



Embracing **change**

2020 Annual Report



United by a shared drive with our customers to forge new lives in Southern California, we opened our doors more than half a century ago to serve the growing Chinese American community in Los Angeles.

We helped our customers put down roots and worked with them to cultivate communities. We supported their businesses, which continue to sustain generations.

Over time, we have expanded along with our customers. Cathay Bank has 61 branches across the United States and one branch in Hong Kong, as well as a representative office in Beijing, Shanghai, and Taipei.

While our customers have evolved and changed, their initiative and perseverance remain the same. Each aims to achieve what is possible. All strive to live their best lives. We are delighted to work alongside them—providing the financial tools and services to get them where they want to go.

Cathay General Bancorp is the holding company for Cathay Bank and is publicly held (Nasdaq: CATY), with \$19 billion in assets.



Embracing **change**

Embracing change is what fuels our success. It motivates us to adopt new technologies and drives our operational efficiency. Most importantly, it enables us to navigate the challenges created by a global pandemic. We remain strong and competitive as we recognize the possibilities of accepting and adapting to change.

Our lives changed drastically in 2020. Cathay Bank responded with new remote access to banking services for the health and safety of our clients. We understand the struggle of our community and responded with financial relief programs. We know our clients rely on us and responded by maintaining regular services and exploring options where we could be of assistance, with the goal to emerge together as a stronger community. As the future unfolds, we believe we are more prepared than ever to tackle the changes to come.



Cathay Bank branches remained open as essential businesses, meeting directly with customers with appropriate safeguards in place.

Resilience in **the face of change**

In a year like no other, we have demonstrated uncompromising strength and stability in the midst of a global pandemic. At both branch and corporate levels, from lending and retail to back office personnel, we provide widespread support to our clients. No one could have predicted the havoc that the pandemic would bring to our lives, and we responded with a steadfast commitment to safety and accessibility for our customers, employees, and communities.

We rose to meet the challenge by providing remote options, in addition to in-person access with added health and safety protocols. Safety and accessibility continue to be our top priorities as we adjust to new ways of conducting business. We pivoted to online services whenever possible, like the introduction of our new online account opening feature and our online consumer mortgage portal that allows the ability to submit online mortgage applications and/or schedule a virtual meeting with our mortgage loan originator officers to answer questions.

When businesses were in peril, we responded with programs to help see them through. Many customers experienced struggles with their businesses or investments and turned to us for help to keep things up and running. We responded with short-term loan modification and mortgage relief options. To lend a hand to small businesses with cash flow challenges, we funded 249 businesses with \$2.475 million through our proprietary Smart Relief Program. Our participation in the Paycheck Protection Program (PPP) as part of the CARES Act resulted in 1,437 PPP loans totaling \$266 million to small businesses in 2020. In the second round of PPP, we have received 1,851 loan applications and have funded \$121.9 million as of February 28, 2021.

During 2020, we provided more than \$2 billion in loan modifications, which represented about 13% of our \$15.6 billion loan portfolio. By the end of 2020, most customers with loan modifications had resumed regular payments, with approximately 1% of total loans continuing to rely on some type of loan modification.



Customers were encouraged to take advantage of remote methods of banking, including online banking and ATMs for deposits and access to cash.



Our team members worked together—in branches or via work from home—to ensure our customers' financial needs continued to be met.

“
**Safety and accessibility
continue to be our top priorities
as we adjust to new ways of
conducting business.”**

—
**Allen Peng, Executive Vice President,
Chief Retail Administrator**

Dear fellow **stockholders,**

We are pleased to announce that Cathay General Bancorp reported net income of \$228.9 million and earnings of \$2.87 per diluted share for the year ended December 31, 2020.

