

2022 Corporate Responsibility Report



**Cathay General
Bancorp**

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Who We Are

Cathay General Bancorp is the publicly traded holding company of Cathay Bank (the Bank).

Cathay Bank is a California state-chartered bank founded in Los Angeles in 1962. We are the first bank founded by Chinese Americans in Southern California and is the oldest operating U.S. bank founded by Chinese Americans. Cathay Bank remains headquartered in Los Angeles, with administrative offices in El Monte, California. Cathay Bank was founded to provide the Chinese American community with access to the U.S. banking system in a way they never had before.

Today, Cathay Bank operates in nine states, with more than 60 branches across California, New York, Illinois, Washington, Texas, Maryland, Massachusetts, Nevada, and New Jersey. Internationally, we operate a full-service branch in Hong Kong, and a representative office in Beijing, Shanghai and Taipei.

We benefit from a diverse staff comprising of different genders, races, ethnic backgrounds, religions, sexual orientations, cultures, and primary languages. Cathay Bank and the Cathay Bank Foundation fight to curb racial injustice and support organizations that work to promote diverse communities and foster a more inclusive American culture, including changing perceptions toward Asians and Asian Americans.

Founded:

1962

Nasdaq:

CATY

Branch Outlets:

California, New York, Washington, Texas, Illinois, Massachusetts, Maryland, Nevada, New Jersey, Hong Kong

65

Team Members:

1,178

Assets:

\$22B

Deposits:

\$18.5B

Loans:

\$18.3B

Top 50 Public Banks

S&P Global Market Intelligence

Information as of December 31, 2022



Letter from Our President and CEO

At Cathay, we never lose sight of our purpose to serve our clients, communities, and stockholders.

Over the course of more than six decades, we believe we have established ourselves with our clients as one of the most trusted and respected financial institutions in the United States. This reputation was built on our unwavering dedication to this purpose.

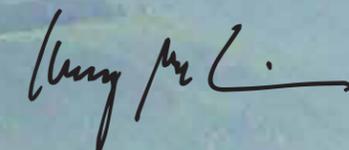
We recognize the importance of sustainability in creating long-term value. It is an important aspect of our contribution to the communities in which our team members and clients work and live. This Report describes how we approach the environment, our team members and corporate governance—all fundamental areas that underpin our approach to sustainability.

We also know that complacency is the enemy of excellence. Therefore, we continuously evaluate and challenge ourselves to improve how we manage these important issues. This Report formalizes our promise to regularly communicate our Environment, Social, and Governance (ESG) actions and the progress we make towards our commitment and strategy. To further promote transparency and align with data standards, we incorporated the framework established by the Sustainability Accounting Standards Board (SASB) (now part of the International Financial Reporting Standards Foundation) in this Report.

Effective management in cybersecurity and data protection is vital to our business continuity and our clients' privacy. We take great pride in the strong cybersecurity program we have in place—from our technology infrastructure and our merger and acquisition strategies to onboarding team members and furthering their continuing education. The tone starts from the top, with our Board of Directors actively engaged in the oversight of our security program and engagement spanning every level of the organization.

To promote our ability to collaborate and bring the best of Cathay Bank to every opportunity, we strengthened our governance by assigning the Nomination and Governance Committee to specifically address oversight of our ESG and sustainability-related matters. We are continuing to ramp up our initiatives, as well as provide the tools and training our team members need to foster a more inclusive work environment. I am proud of our achievements and efforts leading us toward a more sustainable and equitable future.

I would like to express my gratitude to our clients, stockholders, and team members for inspiring us and supporting our commitment to creating a more sustainable world. Sustainability is important not only to our purpose but also to our growth agenda. It's something we have integrated into our business strategy because we believe it makes us a stronger, more resilient company.



Chang M. Liu
President and CEO
Cathay General Bancorp

About this Report

This Corporate Responsibility Report (the Report) provides an overview of Cathay’s ESG activities and commitments.

This Report covers the period from January 1, 2022, through December 31, 2022, except where noted.

We recommend reviewing this Report together with our most recent Proxy Statement, Form 10-K and Form 10-Q—all of which can be found at www.cathaygeneralbancorp.com.

In creating this Report, we referenced the Sustainability Accounting Standards Board, an established ESG reporting framework. These indices and relevant metrics are provided at the end of this Report.

It is important to note that goals, commitments, and targets discussed in this Report may be aspirational. While we are committed to achieving them, we recognize that regulatory requirements and economic conditions, among other events or circumstances, may necessitate changes to our plans. To that end, we may adjust our goals, commitments and targets as the need arises.

We are confronted by increasing environmental challenges globally every day. We recognize the need to conduct business in a manner that contributes to a reduced impact on our environment.

We have in place sustainability initiatives throughout our business operations and continue to seek out ways to reduce our carbon footprint and otherwise better the environment.

Environment

The Way We Operate

We encourage paperless transactions in the workplace. We supply our team members with dual monitors to reduce the need for print documents, set printers to print on both sides as the default to conserve paper, and make use of electronic forms and submissions in lieu of legacy paper process. In 2022, our secure shredding program conserved resources ranging from energy to water and minimized waste, carbon emissions and deforestation.



Energy

648,096

Kilowatts per Hour Saved

Water

416,005

Gallons Conserved

Waste

17,516

Pounds Prevented

Carbon Emissions

1,031

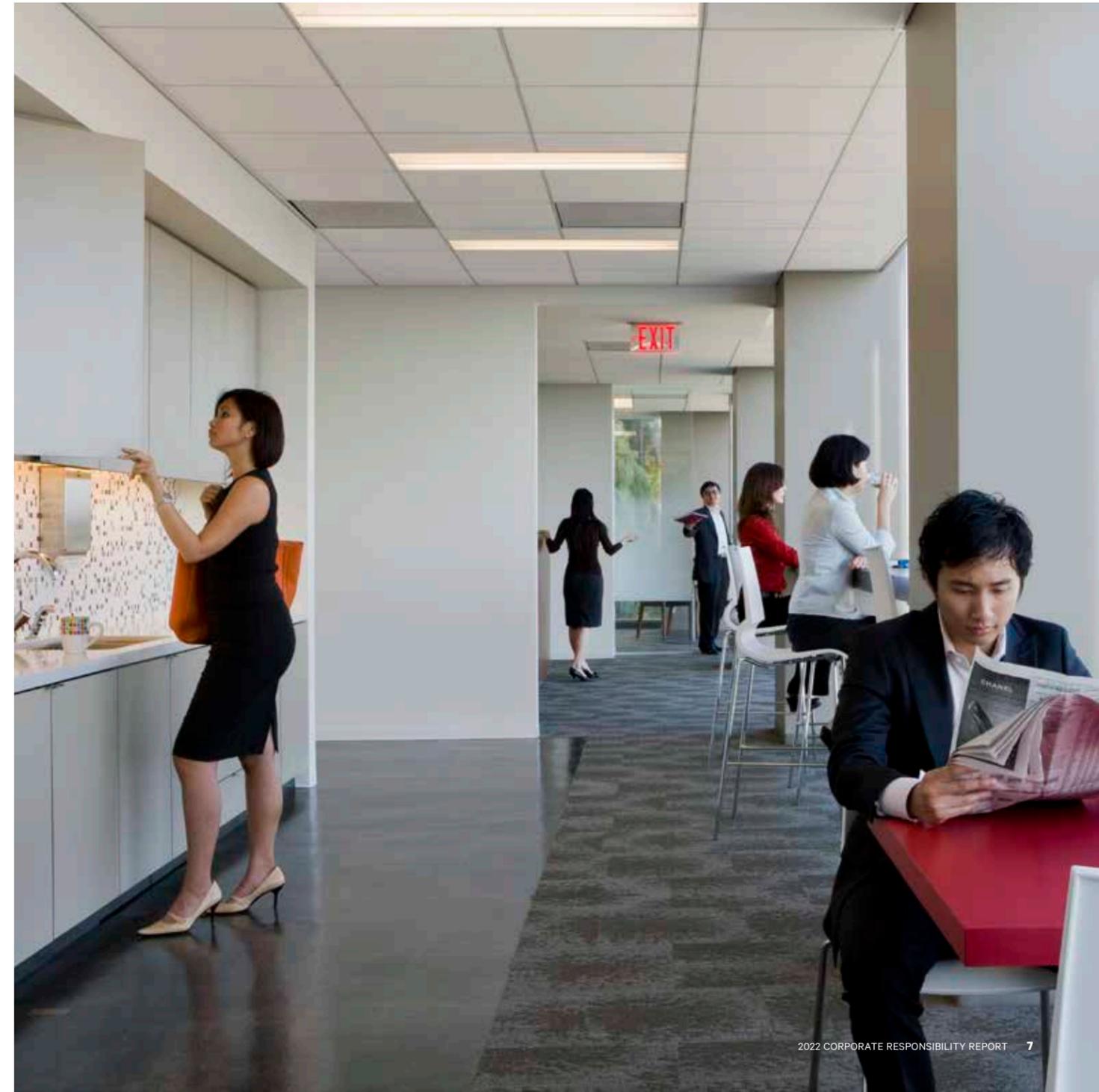
Metric Tons Averted

Trees

5,255

Preserved

Figures calculated by our secure shredding vendor using the Paper Calculator methodology.





We use LED lighting around our offices and branches to achieve lower energy consumption.

We power our Corporate Center using a solar power system in El Monte, California that generates on average 500,000 kilowatts of electricity annually and translates to an output savings of 40% on average per year.

We install water-efficient fixtures that save an estimated 600,000 gallons of water annually, based on vendor-provided performance specifications for the fixtures.

We install electric vehicle charging stations at our facilities to support the use of electric vehicles by team members, and clients alike.

