans into risk categories based on relevant information about borrowers' ability to service their debt including: current financial information, historical payment experience, credit documentation, public information, and current economic trends. For consumer loans, a credit grade is established at inception, and generally only adjusted based on performance. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on a quarterly basis. The Company uses the following definitions for risk ratings:

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 Company'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.

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.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass-rated loans.

The following table presents the loan portfolio's amortized cost and current year-to-date gross write-offs by loan type, risk rating and year of origination as of March 31, 2026 and December 31, 2025:

March 31, 2026									
	Term Loans by Origination Year							Revolving Loans Converted to Term Loans	
(\$ in thousands)	2026	2025	2024	2023	2022	Prior	Revolving Loans		Total
CRE									
Pass ⁽¹⁾	\$ 97,705	\$ 333,051	\$ 242,742	\$ 78,628	\$ 220,558	\$ 178,436	\$ 12,189	\$ —	\$ 1,163,309
Special mention	—	—	589	—	—	2,161	—	—	2,750
Substandard ⁽¹⁾	—	—	—	1,580	5,727	—	—	—	7,307
Doubtful	—	—	—	—	—	—	—	—	—
Subtotal	\$ 97,705	\$ 333,051	\$ 243,331	\$ 80,208	\$ 226,285	\$ 180,597	\$ 12,189	\$ —	\$ 1,173,366
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
SBA—real estate									
Pass ⁽¹⁾	\$ 19,973	\$ 43,988	\$ 25,364	\$ 28,542	\$ 44,829	\$ 78,668	\$ —	\$ —	\$ 241,364
Special mention ⁽¹⁾	—	—	2,724	—	2,295	1,266	—	—	6,285
Substandard ⁽¹⁾	—	1,004	606	1,238	6,670	3,547	—	—	13,065
Doubtful	—	—	—	—	—	—	—	—	—
Subtotal	\$ 19,973	\$ 44,992	\$ 28,694	\$ 29,780	\$ 53,794	\$ 83,481	\$ —	\$ —	\$ 260,714
Year-to-date charge-offs	\$ —	\$ 19	\$ —	\$ —	\$ 9	\$ 3	\$ —	\$ —	\$ 31
SBA—non-real estate									
Pass ⁽¹⁾	\$ 1,795	\$ 5,653	\$ 7,783	\$ 3,352	\$ 1,536	\$ 2,684	\$ —	\$ —	\$ 22,803
Special mention	—	—	—	—	—	—	—	—	—
Substandard ⁽¹⁾	—	13	192	89	168	203	—	—	665
Doubtful ⁽¹⁾	—	—	—	—	—	—	—	—	—
Subtotal	\$ 1,795	\$ 5,666	\$ 7,975	\$ 3,441	\$ 1,704	\$ 2,887	\$ —	\$ —	\$ 23,468
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
C&I									
Pass	\$ 4,274	\$ 4,848	\$ 18,280	\$ 8,113	\$ 9,703	\$ 11,862	\$ 159,936	\$ 730	\$ 217,746
Special mention	—	—	—	—	—	—	1,107	—	1,107
Substandard	—	—	—	—	—	394	120	—	514
Doubtful	—	—	—	—	—	—	—	—	—
Subtotal	\$ 4,274	\$ 4,848	\$ 18,280	\$ 8,113	\$ 9,703	\$ 12,256	\$ 161,163	\$ 730	\$ 219,367
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Home mortgage									
Pass	\$ 7,058	\$ 129,273	\$ 33,324	\$ 44,721	\$ 237,343	\$ 103,691	\$ —	\$ —	\$ 555,410
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	1,542	—	—	—	1,542
Doubtful	—	—	—	—	—	—	—	—	—
Subtotal	\$ 7,058	\$ 129,273	\$ 33,324	\$ 44,721	\$ 238,885	\$ 103,691	\$ —	\$ —	\$ 556,952
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Consumer									
Pass	\$ 10	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 382	\$ —	\$ 392
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Subtotal	\$ 10	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 382	\$ —	\$ 392
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Total loans																		
Pass	\$	130,815	\$	516,813	\$	327,493	\$	163,356	\$	513,969	\$	375,341	\$	172,507	\$	730	\$	2,201,024
Special mention ⁽¹⁾		—		—		3,313		—		2,295		3,427		1,107		—		10,142
Substandard ⁽¹⁾		—		1,017		798		2,907		14,107		4,144		120		—		23,093
Doubtful ⁽¹⁾		—		—		—		—		—		—		—		—		—
Subtotal	\$	130,815	\$	517,830	\$	331,604	\$	166,263	\$	530,371	\$	382,912	\$	173,734	\$	730	\$	2,234,259
Year-to-date charge-offs	\$	—	\$	19	\$	—	\$	—	\$	9	\$	3	\$	—	\$	—	\$	31

December 31, 2025

	Term Loans by Origination Year						Revolving Loans	Revolving Loans Converted to Term Loans	Total	
(\$ in thousands)	2025	2024	2023	2022	2021	Prior				
<u>CRE</u>										
Pass ⁽¹⁾	\$ 341,466	\$ 243,845	\$ 87,232	\$ 222,690	\$ 158,119	\$ 57,954	\$ 10,553	\$ —	\$ 1,121,859	
Special mention	—	592	—	—	2,179	—	—	—	2,771	
Substandard ⁽¹⁾	—	—	1,580	5,802	—	211	—	—	7,593	
Doubtful	—	—	—	—	—	—	—	—	—	
Subtotal	\$ 341,466	\$ 244,437	\$ 88,812	\$ 228,492	\$ 160,298	\$ 58,165	\$ 10,553	\$ —	\$ 1,132,223	
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 129	\$ —	\$ —	\$ 129	
<u>SBA— real estate</u>										
Pass ⁽¹⁾	\$ 45,147	\$ 26,310	\$ 25,059	\$ 47,886	\$ 11,362	\$ 68,727	\$ —	\$ —	\$ 224,491	
Special mention ⁽¹⁾	—	1,989	—	3,409	457	1,246	—	—	7,101	
Substandard ⁽¹⁾	—	593	1,190	4,542	345	3,779	—	—	10,449	
Doubtful	—	—	—	—	—	—	—	—	—	
Subtotal	\$ 45,147	\$ 28,892	\$ 26,249	\$ 55,837	\$ 12,164	\$ 73,752	\$ —	\$ —	\$ 242,041	
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 413	\$ —	\$ —	\$ 413	
<u>SBA—non-real estate</u>										
Pass ⁽¹⁾	\$ 5,838	\$ 7,538	\$ 3,697	\$ 1,695	\$ 79	\$ 2,967	\$ —	\$ —	\$ 21,814	
Special mention ⁽¹⁾	13	—	—	—	—	—	—	—	13	
Substandard ⁽¹⁾	—	183	89	169	—	214	—	—	655	
Doubtful	—	—	—	—	—	—	—	—	—	
Subtotal	\$ 5,851	\$ 7,721	\$ 3,786	\$ 1,864	\$ 79	\$ 3,181	\$ —	\$ —	\$ 22,482	
Year-to-date charge-offs	\$ —	\$ —	\$ 3	\$ —	\$ —	\$ 33	\$ —	\$ —	\$ 36	
<u>C&I</u>										
Pass	\$ 7,942	\$ 19,098	\$ 8,737	\$ 10,379	\$ 11,799	\$ 1,364	\$ 159,857	\$ 756	\$ 219,932	
Special mention	—	—	—	—	—	—	1,000	—	1,000	
Substandard	—	—	—	—	218	—	120	—	338	
Doubtful	—	—	—	—	—	—	—	—	—	
Subtotal	\$ 7,942	\$ 19,098	\$ 8,737	\$ 10,379	\$ 12,017	\$ 1,364	\$ 160,977	\$ 756	\$ 221,270	
Year-to-date charge-offs	\$ —	\$ —	\$ 41	\$ 157	\$ —	\$ —	\$ —	\$ —	\$ 198	
<u>Home mortgage</u>										
Pass	\$ 136,984	\$ 33,996	\$ 50,255	\$ 244,188	\$ 64,949	\$ 41,788	\$ —	\$ —	\$ 572,160	
Special mention	—	—	—	—	—	—	—	—	—	
Substandard	—	—	—	2,140	—	—	—	—	2,140	
Doubtful	—	—	—	—	—	—	—	—	—	
Subtotal	\$ 136,984	\$ 33,996	\$ 50,255	\$ 246,328	\$ 64,949	\$ 41,788	\$ —	\$ —	\$ 574,300	
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ 77	\$ —	\$ 14	\$ —	\$ —	\$ 91	
<u>Consumer</u>										
Pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,353	\$ —	\$ 1,353	

Special mention	—	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—	—
Subtotal	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,353	\$ —	\$ 1,353	
Year-to-date charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Total loans										
Pass ⁽¹⁾	\$ 537,377	\$ 330,787	\$ 174,980	\$ 526,838	\$ 246,308	\$ 172,800	\$ 171,763	\$ 756	\$ 2,161,609	
Special mention ⁽¹⁾	13	2,581	—	3,409	2,636	1,246	1,000	—	10,885	
Substandard ⁽¹⁾	—	776	2,859	12,653	563	4,204	120	—	21,175	
Doubtful	—	—	—	—	—	—	—	—	—	
Subtotal	\$ 537,390	\$ 334,144	\$ 177,839	\$ 542,900	\$ 249,507	\$ 178,250	\$ 172,883	\$ 756	\$ 2,193,669	
Year-to-date charge-offs	\$ —	\$ —	\$ 44	\$ 234	\$ —	\$ 589	\$ —	\$ —	\$ 867	

(1) As of March 31, 2026 and December 31, 2025, \$32.0 million and \$27.3 million, respectively, of criticized loans with payments guaranteed by government agencies were classified as "Pass" rated.

Note 4 — Premises and Equipment

The following table presents information regarding the premises and equipment as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026	December 31, 2025
Leasehold improvements	\$ 11,061	\$ 11,009
Furniture and fixtures	5,533	5,480
Equipment and others	3,930	4,000
Total premises and equipment	20,524	20,489
Accumulated depreciation	(15,008)	(14,745)
Total premises and equipment, net	\$ 5,516	\$ 5,744

Total depreciation expense included in *Occupancy and equipment* in the Consolidated Statements of Income was \$342 thousand and \$347 thousand for the three months ended March 31, 2026 and 2025, respectively,

Note 5 — Servicing Assets

The Company recognizes the rights to service SBA loans for others as servicing assets when the benefit of servicing is expected to more than adequately compensate the Company for performing the servicing. Servicing assets are initially recorded at fair value and subsequently amortized in proportion to, and over the period of, the estimated future net servicing income of the underlying loans. As of March 31, 2026 and December 31, 2025, the Company serviced SBA loans for others with principal balances of \$672.8 million and \$682.9 million, respectively.

The Company periodically stratifies its servicing assets into groupings based on risk characteristics and evaluates each group for impairment based on the fair value. Based on the impairment test as of March 31, 2026 and December 31, 2025, there was no impairment.

The following table presents the activity in the servicing assets for the three months ended March 31, 2026 and 2025:

(\$ in thousands)	Three Months Ended March 31,	
	2026	2025
Beginning balance	\$ 10,057	\$ 10,834
Additions from loans sold with servicing retained	714	681
Amortized to expense	(937)	(667)
Ending balance	\$ 9,834	\$ 10,848

The fair value of the servicing assets was \$14.7 million as of March 31, 2026, which was determined using discount rates ranging from 4.50% to 11.64% and prepayment speeds ranging from 12.90% to 13.60%, depending on the stratification of the specific assets.

The fair value of the servicing assets was \$16.2 million as of March 31, 2025, which was determined using discount rates ranging from 4.32% to 12.90% and prepayment speeds ranging from 11.49% to 13.60% depending on the stratification of the specific assets.

Note 6 — Borrowing Arrangements

As of March 31, 2026, the Company had \$75.0 million advances from FHLB with a weighted average interest rate of 3.56% and a weighted average remaining term of 2.0 years, compared to \$75.0 million with a weighted average interest rate of 3.55% and a weighted average remaining term of 2.1 years as of December 31, 2025. The Company had letters of credit from the FHLB in the amount of \$170.0 million and \$135.0 million to secure public deposits as of March 31, 2026 and December 31, 2025, respectively.

The Company had available borrowing capacity from the following institutions as of March 31, 2026:

(\$ in thousands)	March 31, 2026
FHLB	\$ 417,723
Federal Reserve Bank	204,140
Pacific Coast Bankers Bank	50,000
Zions Bank	25,000
First Horizon Bank	25,000
Total	\$ 721,863

The Company has pledged approximately \$1.66 billion and \$1.64 billion of loans as collateral for these lines of credit as of March 31, 2026 and December 31, 2025, respectively.

Note 7. Subordinated Note

On November 7, 2025, OP Bancorp issued in a private placement a \$25.0 million principal amount of fixed-to-floating rate note due 2035 (the "2035 Note"). The 2035 Note will mature on November 15, 2035. From the original issue date to, but excluding, November 15, 2030, the 2035 Note will bear interest at a fixed rate of 7.50% per annum and payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2026. Thereafter, until maturity or earlier redemption, the 2035 Note will bear interest at a floating rate, reset quarterly, equal to the three-month term Secured Overnight Financing Rate ("SOFR") plus 411 basis points and payable in arrears on February 15, May 15, August 15, and November 15 of each year. The Company may, at its option, redeem the 2035 Note, in whole or part, at any time after the fifth anniversary of issuance, subject to any required regulatory approvals. The 2035 Note is qualified as tier 2 capital under current regulatory guidelines and interpretations. Debt issuance costs incurred in connection with the issuance of the 2035 Note totaled \$426 thousand and were capitalized in accordance with ASC 835-30. These costs are presented as a direct deduction from the carrying amount of the subordinated note on the Consolidated Balance Sheet and are amortized into interest expense over the contractual term of the note using the straight-line method. As of both March 31, 2026 and December 31, 2025, the balance of the 2035 Note, net of unamortized

debt issuance cost was \$24.6 million. The amortization of debt issuance cost was \$21 thousand for three months ended March 31, 2026.

Note 8 — Commitments and Contingencies

Off-Balance-Sheet Credit Risk

In the normal course of business, the Company enters into commitments to extend credit such as loan commitments and standby letters of credits. These commitments expose the Company to varying degrees of credit and market risk and are subject to the same credit and market reviews as those instruments recorded on the Consolidated Balance Sheets. Loan commitments represent arrangements to lend funds or provide liquidity subject to specified contractual conditions. Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. These commitments generally have fixed expiration dates or contain termination clauses in the event the customer's credit quality deteriorates. Since many of the commitments are expected to expire without being drawn upon, the commitment amounts do not necessarily represent future funding requirements.

The Company applies the same credit underwriting criteria to extend loans and commitments to customers. Each customer's credit worthiness is evaluated on a case-by-case basis. Collateral may be obtained based on management's assessment of a customer's credit. Collateral may include securities, accounts receivable, inventory, property, plant and equipment, and income producing commercial or other properties. The majority of these off-balance sheet commitments have a variable interest rate. Management does not anticipate any material losses as a result of these transactions.

The following table presents the distribution of undisbursed credit-related commitments as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026	December 31, 2025
Loan commitments	\$ 353,701	\$ 325,072
Standby letter of credit	24,389	23,389
Commercial letter of credit	—	63
Total undisbursed credit related commitments	\$ 378,090	\$ 348,524

Investments in low-income housing partnership

The Company invests in certain affordable housing partnerships. The following table shows the investments and unfunded commitments of the Company's affordable housing partnerships as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026	December 31, 2025
Investments in low-income housing partnerships ⁽¹⁾	\$ 17,587	\$ 18,155
Unfunded commitments to fund investments for low-income housing partnerships ⁽¹⁾	5,501	7,137

(1) These balances are reflected in *other assets* and *other liabilities* on the consolidated balance sheets. The Company expects to finish fulfilling these commitments during the year ending 2042.