Gross loans increased by \$568.9 million, or 3.8%, to \$15.6 billion as of December 31, 2020. This was primarily due to an increase of \$240.9 million in Paycheck Protection Program (PPP) loans and increases of \$279.8 million, or 3.8%, in commercial mortgage loans; \$56.8 million, or 1.4%, in residential mortgage loans; \$76.6 million, or 22.0%, in equity lines of credit; and \$99.6 million, or 17.2%, in real estate construction loans; and offset, in part, by a decrease of \$182.8 million, or 6.6%, in commercial loans not including PPP loans. Total deposits grew by \$1.4 billion, or 9.6%, to \$16.1 billion as of December 31, 2020. Total assets increased by \$949.0 million, or 5.2%, to \$19.04 billion as of December 31, 2020.

The Company's capital ratios as of December 31, 2020, remain strong. Our Tier 1 risk-based capital ratio of 13.53%, total risk-based capital of 15.47%, and Tier 1 leverage capital ratio of 10.94% calculated under the Basel III capital rules all continue to place the Company in the "well capitalized" category for regulatory purposes.

“
It is clear that our strength as a company is made possible by our dedicated and skilled employees, led by the strategic vision and leadership of our management team.”

—
Dunson K. Cheng, Executive Chairman

We achieved these results despite the unprecedented challenges of a global pandemic, economic upheaval, and political turmoil. Our loan portfolio held up well. Little to negative growth might be expected in light of the COVID-19 shutdown, yet our loan growth was over 3.7%, an admirable outcome given the circumstances. Net charge-offs remained low at less than \$14.2 million or just 0.09% of loans outstanding. Deposits grew nearly 10%, from \$14.7 billion to \$16.1 billion.

From being named one of the Top 20 Forbes Best Banks in America 2021 and celebrating the 30th anniversary of our listing on Nasdaq to dealing with a global pandemic, this has truly been a year marked with highs and lows. While some sectors have been hit hard, other industries have remained strong. In every situation, we are committed to doing whatever possible to help support our customers, local businesses, employees, and communities.

During the early stages of the pandemic, we stayed ahead of the curve by working with clients and proactively rolling out financial assistance programs. We also continued to prioritize our digital transformation. In 2020, we introduced online features to provide alternative contactless service solutions while maintaining uninterrupted banking access. With user adaptability in mind, we enhanced our online banking platform to allow for a more robust user experience.

Chang M. Liu was named President and CEO of Cathay Bank and Cathay General Bancorp on October 1, 2020, taking the helm of the Company upon the retirement of Pin Tai in September.

It is clear that our strength as a company is made possible by our dedicated and skilled employees, led by the strategic vision and leadership of our management team.

As 2021 unfolds, we will continue to increase performance on the funding and liability side in order to improve our interest margin. We expect economic growth to be somewhat muted until distribution of the COVID-19 vaccines improves and scientific information about the vaccines leads to a higher rate of adoption. Once we can overcome these hurdles, we look forward to returning to some level of normalcy.

As we work with our customers to mitigate the impact of the pandemic, our longer-term plans to expand our loan portfolio, especially commercial and industrial, remain a top priority.

Thank you for your continued trust during these extraordinary times. We eagerly await a time in the near future when we can get back on the road once again to meet with and assist customers in person.



Sincerely,

Dunson K. Cheng
Executive Chairman
of the Board

Chang M. Liu
President and Chief
Executive Officer

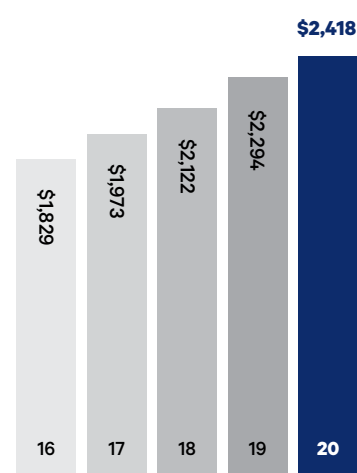
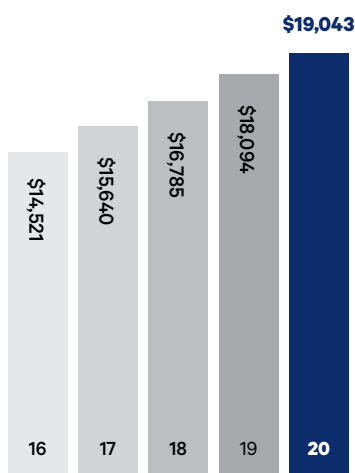
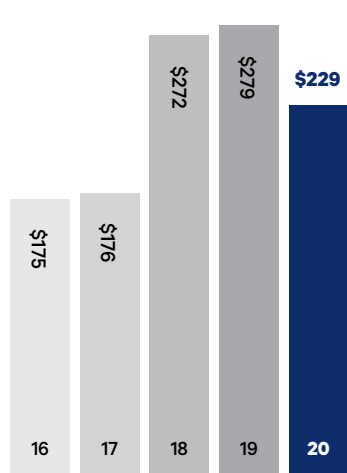
Financial highlights

