

COMMUNITY GOALS AND COMMITMENT
(CRC, CATHAY BANK, AND FAR EAST NATIONAL BANK)
October 31, 2016

On July 8, 2016, Cathay General Bancorp and its subsidiary, Cathay Bank (collectively, "Cathay Bank") announced its intent to acquire SinoPac Bancorp and its sole subsidiary, Far East National Bank (collectively, "Far East National Bank") leaving Cathay Bank as the surviving entity. Cathay Bank seeks to combine and build upon the banks' community-oriented programs by striving to meet the following goals related to loans, investments, financial products, services, charitable community contributions, and grants.

- I. Qualified CRA Activity. Cathay Bank plans to increase the amount of its CRA qualified activity serving low and moderate income and historically underserved communities. In California, Cathay Bank will devote itself to the goal of providing a combined total of the two bank's annual loans, investments, services, and total charitable and other community contributions and grants, totaling at least 9% of the banks' statewide deposits in 2017, 12% by 2022, and 15% by 2027 with a mid-plan review of goals in 2022. This will include the following:
 - a. Residential mortgages for low and moderate income homebuyers and owner-occupant buyers in low and moderate income areas.
 - i. Cathay Bank will work with the San Francisco Federal Home Loan Bank with the goal of providing access to programs such as the Affordable Housing Program and others at a level that will not be lower than the combined access that Cathay Bank and FENB enjoy now. Programs to be considered will include IDEA and WISH.
 - ii. Cathay Bank will work to increase and diversify mortgage loan originations over the course of four years commencing from the date of the acquisition by Cathay General Bancorp's acquisition of SinoPac Bancorp (the "Acquisition Date") with the goal that its proportional mortgage originations to low and moderate income borrowers, owner-occupant borrowers in low and moderate income census tracts, and to borrowers who are Asian, Latino, African-American or other racial or ethnic minority, is substantially comparable to the average of all lenders in their assessment areas.
 - b. CRA qualifying small business loans - Set an annual goal, beginning in 2018, that half of the number of all Cathay Bank's CRA qualified small business loans be to businesses with annual revenues of less than \$1 million, or loans less than \$150,000, excluding credit card loans.
 - i. In support of this goal, Cathay Bank will create a referral program through the use of requests for proposals with local CDFIs and other organizations that improve and enhance access to capital in low-income communities through small business lending and technical assistance. Cathay Bank will set a goal to refer a minimum of 20% of small business loan denials to local Technical Assistance providers, CDFI's

and other community development lenders in our assessment areas, subject as always to the willingness of declined clients to be referred.

- ii. Cathay Bank will increase and diversify their SBA lending within their assessment areas over the course of four years commencing from the Acquisition Date, with the goal that its proportional SBA lending to businesses owned by women and racial or ethnic minorities is substantially comparable to the average of all lenders in their assessment areas.
 - iii. Cathay Bank will take affirmative steps to become a participant in the California state-guaranty program by June, 2018.
 - iv. Cathay Bank is developing a new program, Smart Micro Loans which is to provide loans in the amounts of \$5,000 to \$10,000 to small business owners. These loans will have competitive underwriting and payment requirements. The goal is to launch the program in 2017.
 - v. With the assistance of CDFIs and other community organizations, Cathay Bank will explore and if possible, participate in other access to capital programs for small businesses.
- c. Community Investments. Cathay Bank's annual community investments will equal at least 0.25% of California deposits to community development investments. These community development investments may be for the purpose of creating or preserving affordable housing, supporting and strengthening small businesses and may include investments and equity equivalents to CDFIs and CDCs, such as through purchases of CDFI loans and support for loan loss reserves, such as for SBA microloan programs, transit oriented development projects and other non-profit community development funds. Cathay Bank will increase and diversify its annual investments so that within seven years commencing from the Acquisition Date, no more than half of all annual investments will be in New Market Tax Credits and Low Income Housing Tax Credits. Investments made to diversify its portfolio will include investments in COIN certified CDFIs, with or without tax credit benefits. Cathay Bank will additionally provide COIN certified CDFIs 10% of the amount invested to support technical assistance provided to businesses, exclusive of other charitable commitments below.

Beginning in 2018, Cathay Bank will commit to allocate \$75,000 a year of the 0.25% amount (exclusive of the bank's charitable and community contributions) to fund grants to support loan loss reserves of CDFIs and other non-profit, community-based small business lenders in California, with a high priority towards those that are required to maintain a loan-loss reserve, such as SBA microloan intermediaries.

- d. Supplier Diversity Program. Within 18 months from the completion of the merger of Far East National Bank into Cathay Bank (the "Merger Date"), it is contemplated that Cathay Bank will create a formalized corporate supplier diversity program. This program will

include vendors that are locally based and/or owned by members of communities that have historically been under-served for non-bank infrastructure products and services. Cathay Bank expects that by 2022, it will contract approximately 15% of its total non-banking system related (e.g., core banking systems, rents, insurance and utilities) spend with corporate suppliers that are minority and women owned. These corporate suppliers may or may not be certified as minority or women-owned.

e. Financial Services.

Cathay Bank intends to provide retail financial services to consumers including LMI individuals and families in its assessment areas. It plans to promote a checking account that provides services at no or low costs and which does not allow an “opt-in” feature to facilitate overdrafts through POS and/or ATM transactions. Cathay Bank will also continue to waive ATM surcharges for users of California electronic benefits transfer cards (EBT).


f. Charitable and Community Contributions. Cathay Bank will set a goal of total charitable and other community contributions and grants each year starting at the current amount and increasing over five years to meet or exceed 0.025% of statewide deposits. Cathay Bank’s goal will be that by 2018, at least 50% of annual contributions will go towards CRA qualified programs that support organizations serving the needs of low and moderate income communities and include programs such as: affordable housing (including fair housing and mortgage counseling); economic development (including technical assistance to small businesses); and consumer asset building (including household financial capacity development).

- i. The bank will prioritize grant support that increases the capacity of community development organizations, including non-profit affordable housing developers and small business loan and technical assistance providers, such as by subsidizing land acquisition and pre-development grants or increasing staff capacity and strengthening organizational operations.

II. Annual Meeting. The Cathay Bank will commit to hosting one meeting annually with one or more community groups, beginning in 2017 until 2021. A primary purpose of the meetings will be to review, evaluate and develop strategies for achieving the goals and commitments described in this section. The Cathay Bank designated executive officer will attend the annual meetings and the result of these meetings will be reported to the Board.

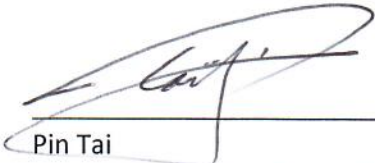
III. Notification. Cathay Bank will provide CRC 90 days’ notice of any proposed branch closures located in low and moderate income areas and will provide CRC with a copy of the application submitted to FDIC on the day the application is filed.

CALIFORNIA REINVESTMENT COALITION



Paulina Gonzalez
Executive Director

CATHAY BANK



Pin Tai
President and Chief Executive Officer