Under the proportional amortization method, the Company amortizes the initial cost of the investment in proportion to the tax credit and other benefits received, and recognizes the amortization in *income tax expense* on the consolidated statements of income. The Company recognized amortization expense of \$568 thousand and \$497 thousand for the three months ended March 31, 2026 and 2025, respectively. In addition, the Company recognized tax credits and other benefits of \$730 thousand and \$733 thousand for the three months ended March 31, 2026 and 2025, respectively.

Legal Proceedings

From time to time the Company or the Bank are parties to legal proceedings in the ordinary course of business. In accordance with ASC 450, *Contingencies*, the Company accrues reserves for outstanding lawsuits, claims and proceedings when a loss is probable and its amount can be reasonably estimated with specificity or within a given range. Management estimates the likelihood and the amount of a possible loss using current available information from legal proceedings, advice from legal counsel, and available insurance coverage. Due to the inherent subjectivity of the assessments and unpredictability of the outcomes of the legal proceedings, any amounts accrued or included in this aggregate amount may not represent the ultimate loss to the Company from any legal proceedings. The Company is not presently subject to any legal action for which an accrual is required and, accordingly, no accrual has been recorded; however, the Company acknowledges that actual exposure and ultimate losses may differ from current expectations. While it is impossible to ascertain the ultimate resolution or range of financial liability, based on information known to management as of March 31, 2026, management does not believe there are any pending legal proceedings to which the Company is a party that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the Company's Consolidated Financial Statements.

Note 9 — Stock-Based Compensation Plan

The Company has one stock-based compensation plan, the OP Bancorp 2021 Equity Incentive Plan ("2021 Plan") as of March 31, 2026. The Board of Directors approved the 2021 Plan, an equity incentive plan for granting stock options and restricted stock awards to key employees, officers, and non-employee directors of the Company. An aggregate of 1,500,000 shares of the Company's common stock were authorized under the 2021 Plan. The exercise prices of stock options granted under the 2021 Plan may not be less than 100% of the fair value of the Company's stock at the date of grant. There were no stock options granted under the 2021 Plan as of March 31, 2026 and December 31, 2025.

Restricted stock awards issued under the 2021 Plan may or may not be subject to vesting provisions. These awards do not confer voting rights or receive dividend entitlements until the shares have vested. Stock compensation cost for the restricted stock awards are recognized based on the grant-date fair value over the vesting period.

The following table presents a summary of the activity in the Company's restricted stock awards under the 2021 Plan for the three months ended March 31, 2026:

(\$ in thousands, except share data)	Shares Issued	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding (unvested), as of January 1, 2026	131,025	\$ 12.51	\$ 1,850
Awards vested	(7,233)	13.00	
Outstanding (unvested), as of March 31, 2026	123,792	\$ 12.49	\$ 1,646

The following table presents compensation cost and the related tax benefit for the restricted stock awards under the 2021 Plan for the periods indicated follows:

(\$ in thousands)	Three Months Ended March 31,	
	2026	2025
Stock compensation cost	\$ 180	\$ 160
Tax benefit (provision) realized from awards vested	1	30

There were 1,064,724 shares available for future grants of either stock options or restricted stock awards under the 2021 Plan as of March 31, 2026. The Company had approximately \$1.2 million of unrecognized compensation cost related to unvested restricted stock awards under the 2021 Plan as of March 31, 2026. The Company expects to recognize these costs over a weighted average period of 2.9 years.

Note 10 — Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability on the measurement date and is determined using an exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Assets and liabilities recorded at fair value on a recurring basis, such as AFS securities, equity investments and derivatives. Additionally, from time to time, the Company records fair value adjustments on a nonrecurring basis. These nonrecurring adjustments typically involve application of lower of cost or fair value accounting and write-downs of individual assets.

The Company classifies its assets and liabilities recorded at fair value as one of the following three categories and a financial instrument's level within the fair value hierarchy is based on the lowest level of input significant to the fair value measurement:

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 company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis, as well as the general classification of such instruments pursuant to the valuation hierarchy.

AFS Debt Securities —The fair values of investment securities are determined by matrix pricing, which is a mathematical technique used to value debt securities without relying exclusively on quoted prices for the specific securities, but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2). Management obtains the fair values of investment securities on a monthly basis from a third-party pricing service.

Equity Investments — The Company has an equity investment with readily determinable fair value. The fair value is obtained from unadjusted quoted prices in active markets on the date of measurement and classified as Level 1.

Derivatives —The fair values of derivatives are based on valuation models using observable market data as of the measurement date (Level 2).

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2026 and December 31, 2025 are summarized below:

(\$ in thousands)	Fair Value Measure on a Recurring Basis			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2026				
Assets:				
AFS debt securities:				
U.S. Government agencies or sponsored agency securities:				
Residential mortgage-backed securities	\$ 31,286	\$ —	\$ 31,286	\$ —
Residential collateralized mortgage obligations	172,197	—	172,197	—
Municipal securities - tax exempt	5,523	—	5,523	—
Equity Investments:				
Mutual fund - CRA qualified	3,762	3,762	—	—
Derivative assets:				
Interest rate products	59	—	59	—
Liabilities:				
Derivative liabilities:				
Interest rate products	548	—	548	—
December 31, 2025				
Assets:				
AFS debt securities:				
U.S. Government agencies or sponsored agency securities:				
Residential mortgage-backed securities	\$ 32,694	\$ —	\$ 32,694	\$ —
Residential collateralized mortgage obligations	154,463	—	154,463	—
Municipal securities - tax exempt	5,628	—	5,628	—
Equity Investments:				
Mutual fund - CRA qualified	3,757	3,757	—	—
Liabilities:				
Derivative liabilities:				
Interest rate products	888	—	888	—

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

The Company may be required, from time to time, to measure certain assets at fair value on a nonrecurring basis in accordance with GAAP. These adjustments to fair value usually result from application of lower of cost or fair value and write-downs of individual assets.

Collateral-dependent loans — Collateral-dependent loans are loans where repayment is expected to be provided solely by the sale of the underlying collateral and there are no other available and reliable sources of repayment. Fair value for collateral-dependent loans are measured based on the value of the collateral securing these loans and are classified as Level 3. Collateral may include real estate, or business assets including equipment, inventory and accounts receivable. The fair value of real estate collateral is determined based on third-party appraisals. The fair value of business equipment is based on third-party appraisals if significant, or the equipment's net book value on the business' financial statements. The fair value of inventory and accounts receivable collateral are determined based on independent field examiner review or aging reports. Appraisals may utilize a single valuation approach or a combination of approaches including comparable sales

and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available for similar loans and collateral underlying such loans. Appraised values are reviewed by management using historical knowledge, market considerations, and knowledge of the client and client's business.

Other real estate owned — Fair value of OREO is determined primarily based on third-party appraisals, less costs to sell and therefore, is classified as Level 3. Appraisals are required annually and may be updated more frequently when circumstances require, and the fair value adjustments are made to OREO based on the updated appraisals, as appropriate.

The following table presents the fair value hierarchy and fair value of assets that were still held and had fair value adjustments measured on a nonrecurring basis as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	Fair Value Measure on a Nonrecurring Basis			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2026				
Collateral-dependent loans:				
CRE	\$ 3,801	\$ —	\$ —	\$ 3,801
SBA—real estate	4,312	—	—	4,312
SBA—non-real estate	92	—	—	92
Total	<u>\$ 8,205</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,205</u>
December 31, 2025				
Collateral-dependent loans:				
CRE	\$ 450	\$ —	\$ —	\$ 450
SBA—real estate	3,330	—	—	3,330
Total	<u>\$ 3,780</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,780</u>
Total				

The following table presents the increase (decrease) in the fair value of certain assets held at the end of the reporting periods presented for which a nonrecurring fair value adjustment was recognized during the respective periods:

(\$ in thousands)	Three Months Ended March 31,	
	2026	2025
Collateral-dependent loans:		
CRE	\$ 4	\$ 49
SBA—real estate	(260)	274
Total	<u>\$ (256)</u>	<u>\$ 323</u>

The following table presents information about significant unobservable inputs utilized in the Company's nonrecurring Level 3 fair value measurements as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	Fair Value Measurements (Level 3)	Valuation Techniques	Unobservable Inputs	Input Value
March 31, 2026				
Collateral-dependent loans:	\$ 7,159	Fair value of collateral	Selling cost	8.5%
	1,046	Fair value of collateral	Selling cost and Discount	28.5%
December 31, 2025				
Collateral-dependent loans:	\$ 2,383	Fair value of collateral	Selling cost	8.5%
	1,397	Fair value of collateral	Selling cost and Discount	28.5%

(1) Weighted-average of inputs is based on the relative fair value of the respective assets as of March 31, 2026 and December 31, 2025.

Financial Instruments

The carrying amounts and estimated fair values of financial instruments that are not carried at fair value on a recurring basis as of March 31, 2026 and December 31, 2025 are as follows. These financial assets and liabilities are measured at amortized cost basis on the Company's Consolidated Balance Sheets:

(\$ in thousands)	March 31, 2026				
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial assets:					
Cash and cash equivalents	\$ 160,260	\$ 160,260	\$ —	\$ —	\$ 160,260
Loans held for sale	9,498	—	10,283	—	10,283
Net loans	2,205,853	—	—	2,264,983	2,264,983
Accrued interest receivable, net	10,683	952	821	8,910	10,683
Other investments:					
FHLB and PCBB stock	13,346	N/A	N/A	N/A	N/A
Time deposits placed	105	—	105	—	105
Servicing assets	9,834	—	—	14,749	14,749
Financial liabilities:					
Deposits	2,327,294	—	2,328,330	—	2,328,330
FHLB advances	75,000	—	88,979	—	88,979
Subordinated note, net	24,607	—	29,193	—	29,193
Accrued interest payable	15,181	—	15,181	—	15,181

(\$ in thousands)	December 31, 2025				
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial assets:					
Cash and cash equivalents	\$ 167,311	\$ 167,311	\$ —	\$ —	\$ 167,311
Loans held for sale	11,443	—	12,267	—	12,267
Net loans	2,165,694	—	—	2,243,772	2,243,772
Accrued interest receivable, net	10,482	7	1,708	8,767	10,482
Other investments:					
FHLB and PCBB stock	13,346	N/A	N/A	N/A	N/A
Time deposits placed	105	—	105	—	105
Servicing assets	10,057	—	—	14,846	14,846
Financial liabilities:					
Deposits	2,280,547	—	2,283,339	—	2,283,339
FHLB advances	75,000	—	75,792	—	75,792
Subordinated note, net	24,586	—	24,845	—	24,845
Accrued interest payable	14,595	—	14,595	—	14,595

Note 11 — Derivative Financial Instruments

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. As of March 31, 2026, the Company anticipates reclassifying an estimated \$394 thousand of pre-tax of deferred net gains from AOCI into earnings during the next 12 months. For the Company's accounting policy on derivatives, see *Note 1. Significant Accounting Policies* to the Consolidated Financial Statements in the 2025 Annual Report on Form 10-K.

The following table presents the notional amounts, fair values and classification on consolidated balance sheets of the Company's derivatives as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	Derivative Assets			Derivative Liabilities		
	Notional Amount	Balance Sheet Location	Fair Value	Notional Amount	Balance Sheet Location	Fair Value
March 31, 2026						
Derivatives designated as hedging instruments:						
Cash flow hedges:						
Interest rate products	\$ 25,000	Other assets	\$ 59	\$ 50,000	Other liabilities	\$ 548
Total derivatives designated as hedging instruments			<u>\$ 59</u>			<u>\$ 548</u>
December 31, 2025						
Derivatives designated as hedging instruments:						
Cash flow hedges:						
Interest rate products	\$ —	Other assets	\$ —	\$ 75,000	Other liabilities	\$ 888
Total derivatives designated as hedging instruments			<u>\$ —</u>			<u>\$ 888</u>

The following table presents the pre-tax changes in AOCI from cash flow hedges for the three months ended March 31, 2026 and 2025:

(\$ in thousands)	(Losses) Gains Recognized in AOCI	Location of Gains (Losses) Reclassified from AOCI into Earnings	Amount of Gains (Losses) Reclassified from AOCI into Earnings
Three Months Ended March 31, 2026			
Interest rate products	\$ (338)	Interest expense on deposits	\$ (95)
Total	<u>\$ (338)</u>		<u>\$ (95)</u>
Three Months Ended March 31, 2025			
Interest rate products	\$ (482)	Interest expense on deposits	\$ 31
Total	<u>\$ (482)</u>		<u>\$ 31</u>

The tables below present a gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of March 31, 2026 and December 31, 2025. The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets and liabilities are presented on the consolidated balance sheet:

(\$ in thousands)	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet		
				Financial Instruments	Cash Collateral Received	Net Amount
March 31, 2026						
Derivatives assets	\$ 59	\$ —	\$ 59	\$ —	\$ 59	\$ —
Total	\$ 59	\$ —	\$ 59	\$ —	\$ 59	\$ —
December 31, 2025						
Derivatives assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

				Gross Amounts Not Offset in the Balance Sheet		
(\$ in thousands)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts of Liabilities presented in the Balance Sheet	Financial Instruments	Cash Collateral Posted	Net Amount
March 31, 2026						
Derivatives liabilities	\$ 548	\$ —	\$ 548	\$ —	\$ 548	\$ —
Total	\$ 548	\$ —	\$ 548	\$ —	\$ 548	\$ —
December 31, 2025						
Derivatives liabilities	\$ 888	\$ —	\$ 888	\$ —	\$ 888	\$ —
Total	\$ 888	\$ —	\$ 888	\$ —	\$ 888	\$ —

Note 12 — Regulatory Capital Matters

The Bank is subject to certain risk-based capital and leverage ratio requirements under the U.S. Basel III capital rules administered by the federal and state banking agencies. Failure to be well-capitalized or to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on the Company's operations or financial condition. The Basel III capital rules also require the Bank to maintain a capital conservation buffer of 2.50% above the minimum risk-based capital ratios in order to absorb losses during periods of economic stress. Banking institutions with a ratio of common equity tier 1 capital to risk-weighted assets above the minimum but below the capital conservation buffer will face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall. As of both March 31, 2026 and December 31, 2025, the Bank met all applicable capital adequacy requirements.

The following table presents the regulatory capital amounts and ratios for the Company and the Bank as of dates indicated:

(\$ in thousands)	March 31, 2026					
	Actual ⁽¹⁾		Required for Capital Adequacy Purposes		Minimum To be Considered "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)						
Consolidated	\$ 295,671	13.17 %	N/A	N/A	N/A	N/A
Bank	296,036	13.18	\$ 179,679	8.00 %	\$ 224,599	10.00 %
Tier 1 capital (to risk-weighted assets)						
Consolidated	242,998	10.83	N/A	N/A	N/A	N/A
Bank	267,961	11.93	134,759	6.00	179,679	8.00
Common equity Tier 1 capital (to risk-weighted assets)						
Consolidated	242,998	10.83	N/A	N/A	N/A	N/A
Bank	267,961	11.93	101,069	4.50	145,989	6.50
Tier 1 capital (to average assets)						
Consolidated	242,998	9.07	N/A	N/A	N/A	N/A
Bank	267,961	10.00	107,205	4.00	134,006	5.00

(\$ in thousands)	December 31, 2025					
	Actual ⁽¹⁾		Required for Capital Adequacy Purposes		Minimum To be Considered "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)						
Consolidated	\$ 289,562	13.31 %	N/A	N/A	N/A	N/A
Bank	289,464	13.30	\$ 174,139	8.00 %	\$ 217,673	10.00 %
Tier 1 capital (to risk-weighted assets)						
Consolidated	237,791	10.93	N/A	N/A	N/A	N/A
Bank	262,255	12.05	130,604	6.00	174,139	8.00
Common equity Tier 1 capital (to risk-weighted assets)						
Consolidated	237,791	10.93	N/A	N/A	N/A	N/A
Bank	262,255	12.05	97,953	4.50	141,488	6.50
Tier 1 capital (to average assets)						
Consolidated	237,791	8.99	N/A	N/A	N/A	N/A
Bank	262,255	9.91	105,826	4.00	132,282	5.00

(1) The capital requirements are only applicable to the Bank, and the Company's ratios are included for comparison purposes.