(dollars in thousands, except per share data)	2020	2019	Increase/(Decrease)	
			Amount	Percentage
For the Year				
Net income	\$ 228,860	\$ 279,135	\$ (50,275)	-18.0%
Net income per common share	2.87	3.48	(0.61)	-17.5%
Cash dividends paid per common share	1.24	1.24	-	0.0

At Year-End				
Investment securities	\$ 1,036,550	\$ 1,451,842	\$ (415,292)	-28.6%
Loans, net	15,475,364	14,951,631	523,733	3.5 %
Assets	19,043,134	18,094,144	948,990	5.2 %
Deposits	16,109,401	14,692,308	1,417,093	9.6 %
Stockholders' equity	2,418,144	2,294,283	123,861	5.4 %
Book value per common share	30.41	28.78	1.63	5.7 %

Profitability Ratios		
Return on average assets	1.22 %	1.61 %
Return on average stockholders' equity	9.70 %	12.63 %

Capital Ratios		
Tier 1 capital ratio	13.53 %	12.51 %
Total capital ratio	15.47 %	14.11 %
Leverage ratio	10.94 %	10.83 %



Net Income (in millions)

Assets (in millions)

Stockholders' Equity (in millions)



Consumers can now send outgoing domestic wires from online banking.



We launched our new consumer digital banking platform, providing a unified banking experience across devices, self-service features, and the ability to customize preferences.

“
We continue to focus on enhancing process automation, to improve our processes, gain efficiencies, and promote a well-rounded customer experience.”

**Robert Romero, Executive Vice President,
Chief Information Officer**



Our online account opening is based on a responsive platform, for ease and convenience on mobile, tablet or desktop.



Our mortgage portal added online appointment scheduling, providing customers the ability to not only submit their application online but also complete their mortgage interview safely from home.

Adapting to change

Our commitment to digital transformation continued throughout this past year. Not surprisingly, consumer adoption accelerated during the pandemic.

As part of the overall initiative, we added online appointment scheduling on our mortgage portal for virtual meeting appointments with our mortgage loan originator officers. Consumers can also submit mortgage applications online. These service features provide convenience and an enhanced user experience in a safe environment.

In 2020, we made available the ability to open accounts online. We also added the wire scheduling feature under our consumer online banking platform. We further enhanced our consumer online platform to provide a seamless user experience across digital devices with additional multilingual capability.

In addition to these technological improvements, we continue to focus on enhancing process automation, to improve our processes, gain efficiencies, and promote a well-rounded customer experience.

“
**Close to \$2 million
was distributed to over
200 nonprofits.”**

—
Peter Wu, Co-Chair, Cathay Bank Foundation

Making change **possible**

The pandemic intensified the need for assistance in our communities. The Cathay Bank Foundation responded by giving back through grants to community-based organizations to be used specifically for COVID-19 relief. Close to \$2 million was distributed to over 200 nonprofits.

Organizations receiving donations included the Chinatown Service Center to support its work in community development and empowerment, the Boys & Girls Club of West San Gabriel Valley for food and emergency supplies, the Pacific Asian Consortium in Employment for its Assistance in Disaster program, Asian Health Services for technology and mobile equipment, and Operation Hope to combat the COVID-19 crisis.

Cathay Bank employees responded to the call to assist communities by volunteering 2,000 in service hours across all nine states where we operate. Much of the service involved conducting workshops on financial literacy and income tax preparation for small business owners.