Our Solar Powered System Generates

500,000

Kilowatts of Electricity Annually on Average

We Install Water-Efficient Fixtures That Save Approximately

600,000

Gallons of Water Annually

We encourage team members to reduce their carbon footprint when commuting by providing incentives for ridesharing and the use of public transportation and electric vehicles through the qualified Southern California South Coast Air Quality Management District’s rideshare program.

We exercise a hybrid work-from-home model, invest in technology and advocate for the use of teleconferencing and video conferencing to reduce the need for business travel and reduce emissions output.

We invest in renewable energy sources and have been a solar energy tax equity investor since 2015. As of December 31, 2022, we have invested in seven solar energy projects totaling \$202 million.



We are in compliance with the South Coast Air Quality Management District’s Rule 2202 to reduce emissions generated by our team member’s commutes.

We Invest in Solar Energy Projects

\$202M

as of December 31, 2022

The Way We Do Business

We encourage clients to use online banking to reduce branch travel time, paper consumption, and other consumables to reduce harmful carbon emissions. In 2022, 56% of online banking clients opted to receive electronic statements in lieu of paper. Compared to 2021, the number of business clients enrolled in online banking engagement increased by 13% and personal online banking increased by 9%, growing the number of clients choosing to take advantage of online services for at least some of their banking needs.

Our approach to risk management incorporates ESG considerations, including climate-related risks, into various processes across our financial services and investments. For example, as part of our normal course due diligence for real estate lending, we review flood zone reports and perform environmental due diligence as required by credit policy that is in accordance with regulatory requirements. Our Credit Administration team reports on credit risk analysis across our loan portfolio at least quarterly to the Board via the Quarterly Report on Credit Matters and Portfolio Concentration Report.

Credit Administration also assesses ESG considerations as part of the enterprise risk management process, which is conducted by the Board’s Risk Management department and the Risk Committee on an annual basis. The assessment is performed via a risk and control self-assessment within the Bank’s system and reported to the Board and various management committees with assessment factors, analysis conclusions, corrective action recommendations, and audit and exam issue statutes. Assessment factors considered more broadly by the Bank include community relations, diversity and inclusion, recycling efforts, and reduced consumption of paper, energy and water.

Electronic Statements

56%
of Online Banking Clients Opted to Receive

Business Online Banking

↑13%
Enrollment Compared to 2021

Personal Online Banking

↑9%
Enrollment Compared to 2021





We work to improve the welfare of our communities, and we proudly support local organizations with initiatives that focus on affordable housing, homeownership, financial literacy, workforce development and small businesses in low- to moderate-income (LMI) areas.

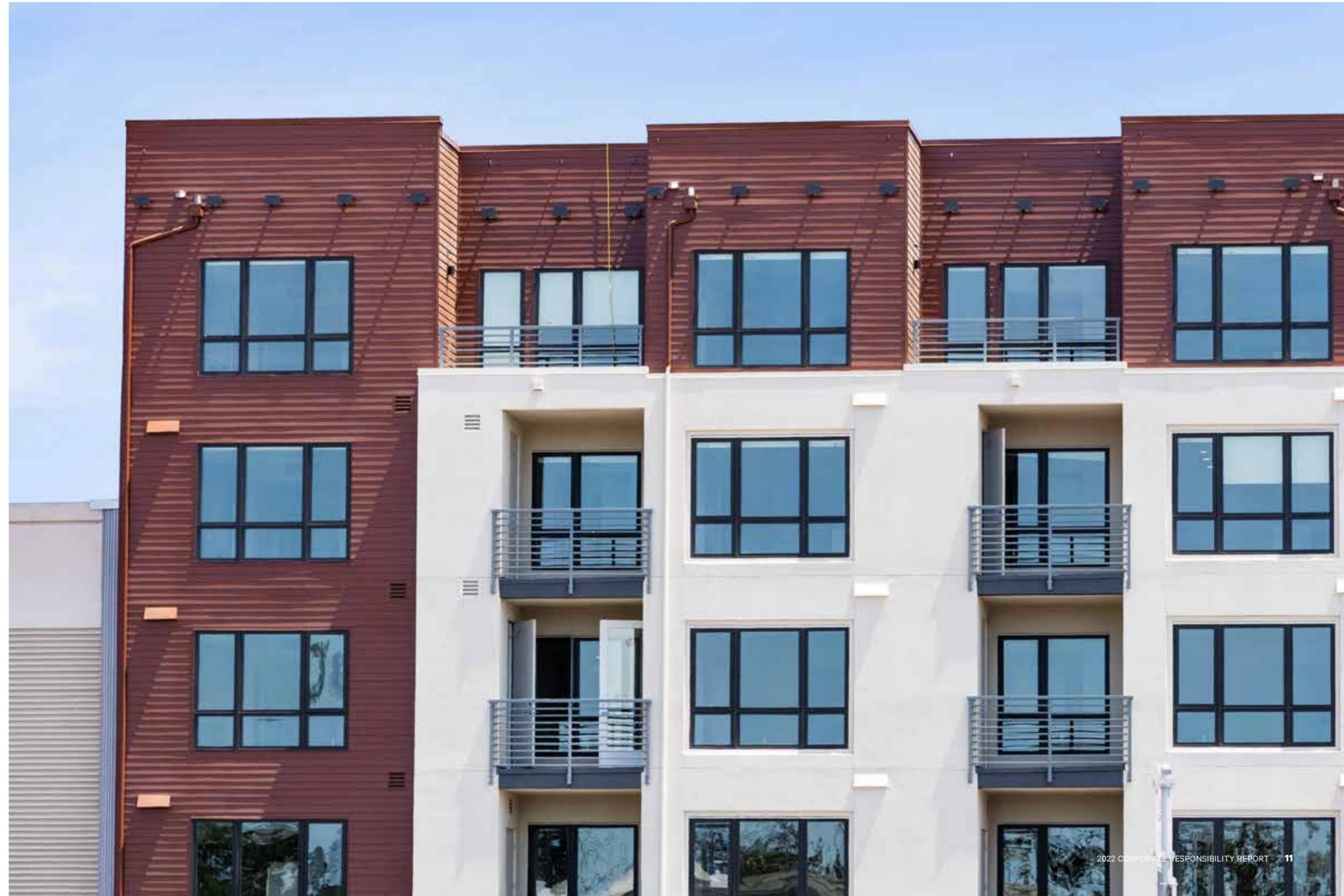
Community Engagement

Investment in Affordable Housing

We support the development of affordable housing through investment in low-income housing tax credit (LIHTC) projects. These projects are intended to increase the availability of low-income rental housing. As of December 31, 2022, we invested \$557 million to help finance the acquisition, construction, and rehabilitation of affordable rental housing for LMI tenants.

We Invest in LIHTC Projects

\$557M
as of December 31, 2022



Community Checking

Cathay Bank offers Community Checking accounts designed to provide unbanked, underbanked and underserved individuals with banking access. This program features a low minimum opening amount with no monthly maintenance fee, no-cost bill pay, free access to online/mobile banking, and surcharge-free withdrawals at any Cathay Bank ATM and other designated machines. These Community Checking accounts meet the Bank On National Account Standards designed to promote access to low-cost bank accounts with robust features and consumer protection. This product is currently being offered in selected cities in California and Washington, with plans to roll out branchwide in the near future. As of December 31, 2022, Cathay Bank has four Community Checking accounts totaling \$14,748.