Note 13 — Earnings Per Share

The following table presents the calculation of the basic and diluted EPS for the three months ended March 31, 2026 and 2025. For more information on the calculation of EPS, see *Note 1. Significant Accounting Policies* to the Consolidated Financial Statements in the 2025 Annual Report on Form 10-K:

(\$ in thousands, except share and per share data)	Three Months Ended March 31,	
	2026	2025
Basic		
Net income	\$ 7,234	\$ 5,560
Distributed and undistributed earnings allocated to participating securities	—	(74)
Net income allocated to common shares	\$ 7,234	\$ 5,486
Weighted-average number of common shares outstanding	14,890,929	14,857,234
Basic EPS	\$ 0.49	\$ 0.37
Diluted		
Net income allocated to common shares	\$ 7,234	\$ 5,486
Weighted-average number of common shares outstanding	14,890,929	14,857,234
Add: Dilutive impact of unvested restricted stock awards ⁽¹⁾	39,244	—
Average shares and dilutive potential common shares	14,930,173	14,857,234
Diluted earnings per common share	\$ 0.48	\$ 0.37

(1) Approximately eight thousand weighted-average shares of anti-dilutive restricted stock awards were excluded from the diluted EPS computation for the three months ended March 31, 2026. No shares of common stock were antidilutive for the three months ended March 31, 2025.

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OVERVIEW

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and the related notes thereto contained in this Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review "Part II, Item 1A. Risk Factors" for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

OP Bancorp (referred to herein on an unconsolidated basis as "OP Bancorp" and on a consolidated basis as the "Company") is a bank holding company headquartered in Los Angeles, California. Our commercial community banking activities are operated through Open Bank ("Open Bank" or the "Bank"), our wholly owned banking subsidiary, and we do not conduct material business operations other than through the Bank. We offer commercial banking services to small and medium-sized businesses, their owners and retail customers primarily in the Korean-American communities within our primary market areas. We currently operate twelve full service branches: nine branches across Los Angeles and Orange Counties in California, as well as one branch each in Santa Clara, California; Carrollton, Texas; and Las Vegas, Nevada. As of May 2026, we operate two loan production offices, following the opening of a new office in Bellevue, Washington effective May 2026, and the closure of four other loan production offices (Pleasanton, California; Atlanta, Georgia; Aurora, Colorado; and Fairfax, Virginia) in April 2026, with the remaining office located in Lynnwood, Washington. We closed the four loan production offices due to limited market demand,

Our results of operations depend primarily on net interest income, which represents the interest we earn on loans and related products, reduced by the interest we pay on deposits and other borrowings including our senior subordinated note. In addition to net interest income, we derive earnings from fee income we receive in connection with our deposits, and from gains on sale and service of SBA loans. Our major operating expenses are salaries and related benefits we pay our management and staff, and rent we pay on our leased properties. We rely primarily on locally-generated deposits, mostly from the Korean-American market within California, to fund our loan activities.

Current Developments

Interest Rate Environment

The Board of Governors of the Federal Reserve System ("Federal Reserve") maintained the Federal Funds Rate target range at 3.50% to 3.75% on April 29, 2026, marking the third consecutive policy pause this year. The FOMC reiterated that future rate decisions will remain data-dependent as inflation continues to moderate unevenly and labor-market indicators show signs of softening. Uncertainty has been heightened by ongoing geopolitical tensions in the Middle East, which have contributed to elevated oil prices and added upward pressure on inflation. The current rate environment continues to influence loan demand, deposit pricing, funding costs, and credit risk trends across the banking industry. These economic and geopolitical dynamics also increase the difficulty of forecasting interest-rate movements and overall economic conditions, affecting the Company's balance sheet management strategies and our ability to effectively price loans and longer-term deposit products.

We believe we have responded effectively to the evolving dynamics of the banking environment. Our ability to navigate recent challenges is largely attributable to the continued loyalty of our customers and the dedication and expertise of our employees and management team.

FINANCIAL REVIEW

(\$ in thousands, except share and per share data)	Three Months Ended March 31,	
	2026	2025
Income Statement Data:		
Interest income	\$ 38,537	\$ 34,859
Interest expense	18,014	17,441
Net interest income	20,523	17,418
Provision for credit losses	412	736
Noninterest income	4,032	4,816
Noninterest expense	14,233	13,814
Income before income taxes	9,910	7,684
Income tax expense	2,676	2,124
Net income	7,234	5,560
Per Share Data:		
Basic EPS	\$ 0.49	\$ 0.37
Diluted EPS	0.48	0.37
Book value per common share, at period-end	15.62	14.09
Shares of common stock outstanding, at period-end	14,894,239	14,914,261
Performance Ratios:		
Return on average assets ("ROAA") ⁽¹⁾	1.08%	0.92%
Return on average equity ("ROAE") ⁽¹⁾	12.56	10.73
Yield on average total loans ⁽¹⁾	6.33	6.39
Yield on average interest-earning assets ⁽¹⁾	6.00	6.04
Cost of average interest-bearing liabilities ⁽¹⁾	3.88	4.31
Cost of deposits ⁽¹⁾	2.97	3.23
Net interest margin ⁽¹⁾	3.19	3.01
Efficiency ratio ⁽²⁾	57.97	62.13

(1) Annualized.

(2) Represent noninterest expense divided by the sum of net interest income and noninterest income.

(\$ in thousands)	March 31, 2026	December 31, 2025	Change % or Basis Point
Balance Sheet Data:			
Gross loans	\$ 2,234,259	\$ 2,193,669	2 %
Allowance for credit losses on loans	28,406	27,975	2 %
Total assets	2,698,627	2,650,226	2 %
Total deposits	2,327,294	2,280,547	2 %
Shareholders' equity	232,711	227,893	2 %
Asset Quality Data:			
Nonperforming loans to gross loans	0.82 %	0.64 %	18
Allowance for credit losses on loans to nonperforming loans	155	199	(44)%
Allowance for credit losses on loans to gross loans	1.27	1.28	(1)
Balance Sheet and Capital Ratios:			
Gross loans to total deposits	96 %	96 %	0
Noninterest-bearing deposits to total deposits	23	23	0
Stockholders' equity to total assets	8.62	8.60	2
Tier 1 leverage capital ratio	9.07	8.99	8
Common equity tier 1 capital ratio	10.83	10.93	(10)
Tier 1 risk-based capital ratio	10.83	10.93	(10)
Total risk-based capital ratio	13.17	13.31	(14)

The Company's net income for the first quarter of 2026 was \$7.2 million, up \$1.7 million, or 30%, compared with \$5.6 million in the same period a year ago. The year-over-year increase was primarily driven by higher net interest income. The following were notable elements of the Company's performance for the periods presented:

- **Net interest income and net interest margin:** First quarter 2026 net interest income increased to \$20.5 million, up \$3.1 million, or 18%, from the year ago quarter. First quarter 2026 net interest margin expanded 18 basis points to 3.19%.
- **Profitability ratios:** First quarter 2026 ROAA and ROAE of 1.08% and 12.56%, respectively, increasing 16 and 183 basis points year-over-year, respectively.
- **Efficiency Ratios:** First quarter 2026 efficiency ratio of 57.97% improved 416 basis points from the same period in 2025. The improvement in the efficiency ratios primarily reflected an increase in net interest income.
- **Asset Growth:** Total assets reached \$2.70 billion as of March 31, 2026, up \$48.4 million, or 2%, from December 31, 2025, primarily driven by a \$40.6 million increase in gross loans.
- **Loan Growth:** Gross loans were \$2.23 billion, up \$40.6 million, or 2%, from December 31, 2025, primarily reflecting \$41.1 million of CRE loan growth.
- **Deposit Growth:** Total deposits were \$2.33 billion, up \$46.7 million, or 2%, from December 31, 2025, reflecting growth across all major deposit categories.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are described in *Note 1. Significant Accounting Policies* to Consolidated Financial Statements in the 2025 Annual Report on Form 10-K. Certain policies involve critical accounting estimates requiring management judgment, and actual results may differ materially under different assumptions. Allowance for credit losses is considered critical to the Company's Consolidated Financial Statements, and there have been no material changes to our critical accounting policies and estimates since those described in our 2025 Annual Report on Form 10-K.

RESULTS OF OPERATIONS

Net Interest Income

The management of interest income and expense is fundamental to our financial performance. Net interest income, the difference between interest income and interest expense, is the largest component of our total revenue. Management closely monitors total net interest income and the net interest margin. The timing and pace of recognizing premiums and discounts on interest-earning assets as well as the reversal of interest on nonaccrual loans affect our net interest margin, as changes in prepayment speeds and loan activity influence the effective yield on these assets. We seek to maximize net interest income without exposing the Company to excessive interest rate risk through our asset and liability policies. Interest rate risk is managed by monitoring the pricing, maturity and repricing options of all classes of interest-bearing assets and liabilities.

The following table presents, for the periods indicated, information about: (i) weighted average balances, the total dollar amount of interest income from interest-earning assets and the resultant average yields, (ii) average balances, the total dollar amount of interest expense on interest-bearing liabilities and the resultant average rates, (iii) net interest income, (iv) the interest rate spread, and (v) the net interest margin.

(\$ in thousands)	Three Months Ended March 31,					
	2026			2025		
	Average Balance	Interest Income/Expense	Average Yield/Rate ⁽¹⁾	Average Balance	Interest Income/Expense	Average Yield/Rate ⁽¹⁾
Interest-earning assets:						
Interest-bearing deposits in other banks	\$ 145,013	\$ 1,326	3.66 %	\$ 124,069	\$ 1,372	4.42 %
Other investments ⁽²⁾	17,232	571	13.24	16,469	302	7.33
AFS debt securities	205,247	1,761	3.43	184,649	1,496	3.24
CRE	1,154,515	17,814	6.26	1,000,426	14,980	6.07
SBA	292,821	5,980	8.28	265,953	6,207	9.47
C&I	212,941	3,552	6.77	212,106	3,778	7.22
Home mortgage	565,185	7,508	5.31	526,326	6,718	5.11
Consumer	1,287	25	7.99	233	6	9.75
Loans ⁽³⁾	2,226,749	34,879	6.33	2,005,044	31,689	6.39
Total interest-earning assets	2,594,241	38,537	6.00	2,330,231	34,859	6.04
Noninterest-earning assets	76,830			77,823		
Total assets	\$ 2,671,071			\$ 2,408,054		
Interest-bearing liabilities:						
Money market deposits and others	\$ 393,242	\$ 3,009	3.10 %	\$ 353,804	\$ 3,085	3.54 %
Time deposits	1,390,491	13,836	4.04	1,208,032	13,523	4.54
Total interest-bearing deposits	1,783,733	16,845	3.83	1,561,836	16,608	4.31
Borrowings	75,834	679	3.63	78,944	833	4.28
Subordinated note	24,600	490	7.97	—	—	—
Total interest-bearing liabilities	1,884,167	18,014	3.88	1,640,780	17,441	4.31
Noninterest-bearing liabilities:						
Noninterest-bearing deposits	516,722			522,054		
Other noninterest-bearing liabilities	39,756			38,014		
Total noninterest-bearing liabilities	556,478			560,068		
Shareholders' equity	230,426			207,206		
Total liabilities and shareholders' equity	\$ 2,671,071			\$ 2,408,054		
Net interest income / interest rate spreads		\$ 20,523	2.12 %		\$ 17,418	1.73 %
Net interest margin			3.19 %			3.01 %
Cost of deposits			2.97 %			3.23 %
Cost of funds			3.04 %			3.27 %

⁽¹⁾ Annualized.

⁽²⁾ Includes FHLB and PCBB stocks, CRA qualified mutual fund and interest-earning time deposits with banks.

⁽³⁾ Include loans held-for-sale.

Increases and decreases in interest income and interest expense result from changes in average balances (volume) of interest-earning assets and interest-bearing liabilities, as well as changes in average interest rates. The following tables set forth the effects of changing rates and volumes on our net interest income during the period shown. Information is provided with respect to (i) effects on interest income attributable to changes in volume (change in volume multiplied by prior rate) and (ii) effects on interest income attributable to changes in rate (changes in rate multiplied by prior volume). Change applicable to both volume and rate have been allocated to volume and rate ratably.

(\$ in thousands)	Three Months Ended March 31, 2025 vs 2024		
	Increases (Decreases) Due to Change in		
	Volume	Rate	Total
Interest-earning assets:			
Interest-bearing deposits in other banks	\$ 211	\$ (257)	\$ (46)
Other investments	19	250	269
AFS debt securities	192	73	265
CRE	2,342	492	2,834
SBA	588	(815)	(227)
C&I	40	(266)	(226)
Home mortgage	641	149	790
Consumer	23	(4)	19
Total loans	3,634	(444)	3,190
Total interest-earning assets	4,056	(378)	3,678
Interest-bearing liabilities:			
Money market deposits and others	332	(408)	(76)
Time deposits	1,928	(1,615)	313
Total interest-bearing deposits	2,260	(2,023)	237
Borrowings	(31)	(123)	(154)
Subordinated note	245	245	490
Total interest-bearing liabilities	2,474	(1,901)	573
Net interest income	\$ 1,582	\$ 1,523	\$ 3,105

Comparison for the Three Months Ended March 31, 2026 and 2025

Net interest income for the first quarter of 2026 increased year-over-year, primarily driven by higher interest income on loans.

Interest income on loans increased by \$3.2 million, or 10%, primarily due to growth in average loan balances, reflecting strong loan production and portfolio growth.

Interest expense on interest-bearing deposits increased by \$237 thousand or 1%, mainly due to an increase in average interest-bearing deposit balances. This was mostly offset by a reduction in interest-bearing deposit costs, driven by the repricing of time deposits following the federal funds rate cuts.

As a result, net interest margin increased by 18 basis points, as an 18% increase in net interest income outpaced an 11% increase in average earning assets, primarily driven by a 39 basis point increase in net interest spread.

Provision for Credit Losses

Comparison for the Three Months Ended March 31, 2026 and 2025

Provision for credit losses was \$412 thousand for the first quarter of 2026, compared with \$736 thousand in the same period a year ago. The decrease primarily reflected lower qualitative reserves resulting from shifts in portfolio characteristics, partially offset by the higher specific reserves associated with additional nonaccrual CRE loans.

Noninterest Income

While interest income remains the largest single component of total revenues, noninterest income is also an important component. A portion of our noninterest income is associated with SBA lending activity, consisting of gains on the sale of loans sold in the secondary market and servicing income from loans sold with servicing retained. Other sources of noninterest income include service charges on deposit.

Comparison for the Three Months Ended March 31, 2026 and 2025

The following table presents the components of noninterest income for the third quarters of 2026 and 2025:

(\$ in thousands)	Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
Noninterest income:				
Service charges on deposits	\$ 463	\$ 1,000	\$ (537)	(54)%
Loan servicing fees, net of amortization	722	1,007	(285)	(28)
Gains on sale of loans	2,050	2,019	31	2
Other income	797	790	7	1
Total noninterest income	<u>\$ 4,032</u>	<u>\$ 4,816</u>	<u>\$ (784)</u>	<u>(16)%</u>

Noninterest income for the first quarter of 2026 decreased year-over-year, primarily due to lower service charges on deposits and reduced loan servicing fees.

