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May 1, 2023

Dear Mega Bank Shareholders and Customers,

Considering the recent bank closures, we would like to share Mega Bank's March 2023 financial position and give you assurances about our financial position. The short story is that we do not face the same issues that caused the recent three bank failures.

Let us start by discussing the collapse of Silicon Valley Bank (SVB). SVB collapsed for multiple reasons, including a lack of diversification in their investments and a resulting classic bank run, where many customers withdrew their deposits simultaneously due to fears of the bank's solvency. Many of SVB's depositors were startup companies. They deposited large amounts of cash from investors because tech was in high demand during the pandemic. Signature Bank's collapse followed because their customers became concerned about the collapse of SVB and similarities in their balance sheets and they quickly began to withdraw large amounts in deposits. That run on deposits quickly led to its failure. Most recently, First Republic Bank collapsed due to similar circumstances as Signature Bank.

Our customers and shareholders can be assured that Mega Bank's business model and balance sheet mix is much different. Our investment portfolio with a market value of \$17.9MM is a very small percentage of our total assets at 3.81%. We carry only investment grade securities, which include US Agencies, US Treasuries, and US Government Guaranteed Mortgage-Backed Securities. Our current unrealized loss of \$1.9MM is only 3.33% of capital and is 100% attributed to the interest rate increases and is considered temporary, with no underlying credit issues.

Our current on-balance sheet liquidity position is very strong with 26.24% of total deposits and borrowings, and we can hold the investments until they fully recover. The Bank's total funding sources (on and off-balance sheet liquidity) are 100.88% of our total uninsured deposits.

Mega Bank's loan portfolio is comprised primarily of fully secured (first positions) on commercial real estate loans with the balance of the portfolio comprised of business loans to local businesses, including SBA guarantee loans. We have no exposure to the tech sector or venture capital.

Our deposit base is mostly of retail with some brokered deposits (5.95% of total deposits), and we have no exposure to the tech sector or venture capital.

Mega Bank can withstand market value fluctuations under difference interest rate environments and management believes that the Bank's capital at \$56.6MM is sufficient to withstand significant headwinds.

Because of the size of our investment portfolio and asset mix, we are in a good position with very low risk. We are pleased to report that Mega Bank is well positioned to weather this storm.

If you have any questions or concerns, please feel free to contact Julian Fong, President & CEO at (626) 382-1578.

Sincerely,

A handwritten signature in blue ink that reads "Julian Fong". The signature is written in a cursive, flowing style.

Julian Fong
President & CEO