Total Community Checking Accounts

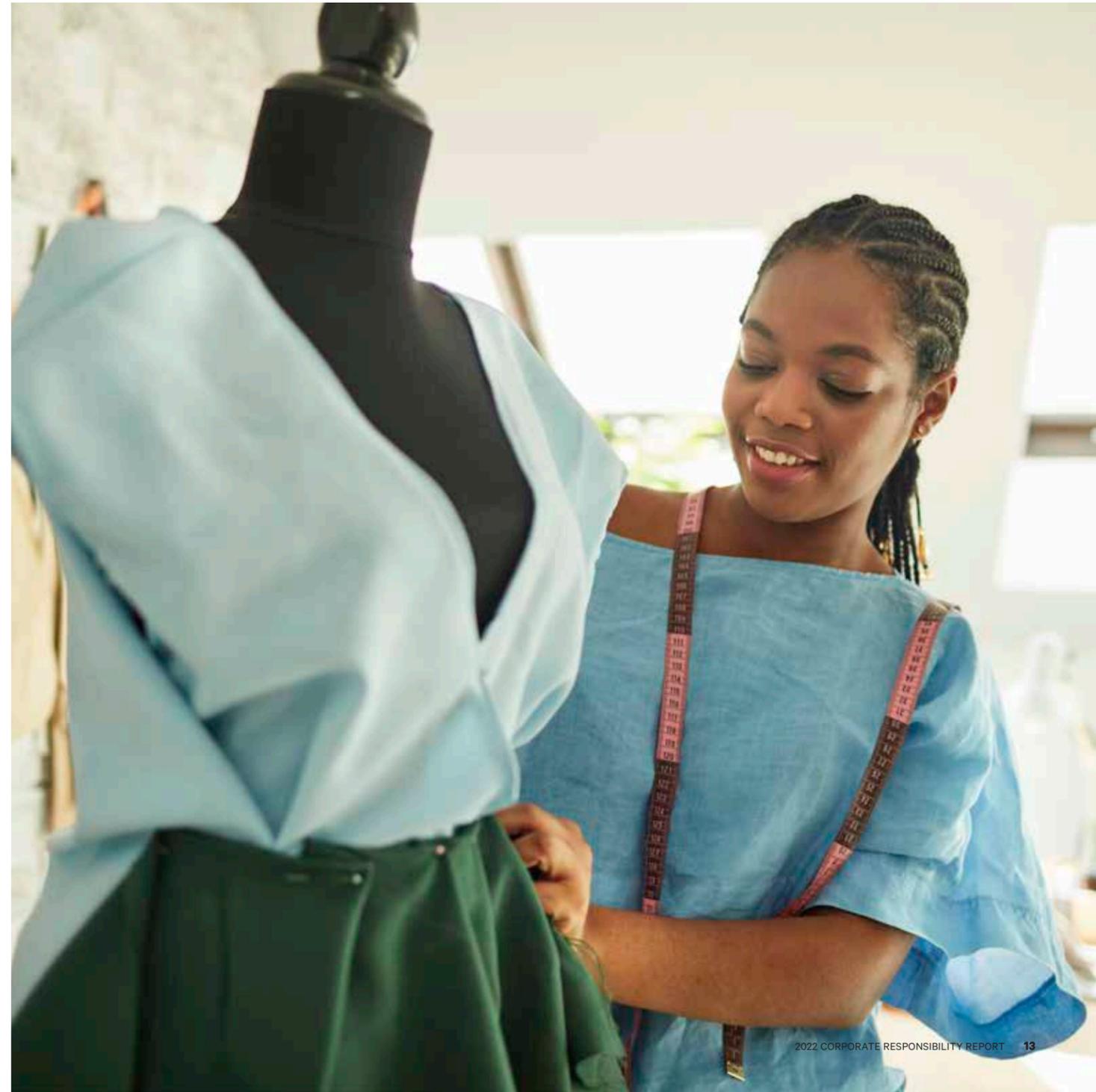
\$14.7K
as of December 31, 2022



Small Business Lending

We believe that small businesses are the backbone of our economy. We are committed to providing at least 50% of all small business loans (SBL) to businesses with a gross annual revenue of \$1 million or less or per-loan amount of less than \$150,000. Through outreach of small business lending and technical assistance, we have established a referral program with the Community Development Financial Institutions Fund and other organizations with the goal of improving and enhancing access to capital in low-income communities.

Year	Total Amount of SBL at Origination	Total Number of SBL at Origination	Within Our Assessment Areas	
			% of SBL Made in LMI Geographies	% of SBL Made to Businesses with Gross Annual Revenues of ≤\$1M
2019	\$262M	908	38.4%	54.4%
2020	\$399M	2,550	36.9%	52.6%
2021	\$347M	2,312	36.1%	47.7%
2022	\$211M	796	36.4%	56.2%



Community Development Lending

We provide community development financing with the primary purpose of improving quality of life, promoting sustainability, encouraging entrepreneurship, and creating more wealth opportunities.

In 2022, Cathay Bank Originated

125

Community Development Loans Totaling

\$421.2M

within Our Assessment Areas



Cathay Bank and FHLB provided letters of credit to back a \$12 million taxable bond issued to finance construction of LMI housing for seniors.

Federal Home Loan Bank San Francisco Community Programs

We participate in the Federal Home Loan Bank San Francisco’s community programs, such as the Access to Housing and Economic Assistance for Development (AHEAD) Grant, the Affordable Housing Program (AHP) General Fund, and the Workforce Initiative Subsidy for Homeownership (WISH). These programs offer access to funding in affordable housing development and preservation and facilitate sustainable homeownership to boost economic development activity.

Home Mortgage Lending

We offer mortgage lending solutions that provide greater underwriting flexibility, and the use of nontraditional credit history information to assist with down payments and closing costs.

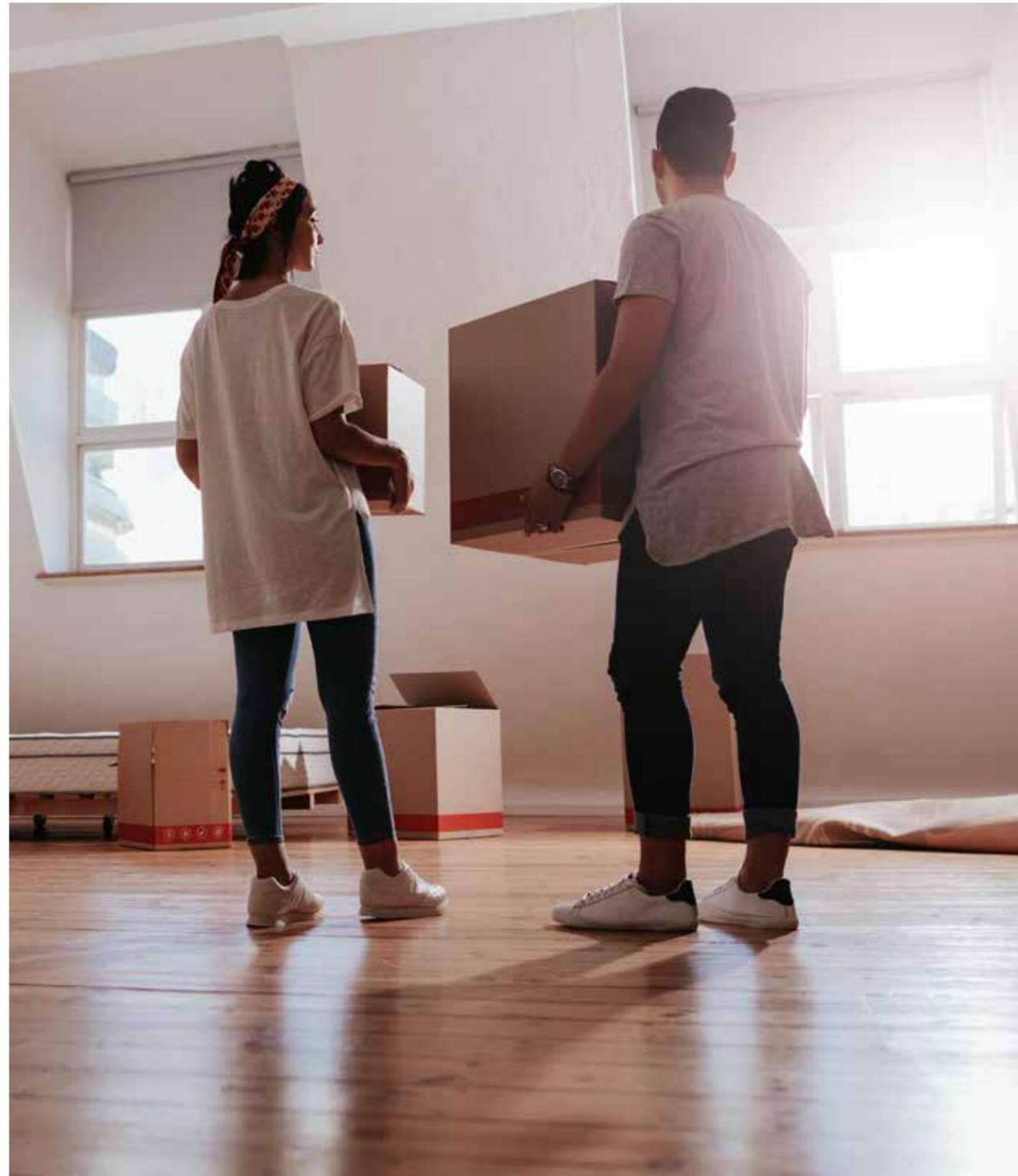
In 2022, Cathay Bank Originated and/or Purchased

2,137

Home Mortgage Loans Totalling

\$1.75B

of which 1,977 Loans of \$1.64B are Originated within Our Combined CRA Assessment Areas



Community Homebuyers Program and Downpayment Assistance Program

Through our Community Homebuyers Program (CHBP), qualified first-time homebuyers are offered the flexibility of a lower down payment. Qualified CHBP applicants may also be eligible for a grant under our Down Payment Assistance Program (DAP), that can be used toward down payment and/or closing costs. The maximum grant amount is 2% of the home purchase price and does not require repayment or any collateral. In 2022, we approved 61 loans totaling \$26.6 million and 51 DAP grants totaling \$428,113.

Community Support

True to our founders' vision of an institution dedicated to the community, we are proud to provide philanthropic support and reinvest in our community through sponsorships, donations and in-kind services. We focus on affordable housing, financial literacy, workforce development and technical assistance for small businesses in LMI areas.

With a common goal of enhancing the wellness of the community, our team members give back through volunteerism for various local organizations; they provide services through board and loan committee memberships; teaching financial literacy to youth, adult, and the elderly; assisting with tax returns preparation for low-income taxpayers; facilitating first-time homeownership workshops; and volunteering in fundraising activities. Cathay Bank pays full-time team members to volunteer during scheduled work hours and encourages each team member to put in at least six hours annually.



Youth of the Year Mentoring Event in Los Angeles, CA, in collaboration with the Boys and Girls Clubs and the Youth Business Alliance, where Bank team members taught students how to craft the perfect elevator pitch to foster a new generation of leaders.

Financial Literacy Initiatives

We provide educational tools and resources on financial literacy to youths and adults in our communities. Our team members actively participate in volunteer activities focusing on financial literacy education through collaboration with local organizations. The financial literacy curriculum includes the types of banking services available, how to open and use a bank account, money management skills such as budgeting and following a personalized spending plan, as well as the importance of saving and managing debt, how to use credit responsibly, and identity protection awareness.

2022 Financial Literacy Initiatives:

7,680

Attendees

212

Team Members

Here are some notable examples of other community initiatives we are involved in:

First-Time Homeownership Workshops. We collaborate with counseling agency certified by the U.S. Department of Housing and Urban Development (HUD) to provide homeownership counseling workshops for LMI first-time homebuyers. In this workshop, homebuyers spend eight hours learning about budgeting, selecting a real estate agent, the basics of how a bank underwrites a loan and mortgage financing, improving and protecting credit scores, verifying licenses, foreclosure prevention, and the types of mortgage programs available in the market. In 2022, approximately 36 team members provided 379 volunteer hours.

FDIC Money Smart. We use the FDIC Money Smart financial education curriculum to conduct our financial literacy classes. This comprehensive curriculum is designed to enhance financial skills and create a positive banking relationship through planning and budgeting, credit and identity protection, savings, investing, and financial planning. In 2022, our team members provided 100 volunteer hours in facilitating financial literacy workshops.

