

**MANAGEMENT ASSET/LIABILITY
COMMITTEE
(ALM)
CHARTER**

**BANK OF HOPE
TREASURY DEPARTMENT****MANAGEMENT ALCO (ALM) CHARTER****BOARD ALCO: 02/27/2019
BOARD OF DIRECTORS: 02/28/2019****I. Purpose of the Committee**

The Management Asset/Liability Committee (ALM) has been established by the Asset/Liability Committee of the Board (ALCO) to assist in the assessment and implementation of the Joint Asset / Liability Management Policy (the “ALM Policy”) and related procedures. The ALM Policy will include specific policies and procedures relating to (i) interest rate risk, (ii) market/investment risk, (iii) liquidity risk, (iv) credit risk, and (v) capital risk.

II. Membership of the Committee

The ALM will consist of seventeen (17) members as follows:

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| 1. Chief Financial Officer (Chair) | 10. Treasurer |
| 2. Chief Executive Officer | 11. ALM Manager |
| 3. Chief Operating Officer | 12. Controller |
| 4. Eastern Region President | 13. Treasury Liq. Manager |
| 5. Chief Commercial Banking Officer | 14. Dir. Corp Strategy & Development |
| 6. Chief Credit Officer | 15. CBG Representative |
| 7. Chief Risk Officer | 16. Credit Administration |
| 8. Chief Retail Banking Officer | 17. AML/OFAC Officer |
| 9. Chief Strategy Officer | |

III. Committee Meetings and Operations

The ALM shall meet once a month or as otherwise scheduled by the committee (or the Chair of the committee) when necessary to discuss asset/liability management issues. A presence of a majority of the Committee members shall constitute a quorum.

IV. Duties, Responsibilities, and Authority of the Committee

The specific duties and responsibilities of the ALM are described in the ALM Policy. The ALM will carry out other responsibilities and duties delegated to it by the Board ALCO from time to time. The ALM will also ensure that all related policies and procedures are well implemented, and recommend any matters that may be deemed advisable and appropriate to the Board ALCO.

The following are some of the key risks that must be managed by the ALM.

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| ○ Liquidity Risk | ○ Capital Risk |
| ○ Interest Rate Risk | ○ Market Risk (Investments & Derivatives) |

Other duties and responsibilities

- Monitor management of the Bank’s treasury functions, including its operations and funds management processes.
- Review ALM Policy limits relating to interest rate risk, liquidity and capital levels.
- Monitor compliance with both external regulations and the ALM Policy with respect to the asset and liability management processes of the Bank and the Company.
- Monitor the bank's bank-owned life insurance program, including oversight of the program’s investment performance, risk management, and internal controls.
- Review the scope and results of internal audit reports assessing the implementation of the Bank's investment and asset/liability management policies and the effectiveness of the Bank's monitoring systems.

V. Reporting of Committee Activities to the Board of Directors

The Chair for the ALM will report its activities and its recommendations for action to the Board ALCO (or to the Directors of the Bank), depending on the action required. The Minutes of the meetings of the ALM will be submitted to the Board ALCO at its scheduled meetings.

VI. Review of Committee Charter

The Board ALCO will review and reassess the adequacy of the Charter, at least annually.