Despite the pandemic, the bank continued to host its annual toy drive for the Variety Boys & Girls Club and the El Monte Police Department. We also held a Welcome Home Kits drive commissioned by the Coalition for Responsible Community Development to collect much-needed household items for homeless individuals and families.



The Cathay Bank Foundation grant to the Boys & Girls Club of West San Gabriel Valley supported its Mock Interview event for the Youth of the Year program.



Cathay Bank team members supported the Coalition for Responsible Community Development by donating to Welcome Home Kits that included household goods, bedding, and toiletries.

“
Cathay Bank employees responded to the call to assist communities by volunteering 2,000 in service hours across all nine states where we operate.”

—
**Bruce Gumbiner, First Vice President,
 Director of Community Development**

Milestones and **accomplishments**



Cathay Bank launches online account opening and online consumer wires. Cathay Bank advanced its digital banking solutions with online account opening and introduced online self-service domestic outgoing wires.



Irvine Parkview Branch opens. In September, Cathay Bank opened a new branch, located in Irvine, California. This adds to the bank's multiple locations in nine states, as well as Hong Kong and representative offices in Beijing, Shanghai, and Taipei.



Cathay General Bancorp celebrates 30 years on Nasdaq. On October 21, Cathay General Bancorp celebrated the 30th anniversary of its listing on the Nasdaq Global Select Market. A virtual Nasdaq opening bell ringing ceremony marked the occasion.



Cathay is named one of Forbes Best Banks in America 2021. Forbes ranked Cathay General Bancorp as one of the Top 20 banks for six years in a row.

Corporate information

Board of Directors

- 1. Dunson K. Cheng**
Executive Chairman of the Board of Cathay General Bancorp and Cathay Bank
- 2. Peter Wu**
Vice Chairman of the Board of Cathay General Bancorp and Cathay Bank
- 3. Anthony M. Tang**
Vice Chairman of the Board of Cathay General Bancorp and Cathay Bank
- 4. Michael M.Y. Chang**
Retired Attorney and former Secretary of Cathay General Bancorp and Cathay Bank
- 5. Kelly L. Chan**
Vice President of Finance, Phoenix Bakery Inc., and Certified Public Accountant
- 6. Nelson Chung**
President of Pacific Communities Builder, Inc.
- 7. Felix S. Fernandez**
Retired Banker
- 8. Maan-Huei Hung***
General Counsel of AHMC Healthcare Inc.
- 9. Jane Jelenko**
Retired Financial Services Partner of KPMG LLP
- 10. Chang M. Liu**
President and Chief Executive Officer of Cathay General Bancorp and Cathay Bank
- 11. Joseph C.H. Poon**
President of Edward Properties, LLC
- 12. Richard Sun**
President of SSS Development, Inc.

Director Emeritus

- Patrick S.D. Lee**
Ting Y. Liu

Cathay General Bancorp

- Dunson K. Cheng**
Executive Chairman of the Board
- Peter Wu**
Vice Chairman of the Board
- Anthony M. Tang**
Vice Chairman of the Board
- Chang M. Liu**
President and Chief Executive Officer
- Heng W. Chen**
Executive Vice President, Chief Financial Officer, and Treasurer
- May K. Chan**
Senior Vice President, General Counsel, and Secretary

Cathay Bank Executive Officers

- Dunson K. Cheng**
Executive Chairman of the Board
- Chang M. Liu**
President and Chief Executive Officer and Director of Cathay Bank
- Heng W. Chen**
Executive Vice President and Chief Financial Officer
- Kim R. Bingham**
Executive Vice President and Chief Risk Officer
- Mark H. Lee**
Executive Vice President and Chief Credit Officer

Other Executive Vice Presidents

- Jim Haney**
Executive Vice President and Chief Lending Officer
- Thomas Lo**
Executive Vice President, Director of Commercial and International Banking
- Kirk Malmrose**
Executive Vice President, Director of Commercial Real Estate and Construction Lending
- Allen Peng**
Executive Vice President and Chief Retail Administrator
- Veronica Tsang**
Executive Vice President and Chief Retail Administrator
- Marisa Marquisepe**
Executive Vice President, Director of Financial Crimes Risk Management
- Robert Romero**
Executive Vice President and Chief Information Officer
- Jennifer L. Powells**
Executive Vice President and Chief Human Resources Officer