Volunteer Income Tax Assistance (VITA) Program. This is an IRS initiative designed to provide free tax preparation for the underserved through various community organizations. This service helps LMI individuals, persons with disabilities, the elderly, and limited-English speakers who generally make \$60,000 or less file their taxes at no cost. Volunteers are trained in tax laws and are required to be certified by passing three exams prior to volunteering. In 2022, team members provided approximately 290 volunteer hours preparing tax returns for LMI taxpayers.

Total Team Member Volunteer Hours

2,276
Hours

Average Volunteer Hours per Team Member

10.7
Hours



Making the Dream of Home Ownership Come True!



JA Park in SCA, donates \$90,000 in 2022

Junior Achievement Program. We are a longtime supporter of the Junior Achievement (JA) Finance Park program, a very meaningful effort to help students from kindergarten to 12th grade learn financial responsibility through budgeting, career exploration, income and taxes, savings and investment, managing cost of living, credit risk and debt. Students get to experience the world of personal finances by assuming the role of an “adult for the day.” Each student is given a unique life profile that includes annual income, and marital status (even kids!) based on their answers to a series of lifestyle questions. Using their new adult persona, students navigate the life of an adult for a day, creating a balanced monthly budget and making decisions on housing, transportation, insurance, savings, borrowing, entertainment expenses, and more. This simulation enables students to recognize how the decisions they make about education and career have an impact on their potential income and quality of life. In 2022, our team members contributed to more than 180 volunteer hours at the JA Finance Park in Los Angeles, San Diego, and Dallas.



Donations, In-Kind Services and Sponsorships

We work with community organizations through strategic relationship development to improve social, economic, educational and cultural opportunities, as well as the overall wellness of our communities.

In 2022, Cathay Bank Foundation Donated

\$2.4M

Benefitting

228

Community Organizations

2022 Highlights

- Cathay Bank Foundation provided \$2.4 million in grants to 228 community organizations to support financial literacy efforts, affordable housing, and pandemic relief. Of the total amount, 5% is designated to support the long-term strategy of diversity education targeted to both broad and young audiences to combat anti-Asian violence.
- Cathay Bank provided \$50,000 in grants to cover pre-development cost associated with four new affordable housing developments, \$75,000 in loan loss reserve grants to three Community Development Financial Institutions (CDFI), and a total of \$100,000 to eight organizations for technical assistance and training to help small- and minority-business owners develop a business plan.
- Cathay Bank’s annual Scholarship Program invests in young adults to further their education. Team members spent 545 volunteer hours reviewing student essays, and \$1,000 scholarships were awarded to 20 high school seniors toward college tuition.
- Cathay Bank is a longtime supporter of the City of Hope Walk for Hope fundraising event. Since our initial involvement in 2008, Team Cathay Bank has been among the top corporate fundraising teams. Through team member support and Bank donations, we are proud to contribute to City of Hope’s reaching its annual fundraising goals.

Some of the community organizations we work with include:



Supplier Diversity Program

We promote diversity and inclusion among our suppliers and vendors. Through the Cathay Bank Vendor Diversity Program, we seek to foster diversity and inclusion among our supplier and vendor base to contribute to the long-term economic sustainability of our communities. We maintain a database of local suppliers in support of minority- and women-owned businesses and small businesses competing for procurement of goods and services.



We believe in investing in our people. Our team members are the engine of our business and are the key to our long-term success. We strive to attract talent from the broadest pool to foster innovation and productivity, which allows us to serve—and sustain value for—our clients, stockholders and communities. Maintaining a strong talent pool requires investment through all phases of the team member life cycle, from how we recruit individuals to how we support their development and reward their performance throughout their careers at Cathay Bank.

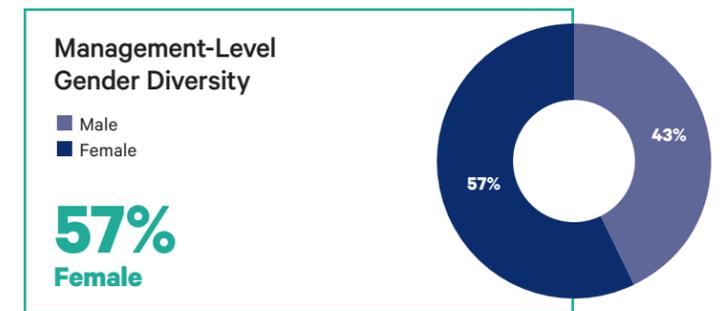
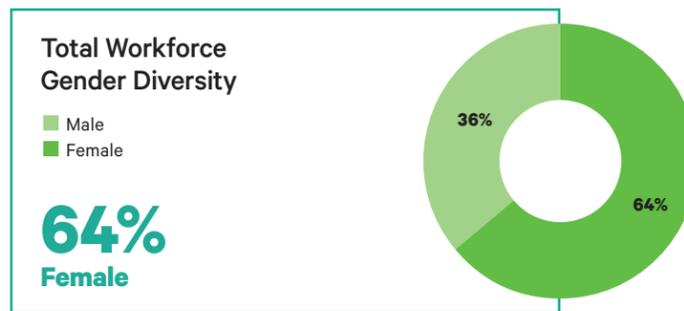
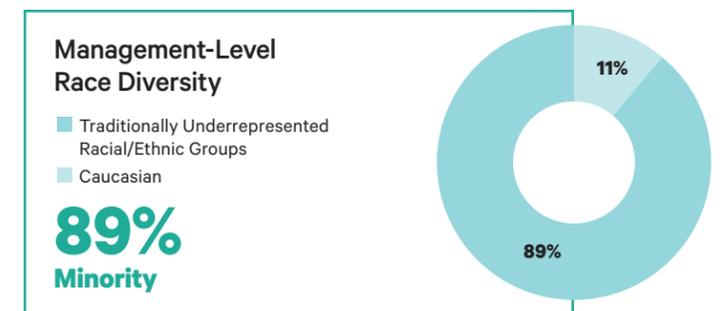
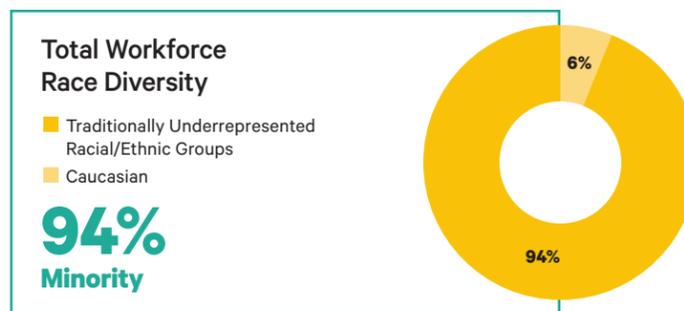
A photograph of four team members standing in front of a green wall with the Cathay Bank logo. The group consists of three men and one woman. The man on the far left is wearing a light blue button-down shirt and sunglasses. The woman in the center is wearing a red dress. The man next to her is wearing a blue patterned button-down shirt and sunglasses. The man on the far right is wearing a light-colored button-down shirt. The background features a green wall with the Cathay Bank logo, a gold-framed mirror, and clusters of blue, red, and white balloons. The text 'Our Team Members' is overlaid in large white font on the right side of the image.

Our Team Members

Diversity and Inclusion



Diversity and inclusion are the cultural hallmarks of Cathay Bank as a minority depository institution. Our workforce comprises a diverse mixture of genders, races, ethnic backgrounds, religions, sexual orientations, cultures and primary languages. We actively seek candidates representing a wide range of backgrounds and experiences for positions at all levels. Our commitment to diversity enables us to draw from a remarkable wealth of talent, benefiting from a workforce that offers a multiplicity of viewpoints, backgrounds and experiences, in service of our clients.



Recruitment and Retention

Training and Career Development

We promote the growth and development of our team members. We provide skill-training programs aligned with objectives and a framework that focuses on operational and procedural compliance, and professional and management development to help team members not only identify how their work contributes to the overall strategy and purpose of the company but also to achieve greater effectiveness in their current and future roles. We invest in our people to help them advance their careers—and we give them opportunities to do so within Cathay Bank by actively supporting and facilitating internal career mobility.

We have made substantial investments in educational tools and training programs to support our team members' development that builds on new skills and guides them toward career advancement.

Demonstrating Our Commitment to Our People, Planning for the Future, and Long-Term Business Continuity and Success

12%

of the Workforce was Promoted to Higher or Management Positions within the Bank in 2022



Skill Enhancement Training Programs

Relationship Banker Program

Develop relationship banker knowledge, skills, and abilities in the areas of banking and teller operations, new accounts, basic mortgage, and sales.

Operations Training Program

Design to boost and fine-tune confidence and the development of decision-making skills with an emphasis on understanding the “why” behind operational decisions.

#Strive2Succeed@Cathay

Through a series of live web-based trainings, E-learning, speaker events and networking opportunities, this program helps team members develop professional and transferable skills tied to 10 competencies for success to complement existing technical skills that are required to perform on the job.



Leadership Skills and **Effective Communication Programs**

Essential Supervisory Training Program

This program is designed to help newly promoted supervisors and leads learn and build skill sets that increase their confidence as supervisors.

Inspirational Leadership Training

Provide managers with the skills and tools needed to build rapport and stronger working relationships that enhances efficiency and communication effectiveness within the organization with the goal to cultivate a positive work environment while keeping team members motivated, engaged, and inspired.



Emerging Leadership Program I

Aspiring leaders learn a range of critical supervisory and managerial skills to support and promote leadership development. This program is designed to take leadership skills to the next level.

Emerging Leadership Program II

This program focuses on the importance of developing a leadership voice and refining ways to communicate with team members that motivate and drive results. Senior managers and leaders also learn about best practices in coaching.