Service charges on deposit decreased by \$537 thousand, or 54%, largely reflecting lower balances in existing business analysis accounts and the closure of certain currency exchange-related accounts during the third quarter of 2025.

Loan servicing fees, net of amortization decreased by \$285 thousand or 28%, mainly due to higher amortization of servicing assets, driven by elevated payoff activity within the servicing portfolio.

Noninterest Expense

Comparison for the Three Months Ended March 31, 2026 and 2025

The following table presents the components of noninterest income for the third quarters of 2025 and 2024:

(\$ in thousands)	Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
Noninterest expense:				
Salaries and employee benefits	\$ 9,276	\$ 8,776	\$ 500	6 %
Occupancy and equipment	1,811	1,581	230	15
Data processing and communication	411	296	115	39
Professional fees	399	407	(8)	(2)
FDIC insurance and regulatory assessments	418	487	(69)	(14)
Promotion and advertising	120	156	(36)	(23)
Directors' fees	144	180	(36)	(20)
Foundation donation and other contributions	725	556	169	30
Other expenses	929	1,375	(446)	(32)
Total noninterest expense	<u>\$ 14,233</u>	<u>\$ 13,814</u>	<u>\$ 419</u>	<u>3 %</u>

Noninterest expense for the first quarter of 2026 increased year-over-year, primarily due to higher salaries and employee benefits and increased occupancy and equipment, partially offset by lower other expenses.

Salaries and employee benefits for the first quarter of 2026 increased \$500 thousand, or 6%, mainly driven by staffing growth and annual merit-based salary adjustments effective April 2025, and higher benefits costs, including health insurance. This increase was partially offset by lower incentive accruals.

Occupancy and equipment for the first quarter of 2026 increased \$230 thousand, or 15%, primarily due to the expiration of a common-area-maintenance concession on a lease that benefited the prior period.

Other expenses for the first quarter of 2026 decreased \$446 thousand, or 32%, primarily reflecting lower business development and credit-related expenses.

Income Taxes

Income tax expense was \$2.7 million and \$2.1 million for the first quarters of 2026 and 2025, respectively. The effective income tax rate was 27.0% and 27.6% for the first quarters of 2026 and 2025, respectively. The increase in income tax expense was primarily driven by higher pre-tax income.

We recorded net deferred tax assets of \$12.4 million as of both March 31, 2026 and December 31, 2025, respectively. After evaluating all available positive and negative evidence, including recent financial performance, projected future taxable income, and tax planning strategies, we have concluded that it was more-likely-than-not that net deferred tax assets as of March 31, 2026, will be fully realized in future periods.

FINANCIAL CONDITION

Investment Portfolio

The securities portfolio is the second largest component of our interest earning assets, after loans, and the structure and composition of this portfolio is important to an analysis of our financial condition. The portfolio serves the following purposes: (i) it provides a source of pledged assets for securing certain deposits and

borrowed funds, as may be required by law or by specific agreement with a depositor or lender; (ii) it provides liquidity to even out cash flows from the loan and deposit activities of customers; (iii) it can be used as an interest rate risk management tool, because it provides a large base of assets, the maturity and interest rate characteristics of which can be changed more readily than the loan portfolio to better match changes in the deposit base and our other funding sources; and (iv) it is an alternative interest-earning use of funds when loan demand is weak or when deposits grow more rapidly than loans.

We classify our debt securities as either AFS or held-to-maturity at the time of purchase. Accounting guidance requires AFS debt securities to be marked to fair value with an offset to accumulated other comprehensive income (loss), a component of shareholders' equity. Monthly adjustments are made to reflect changes in the fair value of our available-for-sale securities.

The following table summarizes the fair value of the AFS debt securities portfolio as of the dates presented:

(\$ in thousands)	March 31, 2026			December 31, 2025			Ratings as of March 31, 2026 ⁽¹⁾	
	Amortized Cost	Fair Value	Net Unrealized Loss	Amortized Cost	Fair Value	Net Unrealized Loss	AAA/AA	A
U.S. Government agencies or sponsored agency securities:								
Residential mortgage-backed securities	\$ 33,911	\$ 31,286	\$ (2,625)	\$ 35,279	\$ 32,694	\$ (2,585)	100 %	— %
Residential collateralized mortgage obligations	184,192	172,197	(11,995)	165,103	154,463	(10,640)	100	—
Municipal securities - tax exempt	5,929	5,523	(406)	5,913	5,628	(285)	—	100
Total AFS debt securities	<u>\$ 224,032</u>	<u>\$ 209,006</u>	<u>\$ (15,026)</u>	<u>\$ 206,295</u>	<u>\$ 192,785</u>	<u>\$ (13,510)</u>	97 %	3 %

(1) Credit ratings are independent assessments of the credit quality of debt securities. The Company determines the credit rating of a debt security based on the lowest rating assigned by any of the nationally recognized statistical rating organizations ("NRSROs") that have rated the security. Investment grade debt securities are those rated BBB- or higher (as defined by NRSROs), and are generally considered by the rating agencies and market participants to represent low credit risk. Ratings percentages are presented based on fair value.

AFS debt securities increased by \$16.2 million, or 8%, to \$209.0 million as of March 31, 2026 from December 31, 2025. This increase was primarily due to a \$29.7 million of purchases in residential collateralized mortgage obligations during the first quarter of 2026, partially offset by \$11.8 million in paydowns of residential collateralized mortgage obligations and mortgage-backed securities, and a \$1.5 million increase in unrealized losses for the three months ended March 31, 2026.

Certain securities have fair values less than amortized cost and, therefore, contain unrealized losses. The unrealized losses were primarily attributable to interest rate movement, not credit quality. These securities (Fannie Mae, Ginnie Mae, and Freddie Mac) are guaranteed or sponsored by agencies of the U.S. government, and the issuers of the securities are of high credit quality. We believe that the net unrealized losses presented in the previous tables are temporary and no credit losses are expected. As a result, we expect full collection of the carrying amount of these securities, do not intend to sell the securities in an unrealized loss position, and believe it is more-likely-than-not we will not have to sell these securities prior to recovery of amortized cost. Accordingly, for AFS debt securities, we did not have allowance for credit losses as of March 31, 2026 and December 31, 2025.

The following table sets forth certain information regarding contractual maturities and the weighted average yields of our investment securities as of the dates presented. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

(\$ in thousands)	March 31, 2026							
	Due in One Year or Less		Due after One Year Through Five Years		Due after Five Years Through Ten Years		Due after Ten Years	
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield
U.S. Government agencies or sponsored agency securities:								
Residential mortgage-backed securities	\$ 14	2.23 %	\$ 454	2.18 %	\$ 19,220	1.98 %	\$ 14,223	2.43 %
Residential collateralized mortgage obligations	—	—	47	1.80	1,374	1.54	182,771	3.51
Municipal securities - tax exempt	—	—	—	—	—	—	5,929	5.70
Total AFS debt securities	<u>\$ 14</u>	<u>2.23 %</u>	<u>\$ 501</u>	<u>2.15 %</u>	<u>\$ 20,594</u>	<u>1.95 %</u>	<u>\$ 202,923</u>	<u>3.50 %</u>

Loans

Our loans represent the largest portion of our earning assets, substantially greater than the securities portfolio or any other asset category, and the quality and diversification of the loan portfolio is an important consideration when reviewing our financial condition.

The loan distribution table that follows sets forth our gross loans outstanding, and the percentage distribution in each category as of the dates indicated:

(\$ in thousands)	March 31, 2026		December 31, 2025		Change	
	Amount	% of Total	Amount	% of Total	\$	%
CRE	\$ 1,173,366	52 %	\$ 1,132,223	52 %	\$ 41,143	4 %
SBA—real estate	260,714	12	242,041	11	18,673	8 %
SBA—non-real estate	23,468	1	22,482	1	986	4 %
C&I	219,367	10	221,270	10	(1,903)	(1)%
Home mortgage	556,952	25	574,300	26	(17,348)	(3)%
Consumer	392	0	1,353	0	(961)	(71)%
Gross loans	<u>2,234,259</u>	<u>100 %</u>	<u>2,193,669</u>	<u>100 %</u>	<u>40,590</u>	<u>2 %</u>
Allowance for credit losses	(28,406)		(27,975)		(431)	2 %
Net Loans ⁽¹⁾	<u>\$ 2,205,853</u>		<u>\$ 2,165,694</u>		<u>\$ 40,159</u>	<u>2 %</u>

(1) Includes net deferred loan costs (fees) and net unamortized premiums (unaccreted discounts) of \$(844) thousand and \$(331) thousand as of March 31, 2026 and December 31, 2025, respectively.

Gross loans increased \$40.6 million, or 2%, to \$2.23 billion as of March 31, 2026 from December 31, 2025. The growth was primarily driven by new loan originations in CRE and SBA loans, partially offset by payoffs in CRE and home mortgage loans, SBA loan sales, and paydowns in CRE loans.

Our loan portfolio is concentrated in CRE, which includes unguaranteed balances in SBA loans, home mortgage and commercial (primarily manufacturing, wholesale, and services-oriented entities). We do not have any material concentrations by industry or group of industries in the loan portfolio. However, 89% of our gross loans were secured by real property as of both March 31, 2026 and December 31, 2025.

Loans Concentration: We have established concentration limits in the loan portfolio for CRE, C&I, and unsecured lending, among others. All loan types are within established limits. We use underwriting guidelines to assess the borrowers' historical cash flow to determine debt service, and we further stress test the debt service under higher interest rate scenarios. Financial and performance covenants are used in commercial lending agreements to allow us to react to a borrower's deteriorating financial condition, should that occur.

Loans — CRE: Our CRE loans include both owner-occupied and non-occupied properties. We originate a mix of fixed- and adjustable-rate loans, with adjustable rates tied to the *Wall Street Journal* prime rate. As of March 31, 2026, our CRE loans totaled \$1.17 billion, up from \$1.13 billion as of December 31, 2025. During the first three months of 2026, we originated \$83.3 million in new CRE loans. Approximately 78% of the CRE portfolio consisted of fixed-rate loans as of March 31, 2026, compared to 80% as of December 31, 2025. Our policy sets the maximum loan-to-value ("LTV") for CRE at 70%. Our weighted average LTV ratio was 49% as of both March 31, 2026 and December 31, 2025.

Loans — SBA: We are designated as an SBA Preferred Lender under the SBA Preferred Lender Program. We offer mostly SBA 7(a) variable-rate loans. We generally sell the 75% guaranteed portion of the SBA loans that we originate. Our SBA loans are typically made to small-sized manufacturing, wholesale, retail, hotel/motel and service businesses for working capital needs or business expansions. SBA loans have maturities up to 25 years. Typically, non-real estate secured loans mature in less than 10 years. Collateral may also include inventory, accounts receivable and equipment, and may include personal guarantees. Our unguaranteed SBA loans collateralized by real estate are monitored by collateral type and included in our CRE Concentration Guidance.

As of March 31, 2026, our SBA portfolio totaled \$284.2 million, up from \$264.5 million as of December 31, 2025. Of the total portfolio, \$260.7 million was secured by real estate, while \$23.5 million was either unsecured or secured by business assets. In comparison, as of December 31, 2025, \$242.0 million was secured by real estate and \$22.5 million was either unsecured or secured by business assets.

Loans — C&I: C&I loans totaled \$219.4 million as of March 31, 2026, down from \$221.3 million as of December 31, 2025.

Loans - Home Mortgage: We primarily originate non-qualified, alternative documentation single-family home mortgage loans through our retail branches and our correspondent lender network. Our primary loan product is a five-year or seven-year hybrid adjustable-rate mortgage, which reprices after the initial five- or seven-year lock period to a selected SOFR plus applicable margin. We also purchase residential mortgage loans from third-party originators based on the underwriting quality and file review as opportunities arise.

Home mortgage loans totaled \$557.0 million as of March 31, 2026, down from \$574.3 million as of December 31, 2025. The decrease primarily reflects \$20.5 million in payoffs during the first quarter of 2026.

Allowance for Credit Losses

The Company maintains its allowance for credit losses at a level it believes is adequate to absorb estimated future credit losses in accordance with GAAP. For further details on the policies, methodologies and significant judgments used in determining the allowance, refer to Item 7. MD&A — Critical Accounting Estimates, and Item 8. Financial Statements — Note 1 — Business and Basis of Presentation to the Consolidated Financial Statements, in the 2025 Annual Report on Form 10-K, as well as Note 3 — Loans and Allowance for Credit Losses on Loans to the Consolidated Financial Statements in this Form 10-Q.

The allowance for credit losses on loans was \$28.4 million as of March 31, 2026, an increase of \$431 thousand from \$28.0 million as of December 31, 2025. This increase was primarily driven by higher specific reserves associated with additional nonaccrual CRE loans, partially offset by lower qualitative reserves resulting from shifts in portfolio characteristics.

Analysis of the Allowance for Credit Losses

The following tables summarize the activity in the allowance for credit losses on loans by loan segments for the three months ended March 31, 2026 and 2025:

(\$ in thousands)	As of and for the Three Months Ended March 31,							
	2026				2025			
	Beginning	Provision (Reversal)	Net (Charge-offs) Recoveries	Ending	Beginning	Provision (Reversal)	Net (Charge-offs) Recoveries	Ending
CRE	\$ 10,427	\$ 1,566	\$ 14	\$ 12,007	\$ 9,290	\$ (280)	\$ —	\$ 9,010
SBA—real estate	6,385	595	14	6,994	5,557	(176)	—	5,381
SBA—non- real estate	587	87	3	677	418	89	5	512
C&I	1,611	237	—	1,848	1,844	(105)	(29)	1,710
Home mortgage	8,956	(2,079)	—	6,877	7,684	1,162	(91)	8,755
Consumer	9	(6)	—	3	3	(3)	—	—
Total	\$ 27,975	\$ 400	\$ 31	\$ 28,406	\$ 24,796	\$ 687	\$ (115)	\$ 25,368
Gross loans				\$ 2,234,259				\$ 2,043,885
Average gross loans				\$ 2,206,685				\$ 1,995,899
Net (recoveries) charge-offs to average gross loans ⁽¹⁾				(0.01)%				0.02 %
Allowance for credit losses to gross loans				1.27 %				1.24 %

(1)

Annualized.

The following table presents an allocation of the allowance for credit losses on loans by portfolio as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026		December 31, 2025		Change	
	Amount	% to Total	Amount	% to Total	\$	%
CRE	\$ 12,007	42 %	\$ 10,427	37 %	\$ 1,580	15 %
SBA—real estate	6,994	25	6,385	23	609	10 %
SBA—non- real estate	677	2	587	2	90	15 %
C&I	1,848	7	1,611	6	237	15 %
Home mortgage	6,877	24	8,956	32	(2,079)	(23)%
Consumer	3	0	9	0	(6)	(67)%
Total	\$ 28,406	100 %	\$ 27,975	100 %	\$ 431	2 %

Nonperforming Assets

Loans are considered delinquent when principal or interest payments are past due 30 days or more. Delinquent loans may remain on accrual status between 30 days and 90 days past due. Loans on which the accrual of interest has been discontinued are designated as non-accrual loans. Typically, the accrual of interest on loans is discontinued when principal or interest payments are 90 days past due or when, in the opinion of management, there is a reasonable doubt as to collectability in the normal course of business. When loans are placed on non-accrual status, all interest previously accrued, but not collected, is reversed against current period interest income. Income on non-accrual loans is subsequently recognized only to the extent that cash is received, and the loan's principal balance is deemed collectible. Loans are restored to accrual status when loans become well-secured and management believes full collectability of principal and interest is probable.

