

Financial Earnings Results.



Fourth Quarter and Full Year 2020

January 27, 2021



Forward Looking Statements

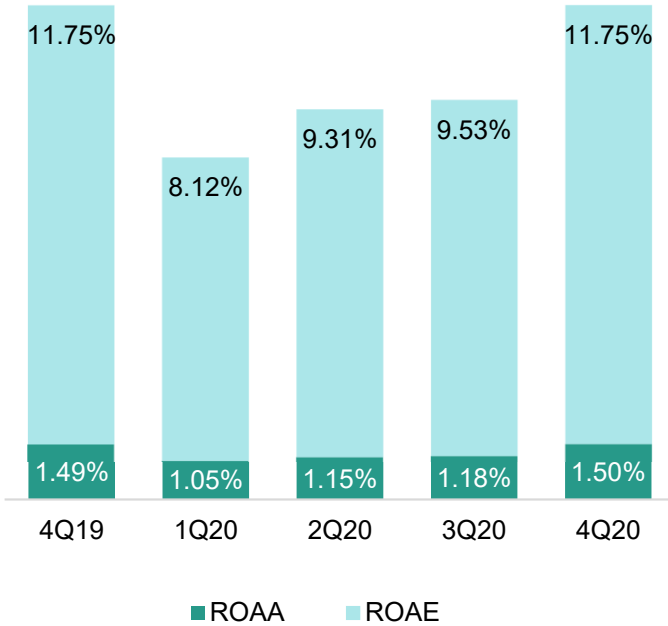
This presentation contains forward-looking statements about Cathay General Bancorp and its subsidiaries (collectively referred to herein as the “Company,” “we,” “us,” or “our”) within the meaning of the applicable provisions of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provision for forward-looking statements in these provisions. Statements that are not historical or current facts, including statements about beliefs, expectations and future economic performance, are “forward-looking statements” and are based on the information available to, and estimates, beliefs, projections, and assumptions made by, management as of the date on which such statements are first made. Forward-looking statements are not guarantees of future performance and are subject to inherent risks and uncertainties that could cause actual results to differ materially from those anticipated in the statements. These risks and uncertainties include, but are not limited to: local, regional, national and international business, market and economic conditions and events and the impact they may have on us, our customers and our operations, assets and liabilities; the impact on our business, operations, financial condition, liquidity, results of operations, prospects and trading prices of our shares arising out of the COVID-19 pandemic; possible additional provisions for loan losses and charge-offs; credit risks of lending activities and deterioration in asset or credit quality; extensive laws and regulations and supervision that we are subject to, including potential supervisory action by bank supervisory authorities; increased costs of compliance and other risks associated with changes in regulation; compliance with the Bank Secrecy Act and other money laundering statutes and regulations; potential goodwill impairment; liquidity risk; fluctuations in interest rates; risks associated with acquisitions and the expansion of our business into new markets; inflation and deflation; real estate market conditions and the value of real estate collateral; environmental liabilities; our ability to generate anticipated returns from our investments and/or financings in certain tax advantaged-projects; our ability to compete with larger competitors; our ability to retain key personnel; successful management of reputational risk; natural disasters, public health crises (including the occurrence of a contagious disease or illness, such as the COVID-19 pandemic) and geopolitical events; failures, interruptions, or security breaches of our information systems; our ability to adapt our systems to the expanding use of technology in banking; adverse results in legal proceedings; changes in accounting standards or tax laws and regulations; market disruption and volatility; restrictions on dividends and other distributions by laws and regulations and by our regulators and our capital structure; capital level requirements and successfully raising additional capital, if needed, and the resulting dilution of interests of holders of our common stock; and the soundness of other financial institutions.

For a discussion of these and other risks that may cause actual results to differ from expectations, please see our Annual Report on Form 10-K (at Item 1A in particular) for the year ended December 31, 2019 and all subsequent reports and filings we make with the Securities and Exchange Commission under the applicable provisions of the Securities Exchange Act of 1934. Given these risks and uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements. Any forward-looking statement speaks only as of the date on which it is first made and, except as required by law, we undertake no obligation to update or review any forward-looking statements to reflect circumstances, developments or events occurring after the date on which the statement is first made or to reflect the occurrence of unanticipated events.