Executive Coaching

This program uses a series of self-assessments and a 360-feedback assessment that is designed to help team members communicate more effectively and address conflict while working to resolve matters in real time and to implement company initiatives.



Team Member Engagement

Listening helps us learn from our team members, which is at the heart of Cathay’s culture and commitment to providing a rewarding work environment in which team members can thrive and do their best. We believe in a holistic approach when collecting team member feedback and measuring engagement.

We assess team member engagement on a regular basis to support employee retention and build better engagement. We collect feedback primarily through our engagement surveys and onboarding process, as well as departures to help identify key themes that can drive meaningful strategic and cultural improvements. We use this feedback to continuously improve team members’ experience and, ultimately, our business.

In 2022, Cathay Bank conducted an employee engagement survey on issues ranging from work environment and scheduling flexibility to Bank culture, growth opportunities and benefits. We also solicited feedback on our pandemic response that focused on leadership, communication, collaboration and team member safety, well-being and productivity as we navigated our evolving work environment and processes. Overall, our team members:

- Provided a favorable review of the company’s response to the pandemic, taking the right steps to promote safety with clear communication and plans to manage, showing care and concern for team members’ well-being.
- Gave a high score on diverse team members’ working effectively together and being productive.
- Placed a high value on colleagues, supervisors and the friendly, supportive and familial work environment.

Health and Benefits

We take a proactive and structured approach to planning, developing and implementing comprehensive benefits and human resources programs. We believe that supporting our workforce builds our overall organizational strength and resilience.

We believe in a healthy work-life balance and workplace wellness. To help motivate our team members, we put in place a signature Well-Being Program designed to promote and maintain a healthy behavior and lifestyle. This signature program encourages participation through short-term point awards and other incentives including medical insurance discounts.

We believe that a robust benefits platform enables our team members to truly grow, engage and elevate to their full potential. We offer an Employee Assistance Program (EAP) and provide basic life, basic accidental death and dismemberment (AD&D) and basic long-term disability insurance, Flexible Spending Accounts (FSA), Health Savings Account (HSA), and discounts to tickets and events, and certain Bank services.

As of December 31, 2022, the Well-Being Program has

75%
Participation Rate

Awarded Gallagher's Best-In-Class Employer 2022



Insurance | Risk Management | Consulting

Cathay Bank has been named a U.S. Best-in-Class Employer for 2022 by Gallagher in recognition of our strategic investment in team member benefits, compensation, retirement and communication. Cathay Bank was among the 4,000 participating organizations in Gallagher’s 2022 Benefits Strategy & Benchmarking Survey and scored in the top quartile under the large and mid-sized employer participant category. Gallagher is a global insurance brokerage, risk management and consulting services firm specializing in human resources consultancy.

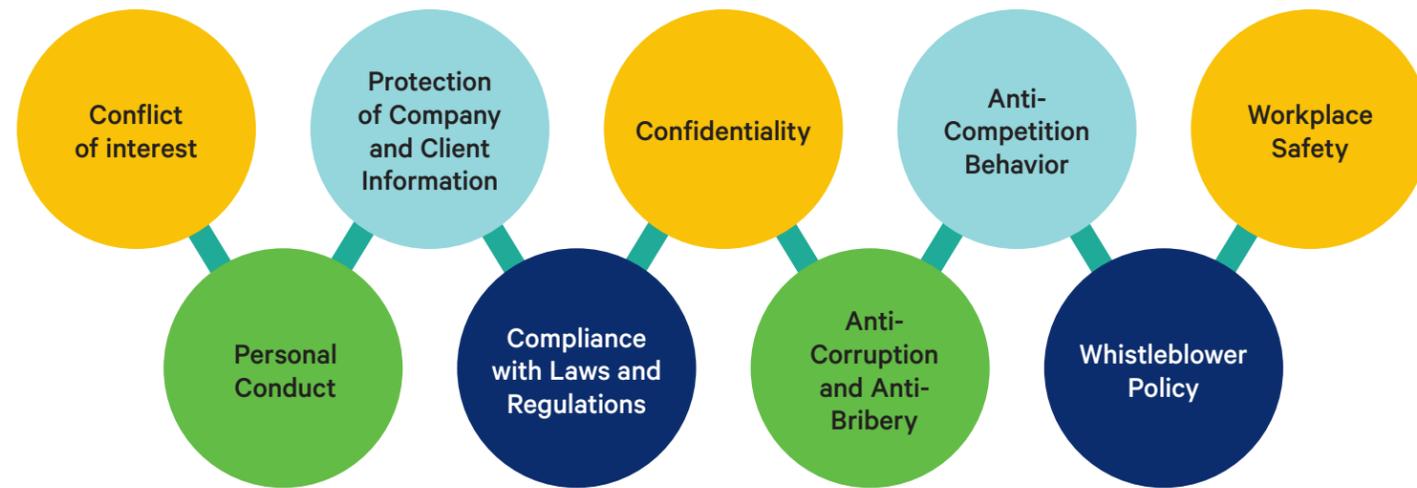


We seek to conduct business with the highest ethical standards to merit and maintain the trust and confidence of our clients and the public.

Business Code & Ethics

Code of Conduct

Our corporate culture is guided by our [Code of Conduct](#) which addresses the following main topics:



Our Code of Conduct helps us uphold our standards and promote an ethical culture at every level. Each team member understands the professional standards that are expected of them and acknowledges each year that they will continue to practice and comply with such standards.

On an annual basis, each team member must review and acknowledge that they have reviewed our Code of Conduct. All team members are required to undergo annual training related to anti-money laundering, antibribery and corruption, privacy, cybersecurity, and identity theft, as well as other mandatory training pertinent to their respective roles at Cathay Bank.





Our business and affairs are managed under the direction and oversight of our Board of Directors. We are committed to maintaining the highest standards of business conduct and corporate governance. The Board has adopted [Corporate Governance Guidelines](#), which together with our certificate of incorporation, bylaws, [Code of Ethics](#), and Board committee charters form the framework for the governance of the company.

Governance

Board Committee Charters

Nomination and Governance Committee

Oversees our commitment to corporate responsibility matters and the development and implementation of our corporate responsibility governance framework that includes ESG efforts and reporting. The committee also assists the Board with the review of senior management development and succession planning, Board and committee assessments and director qualification, as well as considers Board candidates and makes recommendations. See [Nomination and Governance Committee Charter](#).

Audit Committee

Oversees financial reporting integrity, performs independent oversight of the Board and provides structured, systematic oversight of the company's governance, risk management and internal control practice, including initiatives for values and ethics. See [Audit Committee Charter](#).

Compensation Committee

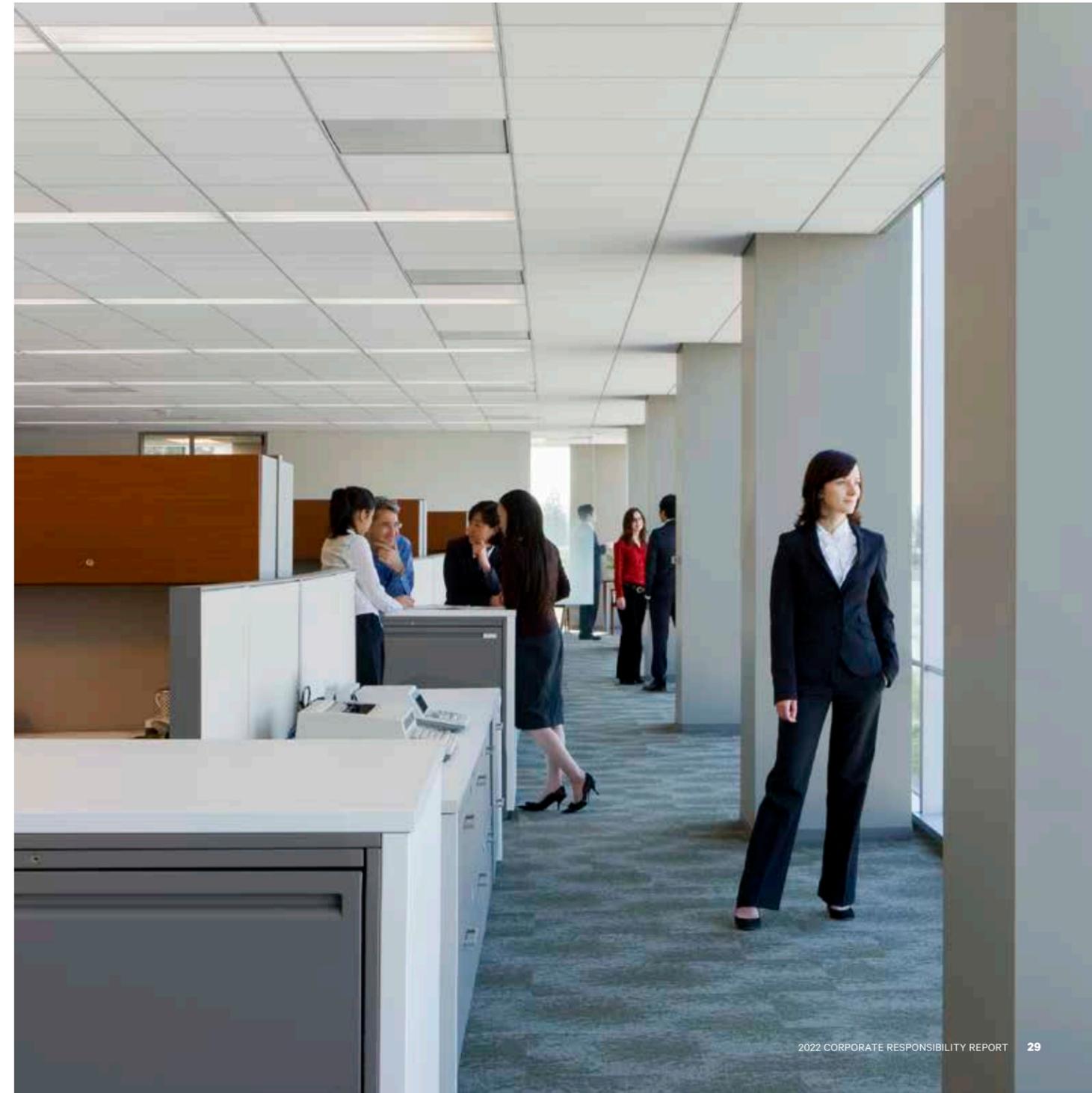
Oversees the compensation philosophy, policies, practices, and implementation for our executive officers and directors, as well as the administration of our equity-based compensation plans. This committee also regularly reviews the design and function of the director and executive compensation program to promote risk appropriation. See [Compensation Committee Charter](#).