Nonperforming loans include loans that are 90 days past due and still accruing, loans accounted for on a non-accrual basis, and accruing restructured loans. Nonperforming assets consist of nonperforming loans plus OREO.

Nonperforming loans increased by \$4.2 million, or 30% to \$18.3 million as of March 31, 2026 from December 31, 2025. The increase was primarily driven by a single \$4.1 million CRE relationship that migrated to nonaccrual. This loan is currently in active resolution and is expected to be fully paid off by the second quarter of 2026.

Real estate acquired through foreclosure or by deed-in-lieu of foreclosure is classified as OREO until sold, and is initially recorded at fair value less costs to sell at the time of acquisition, establishing a new cost basis. Subsequent declines in fair value are recognized through valuation allowance and charged to expense. As of both March 31, 2026 and December 31, 2025, the Company had no OREO.

The following table sets forth the allocation of our nonperforming assets among our different asset categories as of the dates indicated. Nonperforming loans include non-accrual loans, loans past due 90 days or more and still accruing interest, and loans modified under troubled debt restructurings.

(\$ in thousands)			Change	
			\$	% or Basis Point
	March 31, 2026	December 31, 2025		
Nonaccrual loans	\$ 18,297	\$ 14,071	\$ 4,226	30 %
Past due loans 90 days or more and still accruing	—	—	—	— %
Total nonperforming loans ⁽¹⁾	18,297	14,071	4,226	30 %
Total nonperforming assets	\$ 18,297	\$ 14,071	4,226	30 %
Nonperforming loans to gross loans	0.82 %	0.64 %	NA	18
Nonperforming assets to total assets	0.68	0.53	NA	15
Allowance for credit losses on loans to nonperforming loans	155	199	NA	(44)%

(1) Excludes guaranteed portion of SBA loans of \$30.8 million and \$20.9 million as of March 31, 2026 and December 31, 2025, respectively.

Deposits and Other Sources of Funds

We gather deposits primarily through our branch locations. We offer a variety of deposit products including demand deposits accounts, interest-bearing products, savings accounts and certificate of deposits. We dedicate continuing effort into gathering noninterest demand deposits accounts through marketing to our existing and new loan customers, customer referrals, our marketing staff and various involvement with community networks.

The following table show the composition of deposits by type as of the dates presented:

(\$ in thousands)	March 31, 2026		December 31, 2025		Change	
	Amount	Percent	Amount	Percent	\$	%
Noninterest-bearing demand	\$ 546,550	24 %	520,865	23 %	\$ 25,685	5 %
Interest-bearing:						
Money market and others	398,756	17	388,066	17	10,690	3 %
Time deposits (greater than \$250)	743,153	32	683,956	30	59,197	9 %
Time deposits (\$250 or less)	638,835	27	687,660	30	(48,825)	(7)%
Total interest-bearing	1,780,744	76	1,759,682	77	21,062	1 %
Total deposits	\$ 2,327,294	100 %	\$ 2,280,547	100 %	\$ 46,747	2 %

The following tables set forth the maturity of time deposits as of March 31, 2026:

(\$ in thousands)	Maturity Within:				
	Three Months	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
Time deposits (greater than \$250)	\$ 159,075	\$ 286,942	\$ 157,995	\$ 139,141	\$ 743,153
Time deposits (\$250 or less)	303,647	159,114	99,555	76,519	638,835
Total time deposits	\$ 462,722	\$ 446,056	\$ 257,550	\$ 215,660	\$ 1,381,988

Other than deposits, we also utilized FHLB advances as a supplementary funding source to finance our operations. The advances from the FHLB are collateralized by residential and CRE loans. As of March 31, 2026 and December 31, 2025, the Company had maximum borrowing capacity from the FHLB of \$822.5 million and \$806.1 million, respectively. We had borrowings from FHLB of \$75.0 million as of both March 31, 2026 and December 31, 2025. The Company had estimated uninsured deposits of \$1.15 billion, or 50% of total deposits, and \$1.09 billion, or 48% of total deposits, as of March 31, 2026 and December 31, 2025, respectively.

Liquidity and Capital Resources

Liquidity refers to our ability to meet the cash flow requirements of depositors and borrowers, while at the same time meeting our operating, capital and strategic cash flow needs, and effectively balancing the related costs. We continuously monitor our liquidity position to ensure that assets and liabilities are managed in a manner that will meet all short-term and long-term cash requirements. We manage our liquidity position to meet the daily cash flow needs of customers, while maintaining an appropriate balance between assets and liabilities to meet the return on investment objectives of our shareholders. Our short-term and long-term liquidity requirements are primarily met through cash flow from operations, redeployment of prepaying and maturing balances in our loan and investment portfolios, and increases in customer deposits. Other alternative sources of funds will supplement these primary sources to the extent necessary to meet additional liquidity requirements on either a short-term or long-term basis.

Deposits are the primary funding source for the Bank. Deposits provide a stable source of funding and reduce our reliance on the wholesale funding markets. The following table presents the loan and deposit balances, the loans-to-deposit ratios, and deposits as a percentage of total liabilities as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026	December 31, 2025	Change	
			\$	%
Deposits	\$ 2,327,294	\$ 2,280,547	\$ 46,747	2 %
Deposits as a % of total liabilities	94 %	94 %	NA	— %
Loans, net	\$ 2,205,853	\$ 2,165,694	\$ 40,159	2 %
Loans-to-deposits ratio	95 %	95 %	NA	— %

In addition to deposits, we have access to various sources of wholesale funding, as well as borrowing capacity at the FHLB, Federal Reserve, and correspondent banks to sustain an adequate liquid asset portfolio, meet daily cash demands and allow management flexibility to execute the business strategy. Economic conditions and the stability of capital markets impact our access to and the cost of wholesale funding. Our access to capital markets is also affected by the ratings received from various credit rating agencies.

We had \$100.0 million of unsecured federal funds lines with no amounts advanced as of both March 31, 2026 and December 31, 2025. In addition, on such dates we had lines of credit from the Federal Reserve discount window of \$204.1 million and \$208.9 million as of March 31, 2026 and December 31, 2025, respectively. The Federal Reserve discount window lines were collateralized by a pool of CRE loans and C&I loans totaling \$284.1 million and \$290.7 million as of March 31, 2026 and December 31, 2025, respectively. We

had no borrowings outstanding with the Federal Reserve as of March 31, 2026 or December 31, 2025. Our borrowing on these lines of credits is based upon our eligible collateral and thus may fluctuate from time to time.

Based on the values of loans pledged as collateral, we had \$417.7 million of additional borrowing availability with the FHLB as of March 31, 2026. We also maintain relationships in the capital markets with brokers to issue certificates of deposit and money market accounts.

In November 2025, the Company issued a 7.50% fixed-to-floating rate subordinated note due 2035 in the principal amount of \$25.0 million (the "Note"). The Note will mature on November 15, 2035. The Note bears interest of a fixed rate of 7.50% per annum and payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2026. Thereafter, until maturity or earlier redemption, the Note will bear interest at a floating rate, reset quarterly, equal to the three-month term SOFR plus 411 basis points and payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year. The Note was designed to qualify as Tier 2 capital under applicable capital adequacy regulations. The Company intends to use the net proceeds for general corporate purposes, including without limitation, strengthening the regulatory capital of the Bank and supporting its growth.

We maintain ample access to liquidity, including highly liquid assets on our balance sheet and available unused borrowings from other financial institutions. The following table presents our liquid assets and available borrowings as of March 31, 2026 and December 31, 2025:

(\$ in thousands)	March 31, 2026	December 31, 2025	Change	
			\$	%
Liquid assets:				
Cash and cash equivalents	\$ 160,260	\$ 167,311	\$ (7,051)	(4)%
AFS debt securities	209,006	192,785	16,221	8
Liquid assets	\$ 369,266	\$ 360,096	9,170	3 %
Liquid assets to total deposits	16 %	16 %		
Available borrowings:				
FHLB	\$ 417,723	\$ 443,629	\$ (25,906)	(6)%
Federal Reserve Bank	204,140	208,859	(4,719)	(2)
Pacific Coast Bankers Bank	50,000	50,000	—	—
Zions Bank	25,000	25,000	—	—
First Horizon Bank	25,000	25,000	—	—
Total available borrowings	\$ 721,863	\$ 752,488	\$ (30,625)	(4)%
Total available borrowings to total deposits	31 %	33 %		
Liquid assets and available borrowings to total deposits	47 %	49 %		

In addition to contractual obligations, other commitments of us impact liquidity. These include unused commitments to extend credit, standby letters of credit and commercial letters of credit. Since many of these commitments expire without being drawn upon, and each customer must continue to meet the conditions established in the contract, the total amount of these commercial commitments does not necessarily represent the future cash requirements of us. Our liquidity sources have been, and are expected to be, sufficient to meet the cash requirements of our lending activities. Information about our loan commitments, standby letters of credit and commercial letters of credit is provided in Note 8. Commitments and Contingencies, to the unaudited Consolidated Financial Statements in this Report.

Capital Requirements

We are subject to various regulatory capital requirements administered by the federal and state banking regulators, although, as a “smaller bank holding company,” we are not subject to most of these standards at the holding company level. These standards are, however, applicable to the Bank, and failure to meet regulatory capital requirements may result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our Consolidated 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 our assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting policies. The capital amounts and classifications are subject to qualitative judgments by the federal banking regulators regarding components, risk weightings and other factors. Qualitative measures established by regulation to ensure capital adequacy required us to maintain minimum amounts and various ratios of CET1 capital, Tier 1 capital and total capital to risk-weighted assets and of Tier 1 capital to average consolidated assets, referred to as the “leverage ratio.”

The table below summarizes the capital requirements applicable to us and the Bank in order to be considered “well-capitalized” from a regulatory perspective, as well as our and the Bank’s capital ratios as of March 31, 2026 and December 31, 2025. The Bank exceeded all regulatory capital requirements under the Basel III Capital Rules and were considered to be “well-capitalized” as of the dates reflected in the table below. As of March 31, 2026, the FDIC categorized us as well-capitalized under the prompt corrective action framework. There have been no conditions or events since March 31, 2026 that management believes would change this classification.

As of March 31, 2026 (\$ in thousands)	Actual ⁽¹⁾		Regulatory Capital Ratio Requirements		Minimum to be Considered "Well Capitalized"		Regulatory Capital Ratio Requirements, including fully phased in Capital Conservation Buffer	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)								
Consolidated	\$ 295,671	13.17 %	N/A	N/A	N/A	N/A	N/A	N/A
Bank	296,036	13.18	\$ 179,679	8.00 %	\$ 224,599	10.00 %	\$ 235,829	10.50 %
Tier 1 capital (to risk-weighted assets)								
Consolidated	242,998	10.83	N/A	N/A	N/A	N/A	N/A	N/A
Bank	267,961	11.93	134,759	6.00	179,679	8.00	190,909	8.50
CET1 capital (to risk-weighted assets)								
Consolidated	242,998	10.83	N/A	N/A	N/A	N/A	N/A	N/A
Bank	267,961	11.93	101,069	4.50	145,989	6.50	157,219	7.00
Tier 1 leverage (to average assets)								
Consolidated	242,998	9.07	N/A	N/A	N/A	N/A	N/A	N/A
Bank	267,961	10.00	107,205	4.00	134,006	5.00	107,205	4.00

(1) The capital requirements are only applicable to the Bank, and our ratios are included for comparison purposes.

As of December 31, 2025 (\$ in thousands)	Actual ⁽¹⁾		Regulatory Capital Ratio Requirements		Minimum to be Considered "Well Capitalized"		Regulatory Capital Ratio Requirements, including fully phased in Capital Conservation Buffer	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)								
Consolidated	\$ 289,562	13.31 %	N/A	N/A	N/A	N/A	N/A	N/A
Bank	289,464	13.30	\$ 174,139	8.00 %	\$ 217,673	10.00 %	\$ 228,557	10.50 %
Tier 1 capital (to risk-weighted assets)								
Consolidated	237,791	10.93	N/A	N/A	N/A	N/A	N/A	N/A
Bank	262,255	12.05	130,604	6.00	174,139	8.00	185,022	8.50
CET1 capital (to risk-weighted assets)								
Consolidated	237,791	10.93	N/A	N/A	N/A	N/A	N/A	N/A
Bank	262,255	12.05	97,953	4.50	141,488	6.50	152,371	7.00
Tier 1 leverage (to average assets)								
Consolidated	237,791	8.99	N/A	N/A	N/A	N/A	N/A	N/A
Bank	262,255	9.91	105,826	4.00	132,282	5.00	105,826	4.00

(1) The capital requirements are only applicable to the Bank, and our ratios are included for comparison purposes.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss due to changes in market values of assets and liabilities. We incur market risk in the normal course of business through exposures to market interest rates, equity prices, and credit spreads. We have identified interest rate risk as our primary source of market risk.

Interest Rate Risk

Interest rate risk is the risk to earnings and value arising from changes in market interest rates. Interest rate risk arises from timing differences in the repricing and maturities of interest-earning assets and interest-bearing liabilities (repricing risk), changes in the expected maturities of assets and liabilities arising from embedded options, such as borrowers' ability to prepay home mortgage loans at any time and depositors' ability to redeem certificates of deposit before maturity (option risk), changes in the shape of the yield curve where interest rates increase or decrease in a nonparallel fashion (yield curve risk), and changes in spread relationships between different yield curves, such as U.S. Treasuries and SOFR (basis risk).

Our board's asset liability management committee, or ALM, establishes broad policy limits with respect to interest rate risk. Our management's asset liability committee, or ALCO, establishes specific operating guidelines within the parameters of the policies set by the ALM. In general, we seek to minimize the impact of changing interest rates on net interest income and the economic values of assets and liabilities. Our ALCO monitors the level of interest rate risk sensitivity on a quarterly basis to ensure compliance with the ALM-approved risk limits. The policy requires a periodic review of all key assumptions used, such as identifying appropriate interest rate scenarios, setting loan prepayment rates based on historical analysis, and noninterest-bearing and interest-bearing deposit durations based on historical analysis.

Interest rate risk management is an active process that encompasses monitoring loan and deposit flows complemented by investment and funding activities. Effective management of interest rate risk begins with understanding the dynamic characteristics of assets and liabilities and determining the appropriate interest rate risk posture given business forecasts, management objectives, market expectations, and policy constraints.

An asset sensitive position refers to a balance sheet position in which an increase in short-term interest rates is expected to generate higher net interest income, as rates earned on our interest-earning assets would reprice upward more quickly than rates paid on our interest-bearing liabilities, thus expanding our net interest margin. Conversely, a liability sensitive position refers to a balance sheet position in which an increase in short-term interest rates is expected to generate lower net interest income, as rates paid on our interest-bearing liabilities would reprice upward more quickly than rates earned on our interest-earning assets, thus compressing our net interest margin.

Interest rate risk measurement is calculated and reported to the ALCO and ALM at least quarterly. The information reported includes period-end results and identifies any policy limits exceeded, along with an assessment of the policy limit breach and the action plan and timeline for resolution, mitigation, or assumption of the risk.

Evaluation of Interest Rate Risk

We use a net interest income simulation model to measure and evaluate potential changes in our net interest income. We run various hypothetical interest rate scenarios at least quarterly and compare these results against a scenario with no changes in interest rates. We use two approaches to model interest rate risk: Earnings at Risk, or EAR, and Economic Value of Equity, or EVE. Under EAR, net interest income is modeled utilizing various assumptions for assets and liabilities. EVE measures the period end market value of assets minus the market value of liabilities and the change in this value as rates change. EVE is a period end measurement.