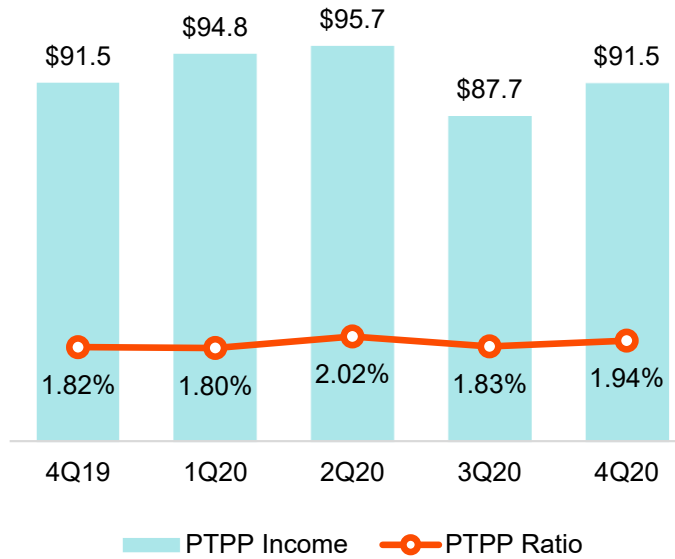
The information in this presentation may include financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Our management uses these non-GAAP measures in its analysis of the Company’s performance. We believe that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of our businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

Financial Highlights 4Q 2020

Profitability: Return on Assets & Equity



Pre-Tax Pre-Provision Income Ratio
\$ in millions



Pre-Tax Pre-Provision and Pre-Tax Credit Amortization ("PTPP") Income Ratio calculation based on annualized PTPP Income divided by total average assets.

4Q ending
December 31, 2020

Net Income

- \$70.9 million

Diluted EPS

- \$0.89

Total Revenue

- \$151.3 million

Total Loans

- \$15.6 billion

Total Deposits

- \$16.1 billion

Efficiency Ratio

- 49.61%

Summary Highlights: 4Q and Full Year 2020 Results

\$ in millions, except per share data	4Q20	4Q20 v. 3Q20 Change	4Q20 v. 4Q19 Change	Full Year 2020	YoY Change
Earnings					
Net Income	\$ 70.9	25%	5%	\$ 228.9	(18)%
Basic EPS	\$ 0.89	25%	5%	\$ 2.88	(17)%
Diluted EPS	\$ 0.89	25%	6%	\$ 2.87	(18)%
Total Revenue	\$ 151.3	3%	1%	\$ 594.9	(4)%
NII	\$ 139.8	2%	(1)%	\$ 552.1	(4)%
NIM	3.12%	3%	(7)%	3.12%	(12)%
ROAA	1.50%	27%	1%	1.22%	(24)%
ROAE	11.75%	23%	0%	9.70%	(23)%
Efficiency Ratio	49.61%	(4)%	4%	47.65%	6%
Balance Sheets					
Total Loans*	\$ 15,642	1%	4%	\$ 15,642	4%
Total Deposits	\$ 16,109	0%	10%	\$ 16,109	10%

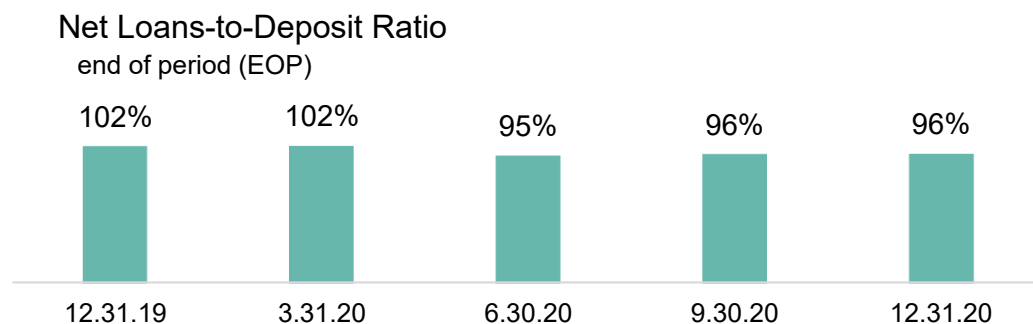
Note: Information as of 12.31.20 and 9.30.20 are unaudited.

* Gross Loans, net of fees

Summary Balance Sheets

\$ in millions, except per share data	12.31.20	9.30.20	Change	12.31.19	YoY Change
Cash equivalents & ST investments	\$ 1,421	\$ 1,434	(1)%	\$ 594	139%
AFS debt securities	1,037	1,081	(4)%	1,452	(29)%
Gross loans, net of discounts	\$ 15,642	\$ 15,561	1%	\$ 15,075	4%
Allowance for credit losses	(167)	(179)	(7)%	(123)	36%
Net Loans	\$ 15,475	\$ 15,382	1%	\$ 14,952	3%
Other assets	1,110	1,121	(1)%	1,096	1%
Total Assets	\$ 19,043	\$ 19,018	0%	\$ 18,094	5%
Customer deposits	\$ 16,109	\$ 16,034	0%	\$ 14,692	10%
Short-term borrowings	0	0	0%	26	(100)%
Debt	293	373	(21)%	818	(64)%
Other Liabilities	223	236	(6)%	264	(16)%
Total Liabilities	\$ 16,625	\$ 16,643	(0)%	\$ 15,800	5%
Total Stockholders' Equity	\$ 2,418	\$ 2,375	2%	\$ 2,294	5%