Risk Committee

Oversees enterprisewide risk management practices and implementation of an appropriate risk management framework that is commensurate with our capital structure, risk profile, complexity, activities, size, and other risk-related factors. See [Risk Committee Charter](#). This committee exists alongside the Cathay Bank Risk and Compliance Committee, which among other things oversees and approves its Community Reinvestment Act (CRA) program that determines the level of community and small business lending, investment and service activities and the development and administration of its data governance program.

Investment Committee

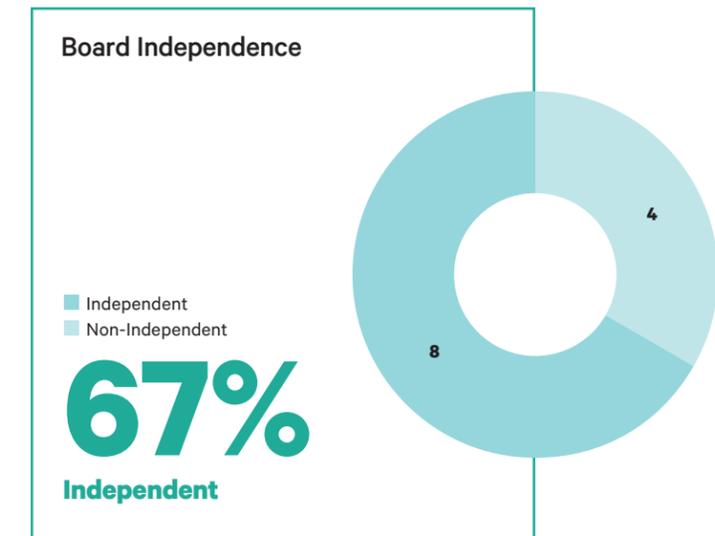
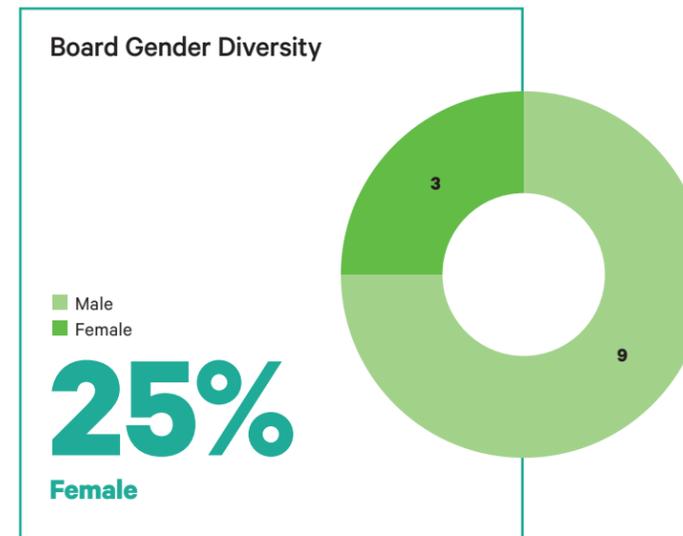
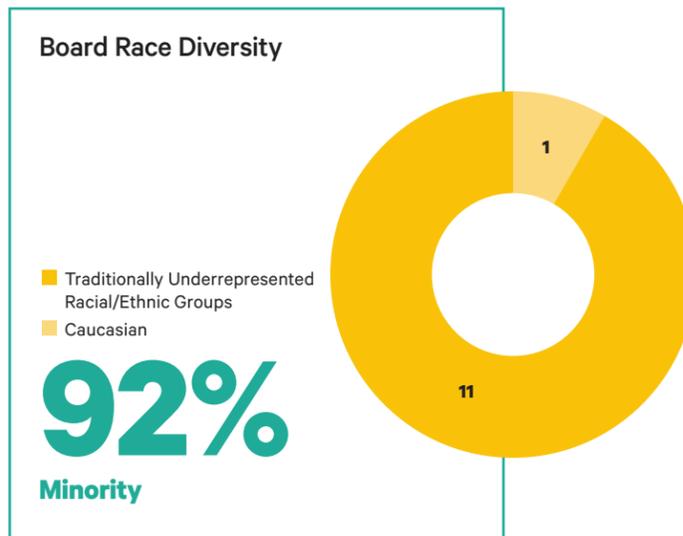
The Investment Committee oversees investment and funds management policies at the holding company level. See [Investment Committee Charter](#). This committee works alongside the Cathay Bank Investment Committee, which establishes, approves and monitors its investment strategy, such as investment in renewable energy projects.



Board Diversity, Gender, and Experience



The Board values the importance of diversity and is comprised of members from diverse professional and personal backgrounds. We believe that a diverse mix of directors represents a strong Board, where complementary qualifications, expertise, and attributes combine to bring distinct viewpoints and perspectives to effectively contribute to the Board's overall oversight responsibilities.



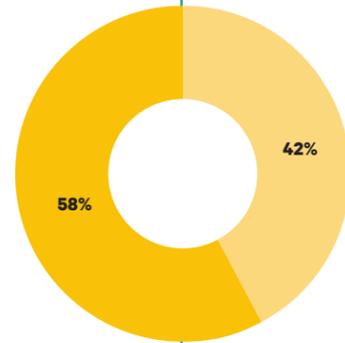
The charts below highlight certain key experiences, qualifications, skills, and attributes of the members of our Board of Directors. For more information about corporate governance, please refer to our 2022 proxy statement.

Technology/Systems

Technology/Systems experience is relevant to the Company as it looks for ways to enhance client experience and internal operations.

■ With
■ Without

58%

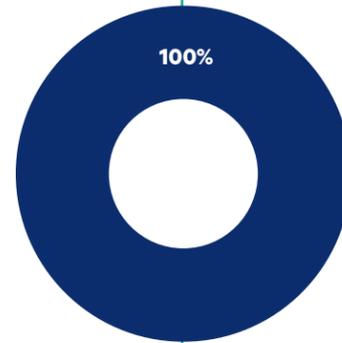


Leadership

Leadership experience in holding significant leadership roles over an extended period of time provides the Company with unique insights.

■ With
■ Without

100%

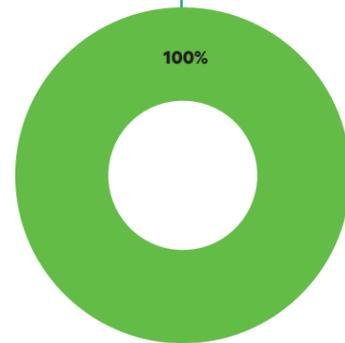


Business Operations

Business Operations experience gives directors a practical understanding of development, implementation, and assessment of the Company's operating plan and business strategies.

■ With
■ Without

100%

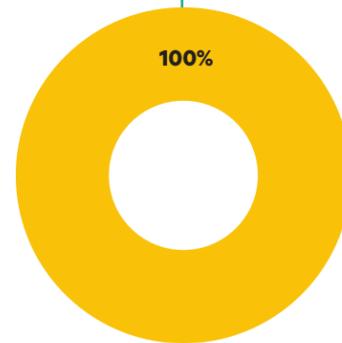


Finance

Finance includes financial expertise and literacy that is important as it assists the directors in understanding and overseeing the Company's financial reporting and internal controls.

■ With
■ Without

100%

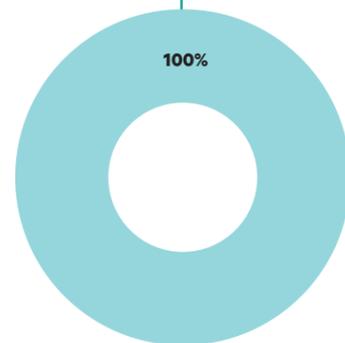


Risk Management

Risk Management experience is critical to the Board's role of overseeing the risks facing the Company.