Our simulation model incorporates various assumptions, which we believe are reasonable but which may have a significant impact on results such as: (i) the timing of changes in interest rates; (ii) shifts or rotations in the yield curve; (iii) re-pricing characteristics for market-rate-sensitive instruments; (iv) varying loan prepayment speeds for different interest rate scenarios; and (v) the overall growth and mix of assets and liabilities. Because of limitations inherent in any approach used to measure interest rate risk, simulation results are not intended as a forecast of the actual effect of a change in market interest rates on our results but rather as a means to better plan and execute appropriate asset-liability management strategies and manage our interest rate risk.

Potential changes to our net interest income in hypothetical rising and declining rate scenarios calculated as of March 31, 2026 and December 31, 2025 are presented in the following table. The projections assume (1) immediate, parallel shifts downward of the yield curve of 100, 200 and 300 basis points and (2) immediate, parallel shifts upward of the yield curve of 100, 200, and 300 basis points over 12 months.

	Net Interest Sensitivity		Economic Value of Equity Sensitivity	
	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
+300 basis points	2.22 %	(0.16)%	(20.69)%	(21.31)%
+200 basis points	2.07	0.31	(10.04)	(10.83)
+100 basis points	1.07	(0.03)	(3.14)	(3.66)
-100 basis points	(0.39)	2.44	2.86	2.28
-200 basis points	(1.24)	5.90	0.32	(0.57)
-300 basis points	(0.32)	12.30	(6.91)	(6.66)

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

The Company's management, including our President and Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered in this Report. Based on such evaluation, our President and Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective as of that date to provide reasonable assurance that the information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded,

processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its President and Chief Executive Officer and its Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act), during the period covered by this Report, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures and Internal Control over Financial Reporting

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In the normal course of business, we are subject to legal proceedings or claims. Management has reviewed all legal claims against us and possible loss contingencies, and does not expect the liabilities associated with pending claims to be material to any of the Consolidated Financial Statements.

Item 1A. Risk Factors

You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this Report and other documents we file with the SEC. The following risks and uncertainties described below are those that we have identified as material. Events or circumstances arising from one or more of these risks could adversely affect our business, financial condition, operating results and prospects and the value and price of our common stock could decline. The risks identified below are not a comprehensive list of all risks we face. Additional risks and uncertainties not presently known to us, or that we may currently view as not material, may also adversely impact our business, financial condition, and results of operations.

Risks Related to Our Business

Interruptions, cyber-attacks, fraudulent activity or other security breaches could have a material adverse effect on our business.

Our business is highly dependent on the collection, storage, transmittal, sharing, processing and retention of information about our customers and employees. To accomplish these activities, we rely heavily upon electronic infrastructure that we own or that we obtain via license or other contractual arrangements with third parties. These technologies affect, among other things, our customers' ability to access and transfer funds, initiate and pay loans and leases, communicate with our customer service teams, and engage in a variety of other activities that form the foundation of modern financial services businesses. Likewise, our employee data and related technologies allow us to communicate with our employees, compensate our staff, maintain timekeeping, payroll and benefits records, and comply with an increasingly complex web of labor and employment laws and regulations. Further, the increasing perpetration of cybersecurity attacks by nation-state actors and sponsored groups, coupled with the ongoing military conflict between the United States and Iran and by the United States against certain paramilitary or terrorist groups believed to be sponsored by Iran, may have the effect of increasing the risk, frequency or intensity of such incidents. The loss, interruption or disruption of these systems may damage our relationships with customers and correspondingly may harm our reputation. Compromises or interruptions in our employment-related systems may cause challenges in our relationships with our employees, upon whom we are heavily dependent in the conduct of our business and the development and maintenance of our relationships with customers and prospective customers, and in certain circumstances may expose us to liabilities under certain federal and state employment laws.

Cybersecurity measures are, by their nature, largely reactive, and threats are constantly evolving. We expect that the development of AI-based technologies will accelerate both the number and the sophistication of these threats. We routinely experience attempts to exploit our networks and systems, and we must continue investing in increasingly advanced (and concomitantly expensive) technology to counteract these threats. Further, if our systems cannot timely detect and mitigate vulnerabilities, or cannot promptly respond to threats, we may experience damage to or interruptions in the availability of our computer networks, or we may experience a loss of data, unauthorized use or disclosure of customer information, or a loss of customer funds as a result of unauthorized access to customer accounts. Likewise, breaches of our payroll, benefits, and other employee-related systems may give rise to liability under employment and privacy laws and may damage our relationships with our employees. Further, we may have a limited ability to enforce warranties, indemnities or other remedies against the providers of these systems in the event we incur a loss.

Disruptions or failures in the physical infrastructure, controls or operating systems that support our businesses and customers, failures of the third parties on which we rely to adequately or appropriately provide their services or perform their responsibilities, or our failure to effectively manage or oversee our third-party relationships, could result in business disruptions, loss of revenue or customers, legal or regulatory

proceedings, remediation and other costs, violations of applicable privacy and other laws, reputational damage, customer harm, or other adverse consequences, any of which could materially adversely affect our results of operations or financial condition. Further, new and evolving SEC regulations, as well as federal and state banking and consumer privacy laws and regulations, could require us to provide notices of security breaches. Such disclosures could result in increased regulatory scrutiny, exacerbate our potential legal liability, and result in a loss of confidence in the security of our systems or an adverse perception of our products and services.

The access by unauthorized persons to, or the improper disclosure by us or our third-party vendors of, confidential information regarding our customers or our own proprietary information, software, methodologies and business secrets, failures or disruptions in our communications, information and technology systems, or our failure to adequately address them, could negatively affect our customer relationship management, online banking, accounting or other systems. We cannot assure readers that such breaches, failures or interruptions will not occur or, if they do occur, that they will be adequately addressed by us or the third parties on which we rely.

Accordingly, any failures or interruptions of our communications, information and technology systems could damage our reputation, result in a loss of customer business, subject us to additional regulatory scrutiny or expose us to civil litigation and possible financial liability, any of which could have a material adverse effect on our business, financial condition or results of operations.

Our profitability is dependent upon the geographic concentration of the markets in which we operate.

A substantial portion of our business is derived from our commercial banking activities in the Los Angeles, California, Metropolitan Area. As a result, our business, financial condition and results of operations are subject to the demand for our products in those areas and is also subject to changes in the economic conditions in those areas. Our success depends upon the business activity, population, income levels, deposits and real estate activity in these markets. Further, although we have significant lending and deposit relationships in other areas, and our clients' business and financial interests may extend well beyond these market areas, adverse economic conditions that affect these market areas could reduce our growth rate, affect the ability of our clients to repay their loans to us, could impair the value of the collateral securing our loans, or otherwise could affect our business, financial condition and results of operations. Because of our geographic concentration, we are less able than regional or national financial institutions to diversify demand for our products or our credit risks across multiple markets.

Similarly, geologic, weather-related, and other hazards such as wildfires, earthquakes, droughts, floods and storms, frequently threaten our markets, and in certain circumstances could be expected to have a disproportionate effect on our business as compared to financial institutions whose client and asset bases are more diversified. Such events may harm our business directly or may harm our clients and prospective clients in a way that increases the risks of defaults on our loans, reduces the value of our collateral, and increases clients' need for liquidity, thus reducing our deposit base and potentially increasing our costs of funds.

Our operations could be disrupted by our third-party service providers, including risks arising from their use of artificial intelligence technologies, experiencing difficulty in providing their services, terminating their services, or failing to comply with banking regulations.

We depend to a significant extent on relationships with third-party service providers. Specifically, we utilize third-party core banking services and receive credit card and debit card services, branch capture services, Internet banking services and services complementary to our banking products from various third-party service providers. Certain of these third-party service providers may incorporate or rely on artificial intelligence ("AI"), machine learning, automated decision-making technologies or similar emerging technologies in the development or delivery of their products and services, including technologies that are evolving rapidly and for which regulatory expectations are continuing to develop. These third-party relationships are subject to increasingly demanding regulatory requirements that require us to maintain and continue to enhance our due diligence, contractual controls, and ongoing monitoring and oversight of our vendors, including with respect to their information security practices, data governance, model risk management, operational resilience and compliance with applicable laws and regulations. The use of AI by our third-party service providers may increase the complexity of these oversight obligations and may expose us to additional risks, including risks

related to data privacy and security, model performance, bias or discrimination, explainability, intellectual property, and regulatory compliance. We may be required to renegotiate or modify our agreements to address these enhanced requirements or evolving supervisory expectations, which could increase our costs or may be impracticable. If our service providers experience operational difficulties, fail to perform in accordance with expectations, experience disruptions related to AI system failures or errors, suffer a cyberattack or other security breach, fail to comply with applicable laws or regulations, or terminate their services, and we are unable to replace them in a timely manner, our operations could be interrupted. It may be difficult for us to replace certain service providers promptly, particularly where the services involve specialized technologies or proprietary platforms, including AI-enabled systems, and replacement services may be available only at higher cost or on less favorable terms.

In addition, many of our agreements with third-party service providers limit our ability to recover damages, even for negligent actions that may result in customer harm, regulatory scrutiny, or enforcement actions. Regulatory requirements generally apply directly to financial institutions rather than to their service providers, and we expect that our regulators would hold us responsible for deficiencies in or failures of our third-party relationships, including deficiencies related to the use of AI technologies by those providers. Such deficiencies could result in supervisory findings, enforcement actions, civil money penalties, litigation, customer remediation obligations, reputational harm, or other administrative or judicial penalties or fines, any of which could have a material adverse effect on our business, financial condition and results of operations.

Adverse conditions in Asia and elsewhere could adversely affect our business.

Although we believe we have minimal direct exposure to economic conditions in South Korea and other countries in Asia, many of our customers maintain significant investment, business, and other ties to the region. As a result, we are still likely to feel the effects of adverse economic and political conditions in South Korea and Asia, including the effects of rising inflation or slowing growth and volatility in the real estate and stock markets in that region. U.S. and global economic policies, military tensions in North Korea, and unfavorable global economic conditions may adversely impact the South Korean and other Asian economies. In addition, pandemics and other public health crises or concerns over the possibility of such crises could create economic and financial disruptions in the region. A significant deterioration of economic conditions in Asia, and in South Korea in particular, could expose us to, among other things, economic and transfer risk, and we could experience an outflow of deposits by those of our customers with connections to Asia. For example, among other things, we may experience increased credit risk or increased deposit withdrawal demands as a result of transfer risk if our clients with strong financial ties to Asia are unable to obtain the foreign exchange needed to meet their obligations or to provide liquidity.

Volatility and uncertainty in interest rates, combined with Iran-related energy concerns that may contribute to higher inflation and operating costs, could adversely affect our loan portfolio, interest income, and financial condition, and may result in increased credit losses or higher provision expense.

Although the Federal Reserve Open Markets Committee (commonly referred to as “the Fed”) has recently made modest incremental reductions in benchmark interest rates, the current interest rate environment remains significantly elevated from that of the recent past, and recent indications as of the date of this report are that further reductions are uncertain as to both timing and degree. Interest rates affect both our ability to reprice variable-rate loans and to originate new fixed-rate loans, and in times of significant uncertainty about interest rates, such as the present, clients and prospective investors often reduce their borrowing levels, which tends to have a deflating effect on our outstanding loan balances and thus on our interest income. In addition, geopolitical conflicts, including tensions in the Middle East, may contribute to volatility in global energy prices, which could increase inflationary pressures and operating costs across the economy and indirectly affect our borrowers’ financial condition, credit quality, and demand for loans.

Although the Fed has indicated in recent public statements that economic conditions appeared to have stabilized, the committee has made only limited downward adjustments to benchmark rates, and, as a result, we are unable to predict changes in future interest rates. Further, even if further adjustments are made, the effect on overall markets remains uncertain. If rates resume increasing, or if they continue to remain at relatively elevated levels for prolonged periods, our borrowers may experience increasing difficulty in repaying their loans or, may defer additional borrowing decisions pending the resolution of both the political and market uncertainties.

Changes in interest rates also can affect the value of loans, investment securities and other assets held in our portfolio or originated for sale. For example, rising interest rates would result in a decline in value of the fixed-rate debt securities we hold in our investment securities portfolio. The unrealized losses resulting from holding these securities would be recognized in accumulated other comprehensive income and would reduce total shareholders' equity. Unrealized losses do not negatively impact our regulatory capital ratios. However, tangible common equity and the associated ratios would be reduced. If debt securities in an unrealized loss position are sold, such losses become realized and will reduce our regulatory capital ratios.

To the extent interest rates remain relatively elevated, or if economic conditions affecting our borrowers worsen, our allowance for credit losses and related provision could be negatively impacted, which would result in a reduction in net income for the corresponding period, or in some cases we may experience losses in excess of established reserves, which would adversely affect our net income, common equity, and regulatory capital ratios. At the same time, relatively elevated rates (whether because rates are stabilized at current levels or because rate reductions are slower or smaller) may reduce demand and thus adversely affect our interest earning assets. Either of these outcomes, alone or in combination with other factors, may have a material adverse effect on our results of operations.

Liquidity risks could affect operations and adversely affect our business, financial condition, and results of operations.

Liquidity is essential to our business. An inability to raise funds through deposits, borrowings, the sale of loans and/or investment securities and through other sources could have a substantial negative effect on our liquidity. Our most important source of funds consists of our customer deposits. Such deposit balances can decrease when customers perceive alternative investments, such as money market funds, bonds and the stock market, as providing a better risk/return tradeoff. If customers move money out of bank deposits and into other investments, we could lose a relatively low cost source of funds, which would require us to seek wholesale funding alternatives or to rely on existing credit lines in order to continue to grow, thereby increasing our funding costs and reducing our net interest income and net income.

Any decline in available funding could adversely impact our ability to continue to implement our strategic plan, including our ability to originate loans, invest in securities, meet our expenses, or to fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse effect on our liquidity, business, financial condition and results of operations.

Our operations and financial performance may be adversely affected by a prolonged or recurring shutdown of the U.S. federal government.

A federal government shutdown could adversely affect customers that depend on government contracts, grants, or other government-related revenue, which may impair their ability to service loans or increase deposit withdrawals. In addition, shutdowns may delay the processing of government-backed loans and the recognition of related income. In particular, the SBA typically suspends approvals under its core programs, including the 7(a) and 504 programs, during a shutdown, delaying loan closings and creating uncertainty for borrowers and lenders. Although we may continue internal processing and underwriting, final approvals and disbursements depend on SBA system availability. The timing, duration, and frequency of government shutdowns are unpredictable, and prolonged disruptions could materially adversely affect our business, financial condition, and results of operations.

Risks Related to Our Loans

Because a significant portion of our loan portfolio is comprised of real estate loans, negative changes in the economy affecting real estate values and liquidity could impair the value of collateral securing our real estate loans and result in loan and other losses.

Adverse developments affecting real estate values in our market areas could increase the credit risk associated with our real estate loan portfolio. The market value of real estate can fluctuate significantly and rapidly as a result of market conditions in the geographic area in which the real estate is located. Real estate values and real estate markets are generally affected by changes in national, regional or local economic conditions, the rate of unemployment, fluctuations in interest rates and the availability of loans to potential

purchasers, changes in tax laws and other governmental statutes, regulations and policies and acts of nature, such as earthquakes and other natural disasters. Adverse changes affecting real estate values and the liquidity of real estate in one or more of our markets could increase the credit risk associated with our loan portfolio, significantly impair the value of property pledged as collateral on loans and affect our ability to sell the collateral upon foreclosure without a loss or additional losses, which could result in losses that would adversely affect profitability. Moreover, a substantial portion of the collateral underlying our real estate loans is located in the Los Angeles Metropolitan Area, which is subject to elevated risk of loss from fire, earthquakes, flooding and other nature disasters. These events and any declines or losses that result from could have a material adverse effect on our business, financial condition and results of operations.