***Maan-Huei Hung** is the newest member of the Board of Directors of Cathay General Bancorp and Cathay Bank. She is the General Counsel for AHMC Healthcare Inc., a Southern California-based company that owns and operates eight hospitals. Ms. Hung previously served as the General Counsel to General Bank and its public holding company, GBC Bancorp, until its 2003 merger with Cathay Bank and Cathay General Bancorp. Ms. Hung is experienced in transactional corporate law with an emphasis in banking and commercial law, and healthcare laws, and has advised numerous financial and non-financial institutions, both foreign and domestic, on management matters, legal and regulatory compliance, securities laws, and corporate finance. She is an attorney licensed in California, practicing for more than 40 years and holds law degrees from National Taiwan University and Yale University. She is a founding member and former president of the Taiwanese American Lawyers Association and has served as legal counsel since 2002 to the National Association of Chinese American Bankers, and as a board member on the AHMC Health Foundation.



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United States

California

Alhambra
Arcadia
Artesia
City of Industry
Cupertino
Diamond Bar
Dublin
El Monte
Fountain Valley
Fremont
Irvine
Los Angeles
Millbrae
Milpitas
Monterey Park
Northridge
Oakland
Ontario
Orange
Rancho Cucamonga

Richmond
Rowland Heights
Sacramento
San Diego
San Francisco
San Gabriel
San Jose
Temple City
Torrance
Union City
West Covina
Westminster

Illinois

Chicago
Westmont

Maryland

Rockville

Massachusetts

Boston

Nevada

Las Vegas

New Jersey

Edison

New York

Brooklyn
Elmhurst
Flushing
New York City

Texas

Houston
Plano
Washington
Bellevue
Kent
Seattle

Overseas

Hong Kong

Overseas Representative Offices

Beijing
Shanghai
Taipei

Registrar and Transfer Agent

American Stock Transfer and Trust Company, LLC

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T 800 937 5449

Forward-looking statements

Our annual report includes forward-looking statements within the meaning of the applicable provisions of the Private Securities Litigation Reform Act of 1995 regarding management's beliefs, projections, and assumptions concerning future results and events. We intend such forward-looking statements to be covered by the safe harbor for forward-looking statements in these provisions. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws. Words such as "aims," "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "hopes," "intends," "may," "optimistic," "plans," "predicts," "possible," "potential," "projects," "seeks," "shall," "should," "will," and variations of these words and similar expressions are intended to identify these forward-looking statements. Forward-looking statements by us are based on estimates, beliefs, projections, and assumptions of management and are not guarantees of future performance. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or projections. These and other factors are described in our Annual Report on Form 10-K (at Item 1A in particular) for the year ended December 31, 2020; in other reports filed with the Securities and Exchange Commission (the "SEC"); and in other filings we make with the SEC from time to time. Given these risks and uncertainties, readers are cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, we undertake no obligation to update or review any forward-looking statement to reflect circumstances, developments or events occurring after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Cathay General Bancorp's Annual Report on Form 10-K for the year ended December 31, 2020, and other filings with the SEC are available at the website maintained by the SEC at www.sec.gov or by request directed to Cathay General Bancorp, 9650 Flair Drive, El Monte, CA 91731; Attention: Investor Relations; telephone 626 279 3296. These reports and filings are also available at www.cathaygeneralbancorp.com. The information on the websites of Cathay General Bancorp and Cathay Bank is not part of this Annual Report.

Cathay Bank, Member FDIC, is an Equal Housing Lender.

FDIC insurance coverage is limited to deposit accounts at Cathay Bank's U.S. domestic branch locations. Non-Deposit Investment Products are NOT A DEPOSIT | NOT FDIC INSURED | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NO BANK GUARANTEE | MAY LOSE VALUE.