■ With
■ Without

100%

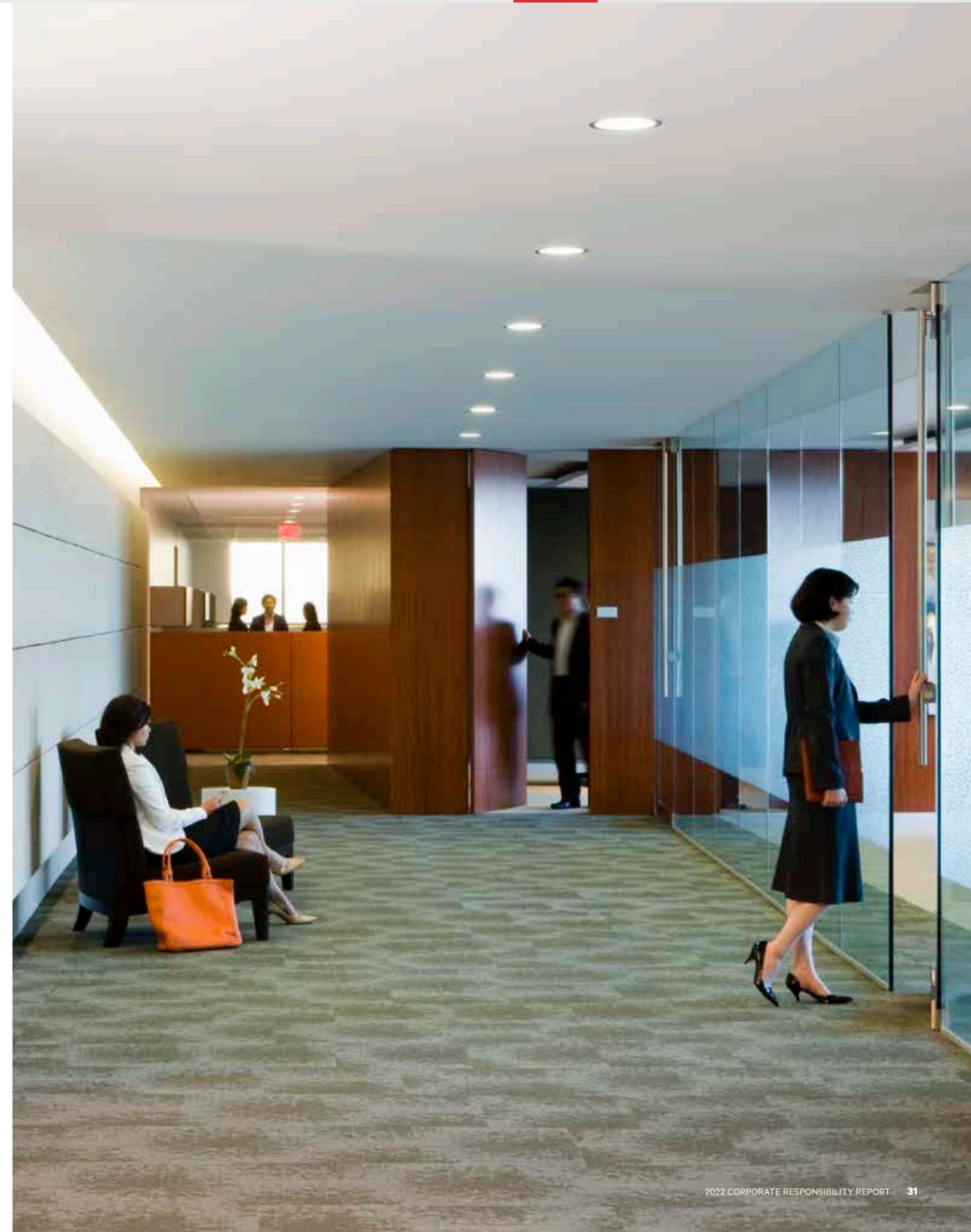
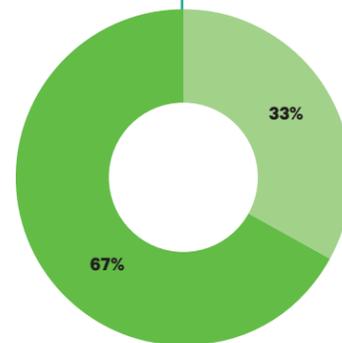


Real Estate

Real Estate experience is crucial in understanding and reviewing the Company's business and strategies in lending and investments.

■ With
■ Without

67%



The security of our operations is critical to maintaining the trust of clients, stockholders, and regulators. Our Information Security Program consists of robust frameworks, policies, standards, and procedures.

Information Security & Cybersecurity

Guidelines and Framework

We leverage the following guidelines and frameworks to develop and maintain Cathay Bank's Information Security Program:

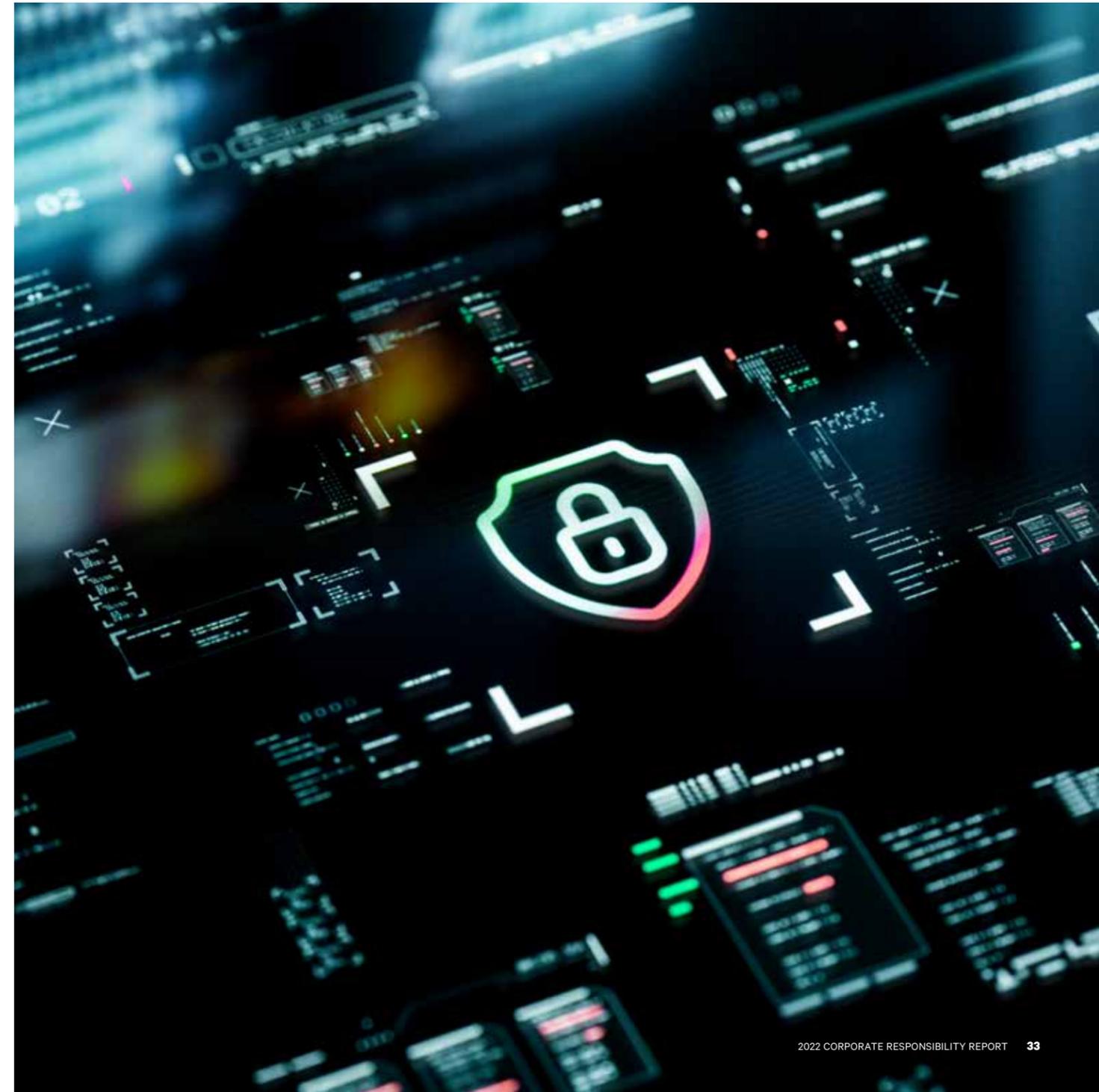
- Federal Financial Institutions Examination Council (FFIEC) Information Technology Examination Handbook Infobase
- FFIEC Cybersecurity Assessment Tool
- Interagency Guidelines
- Center for Internet Security Critical Security Controls
- Open Worldwide Association Security Project
- NIST Special Publications 800 Series
- GLBA 501(b), including Appendix B to 12 CFR 30

The policies and standards within the program govern various aspects of information systems and information security use that are consistent with the security requirements established by FFIEC guidance. Our team members are required to comply with these policies and standards.

We rely on a series of processes to identify threats, hazards, and other risks to our assets. In addition to regular risk assessments, we rely on independent assessments, internal and external audits, and cybersecurity feeds from vendors, including directly into patch and vulnerability management tools.

Our assets are classified and protected based on the results of our risk assessment practices, which assess a variety of critical factors, including the type of data stored, system availability needs, confidentiality requirements, recovery time objectives, transactional processing, the number of users, and the volume and magnitude of transactions. Our Information Technology and Information Security teams meet weekly across several disciplines to ensure that risks are timely identified, patch and vulnerability requirements are monitored, and the necessary changes are implemented.