The small- and medium-sized businesses that we lend to may have fewer resources to weather adverse business developments, which may impair a borrower's ability to repay a loan, and such impairment could adversely affect our business, financial condition and results of operations.

We target our business development and marketing strategy primarily to serve the banking and financial services needs of small- to medium-sized businesses. These businesses generally have fewer financial resources in terms of capital or borrowing capacity than larger entities, frequently have smaller market shares than their competition, may be more vulnerable to economic downturns, often need significant additional capital to expand or compete and may experience substantial volatility in operating results, any of which may impair a borrower's ability to repay a loan. In addition, the success of a small- and medium-sized business often depends on the management talents and efforts of one or two people or a small group of people, and the death, disability or resignation of one or more of these people could have a material adverse impact on the business and its ability to repay its loan. If general economic conditions negatively impact the markets in which we operate and our borrowers are otherwise affected by adverse business developments, our business, financial condition and results of operations may be adversely affected.

Our single family residential loan product consists primarily of non-qualified single family home mortgage loans which may be considered less liquid and more risky.

The non-qualified single-family home mortgage loans that we originate are designed to assist mainly Korean-Americans who have recently immigrated to the United States and those Korean-Americans without sufficient documentation to qualify for a traditional home mortgage loan and as such are willing to provide higher down payment amounts and pay higher interest rates and fees in return for reduced documentation requirements. Non-qualified single-family home mortgage loans are considered to have a higher degree of risk and are less liquid than qualified single-family home mortgage loans because non-qualified loans are not able to be securitized and can only be sold directly to other financial institutions. Qualified loans require a minimum of two years of tax returns for borrowers to demonstrate their ability to repay the loan and other standard documentation to qualify for securitization. For non-qualified loans we do not require the standard documentation required for qualified loans. For example, we will typically require only one year of tax returns and only pay-stub verification of employment. We attempt to address this enhanced risk through our underwriting process, including requiring larger down payments and, in some cases, interest reserves.

Lack of seasoning of our loan portfolio could increase risk of credit defaults in the future.

As a result of the organic growth of our loan portfolio over the past five years, a large portion of our loans and of our lending relationships are of relatively recent origin. In general, loans do not begin to show signs of credit deterioration or default until they have been outstanding for some period of time, a process referred to as "seasoning." As a result, a portfolio of older loans will usually behave more predictably than a newer portfolio.

Because a large portion of our portfolio is relatively new, the current level of delinquencies and defaults may not represent the level that may prevail as the portfolio becomes more seasoned. If delinquencies and defaults increase, we may be required to increase our provision for credit losses, which could materially and adversely affect our business, financial condition and results of operations. For information about the average age of our loans, see *MD&A. Financial Condition — Nonperforming Loans* in the 2025 Annual Report on Form 10-K.

Risks Related to our SBA Loan Program

Recent changes to the requirements for new SBA loans may significantly reduce our ability to participate in these programs.

In February 2026, SBA announced revisions to its SBA loan program eligibility requirements, effective March 1, 2026, eliminating the prior exception that permitted limited ownership by certain non-U.S. persons. Because a substantial portion of the Company's banking activities involves SBA lending, this change could reduce the pool of eligible borrowers and adversely affect SBA loan originations, secondary market activity, and customer relationships. While management has evaluated the potential impact of this rule change on its SBA lending operations to date, the Company cannot predict the full effect on future lending volumes, asset quality, results of operations, or financial condition, particularly if SBA requirements or related federal policies continue to evolve.

SBA lending is an important part of our business. Our SBA lending program is dependent upon the U.S. federal government, and we face specific risks associated with originating SBA loans.

Our SBA lending program is dependent upon the U.S. federal government. As an approved participant in the SBA Preferred Lender's Program (an "SBA Preferred Lender"), we enable our clients to obtain SBA loans without being subject to the potentially lengthy SBA approval process necessary for lenders that are not SBA Preferred Lenders. The SBA periodically reviews the lending operations of participating lenders to assess, among other things, whether the lender exhibits prudent risk management. When weaknesses are identified, the SBA may request corrective actions or impose enforcement actions, including revocation of the lender's SBA Preferred Lender status. If we lose our status as an SBA Preferred Lender, we may lose some or all of our customers to lenders who are SBA Preferred Lenders, and as a result we could experience a material adverse effect to our financial results. Further, any changes to the SBA program in addition to those described in the preceding risk factor, such as changes to the level of guarantee provided by the federal government on SBA loans, changes to program specific rules impacting volume eligibility under the guaranty program, as well as changes to the program amounts authorized by Congress, may also have a material adverse effect on our business. In addition, any default by the U.S. government on its obligations or any prolonged government shutdown could, among other things, impede our ability to originate SBA loans or sell such loans in the secondary market, which could have a material adverse effect on our business, financial condition and results of operations.

The SBA's 7(a) Loan Program is the SBA's primary program for helping start-up and existing small businesses, with financing guaranteed for a variety of general business purposes. Generally, we sell the guaranteed portion of our SBA 7(a) loans in the secondary market. These sales result in premium income for us at the time of sale and create a stream of future servicing income, as we retain the servicing rights to these loans. For the reasons described above, we may not be able to continue originating these loans or sell them in the secondary market. Furthermore, even if we are able to continue to originate and sell SBA 7(a) loans in the secondary market, we might not continue to realize premiums upon the sale of the guaranteed portion of these loans or the premiums may decline due to economic and competitive factors. When we originate SBA loans, we incur credit risk on the non-guaranteed portion of the loans, and if a customer defaults on a loan, we share any loss and recovery related to the loan pro-rata with the SBA. If the SBA establishes that a loss on an SBA guaranteed loan is attributable to significant technical deficiencies in the manner in which the loan was originated, funded or serviced by us, the SBA may seek recovery of the principal loss related to the deficiency from us. Generally, we do not maintain reserves or loss allowances for such potential claims and any such claims could materially and adversely affect our business, financial condition and results of operations.

Risk Related to Our Deposits

Our deposit portfolio includes significant concentrations and a large percentage of our deposits is attributable to a relatively small number of clients.

As a commercial bank, we provide services to a number of clients whose deposit levels vary considerably and have some seasonality. The loss of any combination of these depositors, or a significant decline in the deposit balances due to ordinary course fluctuations related to these customers' businesses, would adversely affect our liquidity and require us to raise deposit rates to attract new deposits, purchase

federal funds or borrow funds on a short-term basis to replace such deposits. Depending on the interest rate environment and competitive factors, low cost deposits may need to be replaced with higher cost funding, resulting in a decrease in net interest income and net income. While these events could have a material impact on our results, we expect, in the ordinary course of business, that these deposits will fluctuate and believe we are capable of mitigating this risk, as well as the risk of losing one of these depositors, through additional liquidity, and business generation in the future. However, should a significant number of these customers leave, it could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Management

We are highly dependent on our management team, and the loss of our senior executive officers or other key employees could harm our ability to implement our strategic plan, impair our relationships with customers and adversely affect our business, results of operations and growth prospects.

Our success depends, in large degree, on the skills of our management team and our ability to retain, recruit and motivate key officers and employees. Our senior management team has significant industry experience, and their knowledge and relationships would be difficult to replace. Further, we believe that our focus on particular aspects of our communities, including the Korean culture and language and our Christian leadership principles, would call for any replacements to embody these same traits, which may make it more difficult to replace management team members and other employees who leave the Company or who retire. We need to continue to attract and retain key employees and to recruit qualified individuals to succeed existing key personnel to ensure the continued growth and successful operation of our business. In addition, as a provider of relationship-based commercial banking services, we must attract and retain qualified banking personnel to continue to grow our business, and competition for such personnel can be intense. Our ability to compete effectively for senior executives and other qualified personnel by offering competitive compensation and benefit arrangements may be restricted by applicable banking laws and regulations. In addition, to attract and retain personnel with appropriate skills and knowledge to support our business, we may offer a variety of benefits, which could reduce our earnings. The loss of the services of any senior executive, or the inability to recruit and retain qualified personnel in the future, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Credit Quality

Our allowance for credit losses may prove to be insufficient to absorb potential losses in our loan portfolio.

We maintain an allowance for credit losses based on our estimate of current expected credit losses in our loan portfolio, which relies on analytical models incorporating portfolio composition, growth, economic forecasts, and other assumptions. These models involve significant judgment and may be inaccurate, particularly during periods of market stress, unforeseen events, or due to design or implementation limitations. If our models used for credit loss estimation, interest rate risk, asset-liability management, or fair value measurements are inadequate, our allowance for credit losses may be insufficient, or the value of financial instruments may fluctuate unexpectedly, resulting in increased losses. In addition, we may not identify all deteriorating loans in a timely manner, and credit quality could decline more rapidly than anticipated, requiring additional provisions for credit losses. Regulatory review of our allowance and related valuations may also result in required adjustments. Any of these factors could materially adversely affect our business, financial condition, and results of operations.

Environmental liabilities could materially and adversely affect our business and financial condition.

In the course of our business, we may foreclose and take title to real estate, and could be subject to environmental liabilities with respect to these properties. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation and clean-up costs incurred by these parties in connection with environmental contamination, or we may be required to investigate or clear up hazardous or toxic substances, or chemical releases at a property. The costs associated with investigation or remediation activities could be substantial. In addition, as the owner or former owner of any contaminated site, we may be subject to common law claims by third parties based on damages, and costs resulting from environmental

contamination emanating from the property. If we ever become subject to significant environmental liabilities, our business, financial condition and results of operations could be materially and adversely affected.

Risks Related to our Growth Strategy

We may not be able to continue growing our business, particularly if we cannot increase loans and deposits through organic growth.

Our ability to continue to grow successfully will depend to a significant extent on our capital resources. It also will depend, in part, upon our ability to attract deposits and grow our loan portfolio and investment opportunities and on whether we can continue to fund growth while maintaining cost controls and asset quality, as well on other factors beyond our control, such as national, regional and local economic conditions and interest rate trends. To support our growth strategy, we recently expanded our geographic footprint by opening a new branch in Garden Grove, California in July 2025. However, our efforts to establish new locations may prove less successful or more expensive than we have estimated, and in certain cases could materially and adversely affect our results of operation or our financial condition.

Our ability to expand our business or make strategic acquisitions outside of California may be limited by our license agreement that restricts our ability to use the name “Open Bank.”

The intellectual property rights to the use of our name “Open Bank” will continue to be one of the components of our strategy to build a relationship community bank focused on the Korean-American population base. We have not registered the trademark “Open Bank” under the trademark laws of the United States. Open Bank S.A. originally registered the trademark “Open Bank” (U.S. Registration No. 3397518) in 2008 with the United States Patent and Trademark Office. Open Bank S.A. provides financial services in Spain and solicits financial services in the United States through the internet. In February 2014, we entered into a Coexistence Agreement with Open Bank S.A. (the “Coexistence Agreement”), under which both parties agreed that we may use the name “Open Bank” in connection with banking and banking related services in the state of California and the cities of New York, Dallas, Atlanta, Chicago, Seattle and Fort Lee, New Jersey (the “Permitted Markets”).

We agreed to limit all of the Bank’s marketing, advertising, publicity, soliciting and or media efforts using the “Open Bank” name to primarily the Korean-American community in the Permitted Markets, however, we have the right under the Coexistence Agreement to market through the internet. The Coexistence Agreement states that these limitations are not intended to mean that we should in any way engage in discriminatory tactics or policy or in any way discriminate against non-Korean-American customers or potential customers. Under the Coexistence Agreement, Open Bank S.A. retains the right to use and market its services in relation to its registered trademark in any state or territory in the United States. The Bank further agreed not to challenge Open Bank S.A.’s trademark registration or any future applications by Open Bank S.A. The Coexistence Agreement has no termination date and is perpetual. If Open Bank S.A. decides to become a licensed bank in California or in any of the other Permitted Markets, depending on its business and marketing plan, there could be confusion created by the use of the name “Open Bank” which could have a material adverse impact on our ability to build our brand in the Permitted Markets. In addition, if Open Bank S.A. were to assert that we breached the Coexistence Agreement, Open Bank S.A. could file for an injunction, seek to have us change our name or seek monetary damages, all of which could have a material adverse impact on our financial condition and results of operations. There are no approval rights of either party for any of the actions or omissions that either party may take under the Coexistence Agreement.

To date we have not received notice that we are in breach of the Coexistence Agreement or that our business cannot be operated as currently conducted and as proposed to be conducted. It is our understanding that Open Bank S.A. has not undertaken any actions to engage in any business or marketing activities in the United States other than have through their website. However, the Coexistence Agreement restricts our potential geographic expansion beyond the Permitted Markets, which could affect our overall growth over the long term.

New lines of business or new products and services may subject us to additional risks.

From time to time, we may implement or may acquire new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and new products and services we may invest significant time and resources. We may not achieve target timetables for the introduction and development of new lines of business and new products or services and price and profitability targets may not prove feasible. External factors, such as regulatory compliance obligations, competitive alternatives, and shifting market preferences, may also impact the successful implementation of a new line of business or a new product or service. Furthermore, any new line of business and/or new product or service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or new products or services could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Capital

We may need to raise additional capital in the future, and if we fail to maintain sufficient capital, whether due to losses, an inability to raise additional capital or otherwise, our financial condition, liquidity and results of operations, as well as our ability to maintain regulatory compliance, would be adversely affected.

We face significant capital and other regulatory requirements as a financial institution. Although management believes that the Company has sufficient capital to fund operations and growth initiatives, we may need to raise additional capital in the future to business needs, growth, or regulatory requirements. Our ability to raise additional capital will depend on a number of factors, including market conditions, investor perceptions of the banking industry, regulatory environment, and our financial condition and operating performance. During 2025, the Company demonstrated access to the capital markets through the issuance of subordinated debt. However, there can be no assurance that additional capital will be available when needed or that such capital could be raised on terms acceptable to us. Any limitation on our ability to access the capital markets could adversely affect our financial condition, liquidity, results of operations, and ability to maintain regulatory capital compliance.

We are committed to contribute 10% of our consolidated after-tax net income to the Open Stewardship Foundation.

The Open Stewardship Foundation ("Foundation") is our platform for our community outreach activities. We support the Foundation through our commitment formalized in the Bank's bylaws to donate an amount equal to 10% of our consolidated after-tax net income to the Foundation, subject to legal and regulatory restrictions. This commitment, therefore, reduces our net income and our ability to build capital through our retained earnings.

Risks Related to Competition

Our modest size makes it more difficult for us to compete.

Our modest size makes it more difficult for us to compete with other financial institutions which are generally larger and can more easily afford to invest in the marketing and technologies needed to attract and retain customers. Because our principal source of income is the net interest income we earn on our loans and investments after deducting interest paid on deposits and other sources of funds, our ability to generate the revenues needed to cover our expenses and finance such investments is limited by the size of our loan and investment portfolios. Accordingly, we are not always able to offer new products and services as quickly as our competitors. As a smaller institution, we are also disproportionately affected by the continually increasing costs of compliance with new banking and other regulations.

We focus on marketing our services to a limited segment of the population and any adverse change impacting such segment is likely to have an adverse impact on us.

Our marketing focuses primarily on the banking needs of small- and medium-sized businesses, professionals and residents in the Korean-American communities that we serve. This demographic concentration makes us more prone to circumstances that particularly affect this segment of the population. As a result, our financial condition and results of operations are subject to changes in the economic conditions affecting these communities. Our success depends upon the business activity, population, income levels, deposits and real estate activity in these communities. Although our customers' business and financial interests may extend well beyond these communities, adverse economic conditions that affect these communities could reduce our growth rate, affect the ability of our customers to repay their loans to us and generally affect our financial condition and results of operations. Because of our geographic concentration, we are less able than regional or national financial institutions to diversify our credit risks across multiple markets.