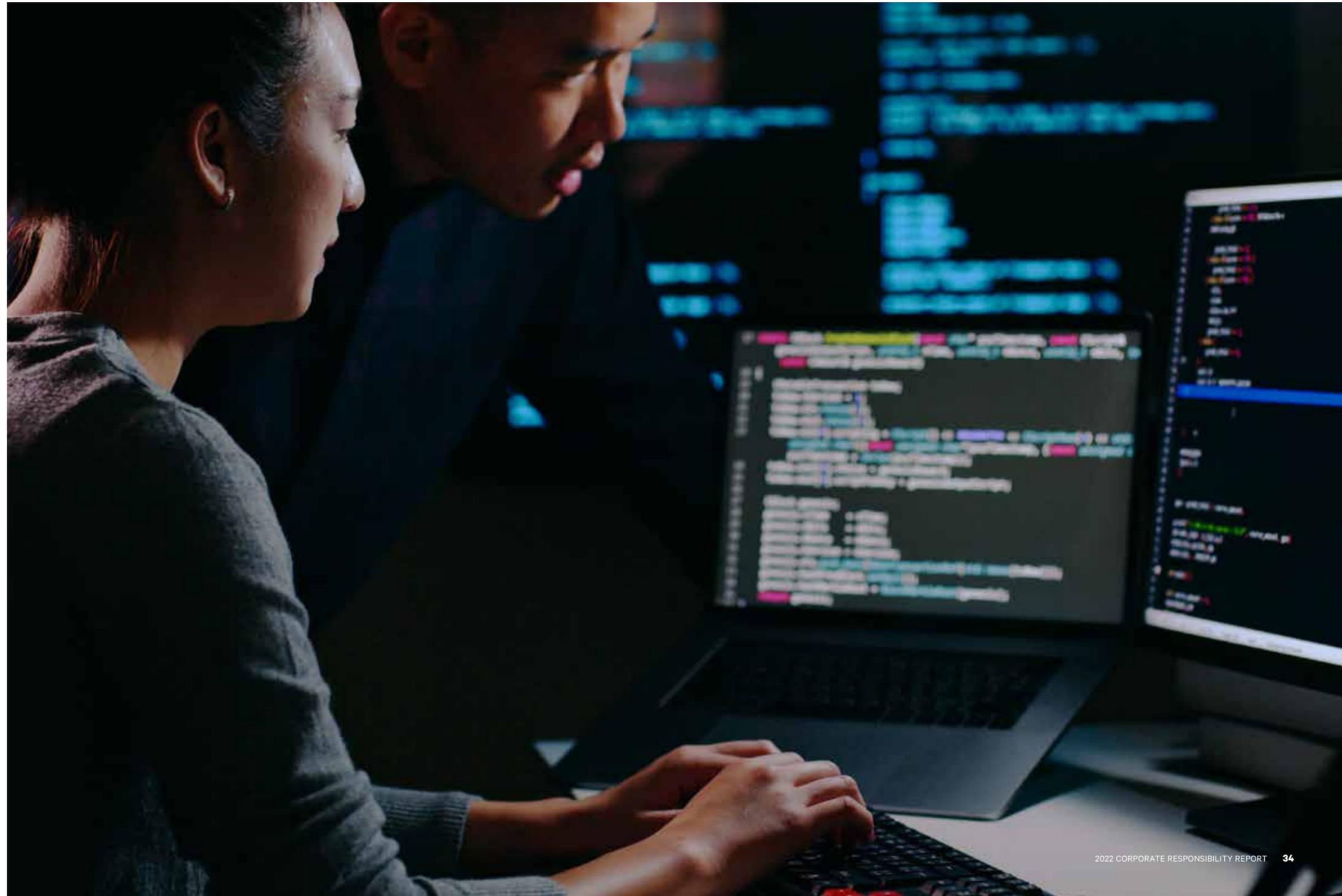
The Information Security and Information Technology teams support the business through early engagement in the Project Management Office routines and the Vendor Management Office's requirements, to ensure that new products, projects, and vendors are onboarded with appropriate oversight.



Information Security Training & Awareness

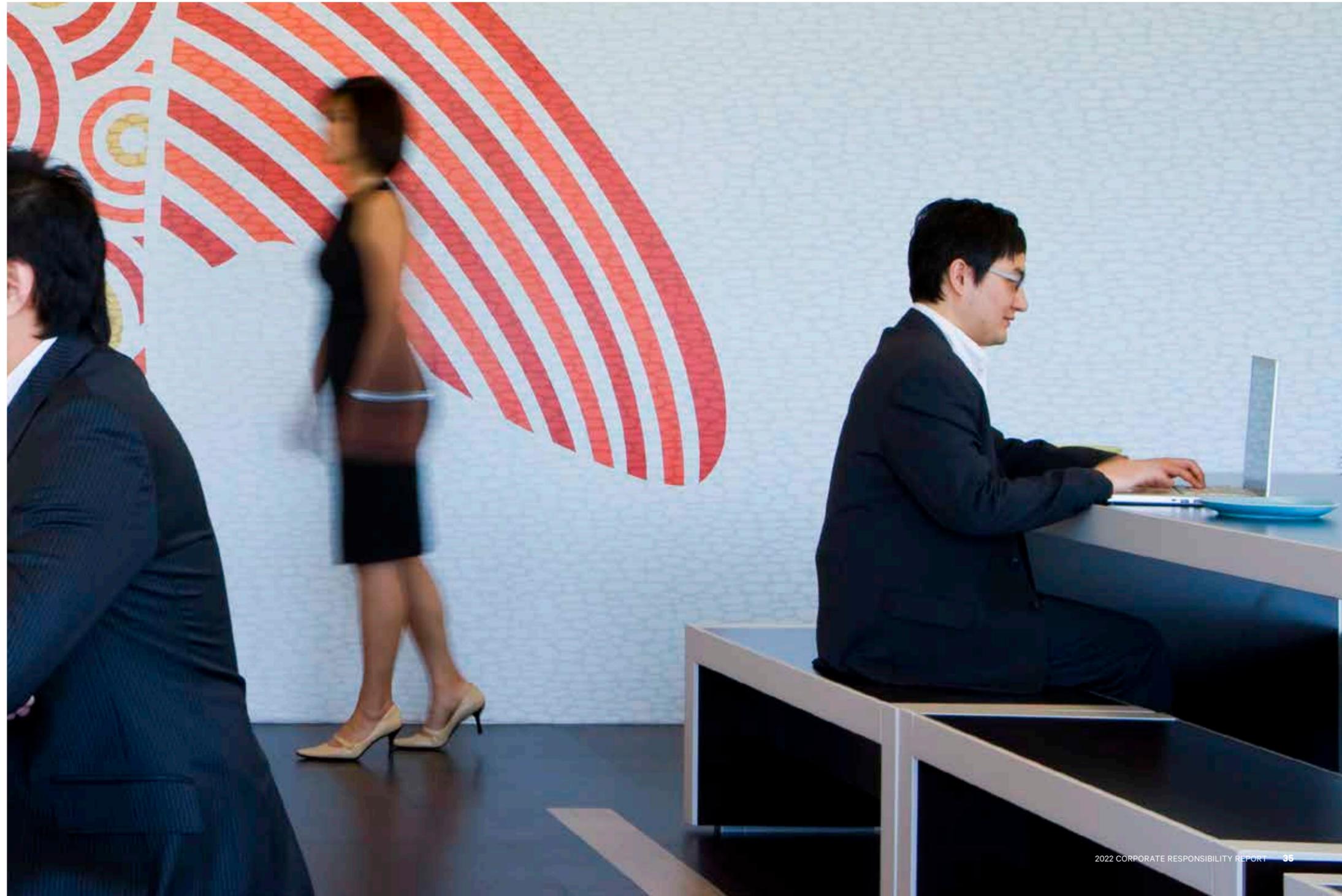
The Information Security team works regularly on learning and development, corporate training, and corporate communications, to enable regular information security training and awareness materials to be developed and distributed to all team members. All team members are required to complete training and provide confirmation that they have read and understand the Bank's Acceptable Use and Code of Conduct on an annual basis.

In addition to ongoing training, all team members are subject to regular information security monitoring, testing, and are in receipt of regular communication on emerging threats as well as articles of interest on cybersecurity and information security from the Information Security team.



Independent Reviews

In addition to reviews by the Bank's internal and external auditors, and regulators, independent reviews of Information Security and Cybersecurity practices and processes are carried out by professional services organizations retained by the Bank against industry frameworks, such as the FFIEC Cybersecurity Assessment Tool, and the NIST Cybersecurity Framework. The Bank also retains third-party experts to conduct intrusion and penetration testing on a regular basis.



Sustainability Accounting Standards Board (SASB) Aligned Index

The index below includes SASB standards for the Financial Sector that we have determined to be most relevant for our business: Commercial Banks. This is Cathay’s first disclosure against the SASB standards, and as such, our disclosures on these topics will likely evolve over time. All disclosures are based on Version 2018-10 of the SASB standards. Unless otherwise noted, all data and descriptions apply to our entire enterprise and are as of or for the year ended December 31, 2022.

Certain information is not disclosed within the index below because we believe that information (i) is privileged or confidential; (ii) could cause a competitive disadvantage to our business if publicly disseminated; or (iii) is not currently collected in a manner wholly correlative to the related SASB metric.

Topic	Activity Metric	SASB Code(s)	Response
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	Consistent with SEC guidance, we disclose material cybersecurity incidents and risks in our public filings. We currently do not have any material data breaches to report.
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	See “ Information Security & Cybersecurity ” in this Report above.
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	In 2022, we originated 796 small business loans totaling \$211 million and 125 community development loans totaling \$421 million. Small business loans and community development loans are defined in accordance with the FFIEC’s Guide to CRA Data Collection and Reporting.
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	We do not disclose the number and amount of past due and nonaccrual loans for small business lending or community redevelopment.
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	See “ Community Engagement - Community Checking ” in this Report above.

Topic	Activity Metric	SASB Code(s)	Response
Financial Inclusion & Capacity Building	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	Specific to activities related only to financial literacy, for the year ended December 31, 2022, approximately 7,680 attendees participated in these events, which Cathay Bank hosted or volunteered in.
Incorporation of Environment, Social & Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	We do not disclose our commercial and industrial credit exposure by industry at this time.
	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	See “ Environment - The Way We Do Business ” in this Report above.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	We disclose any material legal proceedings in Item 3, Legal Proceedings of our 2022 Annual Report .
	Description of whistleblower policies and procedures	FN-CB-510a.2	Our whistleblower policies and procedures are aligned with our Code of Conduct .
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	Not Applicable (NA) We are not considered to be a Global Systemically Important Bank (G-SIB) and, accordingly, does not have a G-SIB score.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long term corporate strategy, and other business activities	FN-CB-550a.2	Please see to the “Regulation and Supervision” section, as well as related disclosures, in our 2022 Annual Report .
Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	Cathay Bank generally does not break out small businesses deposits by segment. We disclose aggregate balances of deposit on page 66 of our 2022 Annual Report .
	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	We disclose outstanding balances by loan classification consistent with SEC guidance, on page 65 of our 2022 Annual Report .



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