Other Risks Related to Our Business

Our reputation may be adversely affected by the soundness of other financial institutions.

Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services companies are interrelated as a result of trading, clearing, counterparty, and other relationships. We have exposure to different industries and counterparties, and through transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, and other institutional clients. As a result, defaults by, or even rumors or questions about, one or more financial services companies, or the financial services industry generally, have led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions. These losses or defaults could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Finance and Accounting

Our accounting estimates and risk management processes rely on analytical and forecasting models.

Processes that management uses to estimate our expected credit losses and to measure the fair value of financial instruments, as well as the processes used to estimate the effects of changing interest rates and other market measures on our financial condition and results of operations, depend upon the use of analytical and forecasting models and, ultimately, on the judgment of our executive leadership and our management-level accounting and credit analysis personnel. These models reflect assumptions that may not be accurate, particularly in times of market stress or other unforeseen circumstances. Even if these assumptions are accurate, the models may prove to be inadequate or inaccurate because of other flaws in their design or their implementation.

If the models that management uses for interest rate risk and asset liability management are inadequate, we may incur increased or unexpected losses upon changes in market interest rates or other market measures. If the models that management uses for determining our probable credit losses are inadequate, the allowance for credit losses may not be sufficient to support future charge offs. If the models that management uses to measure the fair value of financial instruments are inadequate, the fair value of such financial instruments may fluctuate unexpectedly or may not accurately reflect what we could realize upon sale or settlement of such financial instruments. Any such failure in management's analytical or forecasting models could have a material adverse effect on our business, financial condition and results of operations.

We have a significant deferred tax asset and we cannot assure that it will be fully realized.

Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between the carrying amounts and tax basis of assets and liabilities computed using enacted tax rates and may depend, upon other things, on the likelihood and timing of the recognition of taxable income against which accrued operating loss carryforwards may be offset. We regularly assess available positive and negative evidence to determine whether it is more likely than not that our net deferred tax asset will be realized. Realization and valuation of a deferred tax asset requires us to apply significant judgment and is inherently speculative because it requires estimates that cannot be made with certainty. If we were to determine at some point in the future that we will not achieve sufficient future taxable income to realize our net deferred tax asset,

we would be required, under U.S. generally accepted accounting principles, to establish a full or partial valuation allowance which would require us to incur a charge to operations for the period in which the determination was made.

Failure to maintain effective internal controls over financial reporting could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting and to assess, and obtain auditor attestation on, its effectiveness under Section 404 of the Sarbanes-Oxley Act. We may identify control deficiencies that we are unable to remediate on a timely basis, and the testing and remediation of internal controls may divert management attention from other business priorities. If we are unable to conclude, or our independent auditor is unable to attest, that our internal control over financial reporting is effective, we may be unable to file timely and accurate reports with the SEC, face regulatory scrutiny, lose investor confidence, or experience a decline in the trading price of our common stock, any of which could materially adversely affect our business, financial condition, and results of operations.

Risks Related to Legislation and Regulation

Federal and state regulators periodically examine our business, and adverse examination findings could materially affect our operations.

The Federal Reserve, the FDIC, and the DFPI regularly examine our business and compliance with applicable laws and regulations. If regulators determine that any aspect of our operations is unsafe, unsound, or noncompliant, they may impose corrective actions or enforcement measures, including capital requirements, growth restrictions, civil money penalties, or removal of officers or directors. In extreme circumstances, regulators could terminate deposit insurance or place us into receivership or conservatorship. Any such action could materially affect our business, financial condition and results of operations.

We are subject to extensive anti-money laundering laws, and failures to comply could result in significant penalties and reputational harm.

We are subject to the BSA, the USA PATRIOT Act, OFAC regulations, and related anti-money laundering requirements, which require us to maintain effective compliance program and reporting systems. If our policies, procedures, or controls are deemed inadequate, we could be subject to enforcement actions, substantial fines, restrictions on dividends or growth activities, and reputational harm, any of which could materially adversely affect our business, financial condition, and results of operations.

Privacy, information security and data protection regulations could increase our costs and limit our business activities.

We are subject to numerous federal and state privacy, data protection, and information security laws, including the Gramm-Leach-Bliley Act of 1999 and data breach notification requirements. Compliance with existing or future requirements may increase operational and technology costs and restrict how we collect, use, share, and safeguard customer and employee information. Failure to comply could result in regulatory investigations, litigation, fines, reputational damage, and other adverse consequences that could materially affect our business, financial condition and results of operations.

Risks Related to Our Common Stock

The trading volume in our common stock is less than that of other larger financial services companies.

Although our common stock is listed for trading on The Nasdaq Global Market its trading volume is generally less than that of other, larger financial services companies, and investors are not assured that a liquid market will exist at any given time for our common stock. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace at any given time of willing buyers and sellers of our common stock. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Given the lower trading

volume of our common stock, significant sales of our common stock, or the expectation of these sales, could cause our stock price to fall.

The provisions of our subordinated debt documents restrict our ability to pay dividends or repurchase our stock in certain circumstances.

On November 7, 2025, we issued a 7.50% fixed-to-floating subordinated note ("Note") in the amount of \$25.0 million. The Note matures on November 1, 2035 and the interest rate thereunder will reset to a floating rate as of November 1, 2030. The Note prohibits our payment of dividends or the repurchase of our capital stock at any time when an event of default has occurred and is continuing under the Note. Thus, at times when we are not in material compliance with the terms of the Note we will be required to suspend the payment of dividends and other distributions on our capital stock, and we may not engage in stock repurchase programs. These factors, alone or in combination with other events or circumstances, may adversely affect the price or trading volumes of our capital stock.

The trading price of our common stock could be volatile.

The market price of our common stock may be volatile and could be subject to wide fluctuations in price in response to various factors, some of which are beyond our control. These factors include, among other things:

- actual or anticipated variations in our quarterly results of operations;
- recommendations by securities analysts;
- operating and stock price performance of other companies that investors deem comparable to us;
- news reports relating to trends, concerns and other issues in the financial services industry generally;
- perceptions in the marketplace regarding us and/or our competitors;
- fluctuations in the stock price and operating results of our competitors;
- domestic and international economic factors unrelated to our performance;
- general market conditions and, in particular, developments related to market conditions for the financial services industry;
- new technology used, or services offered, by competitors; and
- changes in government regulations.

In addition, if the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

An investment in our common stock is not an insured deposit.

An investment in our common stock is not a bank deposit and, therefore, is not insured against loss by the FDIC, any other DIF or by any other public or private entity. Investment in our common stock is inherently risky for the reasons described herein, and is subject to the same market forces that affect the price of common stock in any company. As a result, if you acquire our common stock, you could lose some or all of your investment.

If equity research analysts do not publish research or reports about our business, or if they do publish such reports but issue unfavorable commentary or downgrade our common stock, the price and trading volume of our common stock could decline.

The trading market for our common stock could be affected by whether equity research analysts publish research or reports about us and our business. We cannot predict at this time whether any research analysts will publish research and reports on us and our common stock. If one or more equity analysts do cover us and our common stock and publish research reports about us, the price of our stock could decline if one or more securities analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

If any of the analysts who elect to cover us downgrades our stock, our stock price could decline rapidly. If any of these analysts ceases coverage of us, we could lose visibility in the market, which in turn could cause our common stock price or trading volume to decline and our common stock to be less liquid.

Our dividend policy and/or share repurchase program may change without notice, and our future ability to pay dividends or repurchase or redeem shares is subject to restrictions.

We may change our dividend policy and/or share repurchase program at any time without notice to holders of our common stock. Holders of our common stock are only entitled to receive such cash dividends, as our board of directors, in its discretion, may declare out of funds legally available for such payments. Furthermore, consistent with our strategic plans, growth initiatives, capital availability, projected liquidity needs, and other factors, we have made, and will continue to make, capital management decisions and policies that could adversely affect the amount of dividends paid to holders of our common stock and the maintenance of share repurchase program.

We are a separate and distinct legal entity from our subsidiary, the Bank. We receive substantially all of our revenue from dividends from the Bank, which we use as the principal source of funds to pay our expenses. Various federal and/or state laws and regulations limit the amount of dividends that the Bank may pay us. Such limits are also tied to the earnings of our subsidiary. If the Bank does not receive regulatory approval or if the Bank's earnings are not sufficient to make dividend payments to us while maintaining adequate capital levels, our ability to pay our expenses and our business, financial condition or results of operations could be materially and adversely impacted.

As a bank holding company, we are subject to regulation by the Federal Reserve. The Federal Reserve has indicated that bank holding companies should carefully review their dividend policy in relation to the organization's overall asset quality, current and prospective earnings and level, composition and quality of capital. The guidance provides that we inform and consult with the Federal Reserve prior to declaring and paying a dividend that exceeds earnings for the period for which the dividend is being paid or that could result in an adverse change to our capital structure, including interest on our debt obligations. If required payments on our debt obligations are not made or are deferred, or dividends on any preferred stock we may issue are not paid, we will be prohibited from paying dividends on our common stock.

The Capital Rules also introduced a new capital conservation buffer on top of the minimum risk-based capital ratios. Failure to maintain a capital conservation buffer above certain levels will result in restrictions on the Bank's ability to make dividend payments, repurchases, redemptions or other capital distributions. These requirements, and any other new regulations or capital distribution constraints, could adversely affect the ability of the Bank to pay dividends to OP Bancorp and, in turn, affect our ability to pay dividends on our common stock.

We have limited the circumstances in which our directors will be liable for monetary damages.

We have included in our articles of incorporation a provision to eliminate the liability of directors for monetary damages to the maximum extent permitted by California law. The effect of this provision will be to reduce the situations in which we or our shareholders will be able to seek monetary damages from our directors. Our bylaws also have a provision providing for indemnification of our directors and executive officers and advancement of litigation expenses to the fullest extent permitted or required by California law, including circumstances in which indemnification is otherwise discretionary. Also, we have entered into agreements with our officers and directors in which we similarly agreed to provide indemnification that is otherwise discretionary.

Provisions in our charter documents and California law may have an anti-takeover effect, and there are substantial regulatory limitations on changes of control of bank holding companies.

Our articles of incorporation and bylaws contain a number of provisions relating to corporate governance and rights of shareholders that might discourage future takeover attempts. As a result, shareholders who might desire to participate in such transactions may not have an opportunity to do so. In addition, these provisions will also render the removal of our board of directors or management more difficult. Our bylaws provide that shareholders seeking to make nominations of candidates for election as directors, or to bring other business before an annual meeting of the shareholders, must provide timely notice of their intent in writing and

follow specific procedural steps in order for nominees or shareholder proposals to be brought before an annual meeting.

The California General Corporation Law, or the CGCL, could make it more difficult for a third party to acquire us, even if doing so would be perceived to be beneficial by our shareholders.

Under the California Financial Code, no person shall, directly or indirectly, acquire control of a California state bank or its holding company unless the DFPI has approved such acquisition of control. A person would be deemed to have acquired control of OP Bancorp if such person, directly or indirectly, has the power (i) to vote 25% or more of the voting power of OP Bancorp or (ii) to direct or cause the direction of the management and policies of OP Bancorp. For purposes of this law, a person who directly or indirectly owns or controls 10% or more of our outstanding common stock would be presumed to control OP Bancorp.

Federal regulators generally would prohibit any company that is not engaged in financial activities and activities that are permissible for a bank holding company or a financial holding company from acquiring control of OP Bancorp. "Control" is generally defined as ownership of 25% or more of the voting stock or other exercise of a controlling influence. In addition, any existing bank holding company would need the prior approval of the Federal Reserve before acquiring 5% or more of our voting stock. The Change in Bank Control Act of 1978, as amended, prohibits a person or group of persons from acquiring control of a bank holding company unless the Federal Reserve has been notified and has not objected to the transaction. Under a rebuttable presumption established by the Federal Reserve, the acquisition of 10% or more of a class of voting stock of a bank holding company with a class of securities registered under Section 12 of the Exchange Act, such as OP Bancorp, could constitute acquisition of control of the bank holding company.

The foregoing provisions of California and federal law could make it more difficult for a third party to acquire a majority of our outstanding voting stock, by discouraging a hostile bid, or delaying, preventing or deterring a merger, acquisition or tender offer in which our shareholders could receive a premium for their shares, or effect a proxy contest for control of our company or other changes in our management.

We are a smaller reporting company and the reduced regulatory and reporting requirements applicable to smaller reporting companies may make our common stock less attractive to investors.

We are permitted to comply with, and we generally elect to comply with, certain reduced reporting requirements for "smaller reporting companies" within the meaning of the rules of the SEC. These rules, among other things, limit our obligation to report on certain matters, including an audit of our reports on internal control over financial reporting, reduced burdens for certain aspects of executive compensation reporting, and a reduction in our obligation to file current reports on Form 8-K pertaining to material cybersecurity incidents. These same rules also afford us certain expanded timelines for filing quarterly and annual reports with the SEC. For as long as we continue to meet the standards as a smaller reporting company, we may take advantage of these reduced regulatory and reporting requirements. We cannot predict if investors will find our common stock less attractive because of our reliance on certain of these exemptions. If some investors find our common stock less attractive as a result, then there may be a less active trading market for our common stock, our stock price may be more volatile and the price of our common stock may decline.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of equity securities or repurchase activities during the quarter ended March 31, 2026.

Item 5. Other Information

None of the Company's directors or Section 16 reporting officers adopted or terminated any Rule 10b5-1 or non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408 of Regulation S-K) for the repurchase or sale of the Company's securities during the quarter ended March 31, 2026.

Item 6. Exhibits

Exhibit Number	Description
3.1	<u>Articles of Incorporation of OP Bancorp (incorporated herein by reference to Exhibit 3.1 to the Registrant's Form S-1 Registration Statement (Registration No. 333-223444) filed on March 5, 2018)</u>
3.2	<u>Amended and Restated Bylaws of OP Bancorp (incorporated herein by reference to Exhibit 3.2 to the Registrant's Form S-1 Registration Statement (Registration No. 333-223444) filed on March 5, 2018)</u>
3.3	<u>First Amendment to the Amended and Restated Bylaws of OP Bancorp (incorporated herein by reference to Exhibit 3.3 to the Registrant's Annual Report on Form 10-K (File No. 001-38437) filed on March 15, 2021)</u>
31.1	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.</u>
31.2	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.</u>
32.1	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document, filed herewith.
101.SCH	Inline XBRL Taxonomy Extension Schema Document, filed herewith.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document, filed herewith.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document, filed herewith.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document, filed herewith.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document, filed herewith.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OP Bancorp

Date: May 15, 2026

By: /s/ Sang K. Oh
Sang K. Oh
President and Chief Executive Officer
(Duly Authorized Officer)

Date: May 15, 2026

By: /s/ JAEHYUN PARK
Jaehyun Park
Executive Vice President & Chief Financial Officer
(Principal Financial and Accounting Officer)

1. I have reviewed this Quarterly Report on Form 10-Q of OP Bancorp (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principle;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ SANG K. OH
Sang K. Oh
President and Chief Executive Officer
(Principal Executive Officer)

1. I have reviewed this Quarterly Report on Form 10-Q of OP Bancorp (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principle;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ JAEHYUN PARK
Jaehyun Park
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

- (1) The registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2026 to which this Certification is attached as Exhibit 32.1 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the registrant.

Sang K. Oh
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Jaehyun Park, Executive Vice President and Chief Financial Officer of OP Bancorp (the "registrant"), hereby certifies that, to the best of knowledge::

- (1) The registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2026 to which this Certification is attached as Exhibit 32.1 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 15, 2026

By:

/s/ JAEHYUN PARK

Jaehyun Park

**Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)**