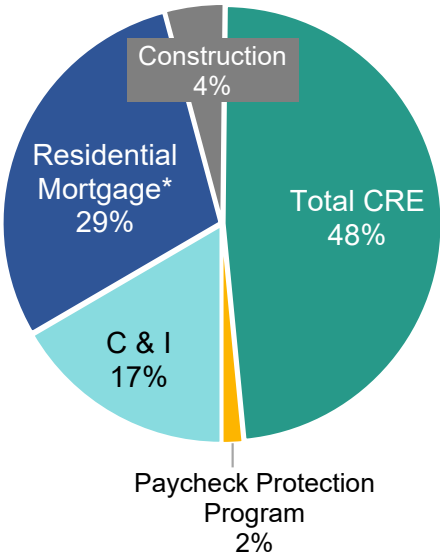
Note: Information as of 12.31.20 and 9.30.20 are unaudited.



4Q 2020 Loan Composition

Total Loan Portfolio

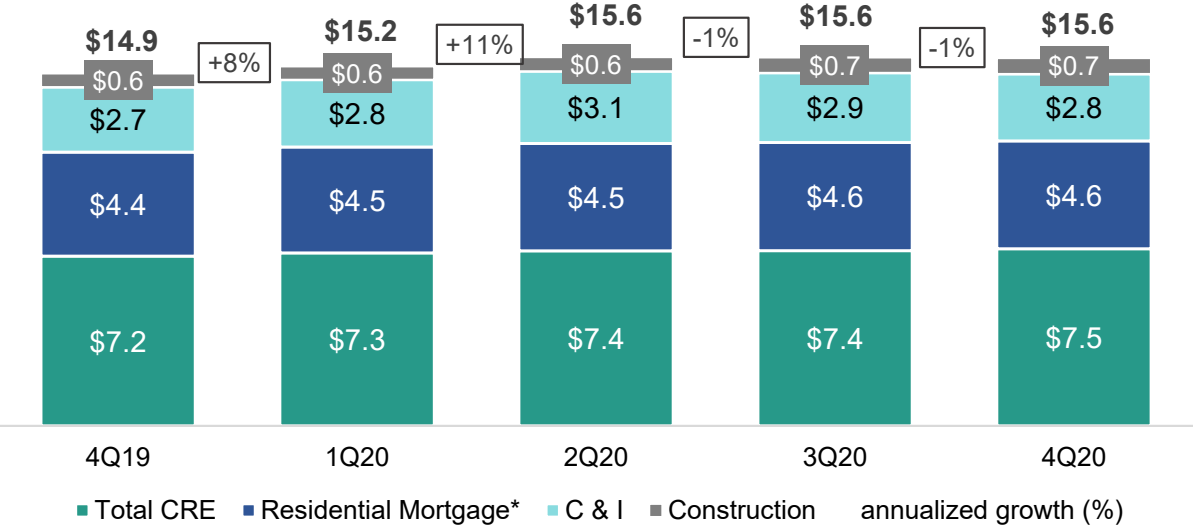
- **\$15.6 billion**
as of 12.31.20



- Total CRE \$7.6 billion
- Residential Mortgage \$4.6 billion
- C & I Loans \$2.6 billion
- Paycheck Protection Program \$241 million
- Construction loans \$0.6 billion

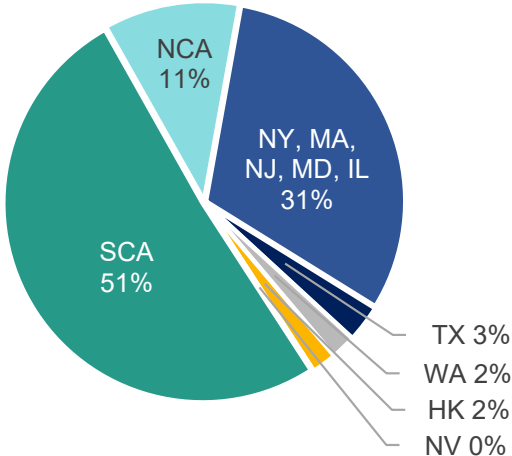
Average Loans and Growth

\$ in billions

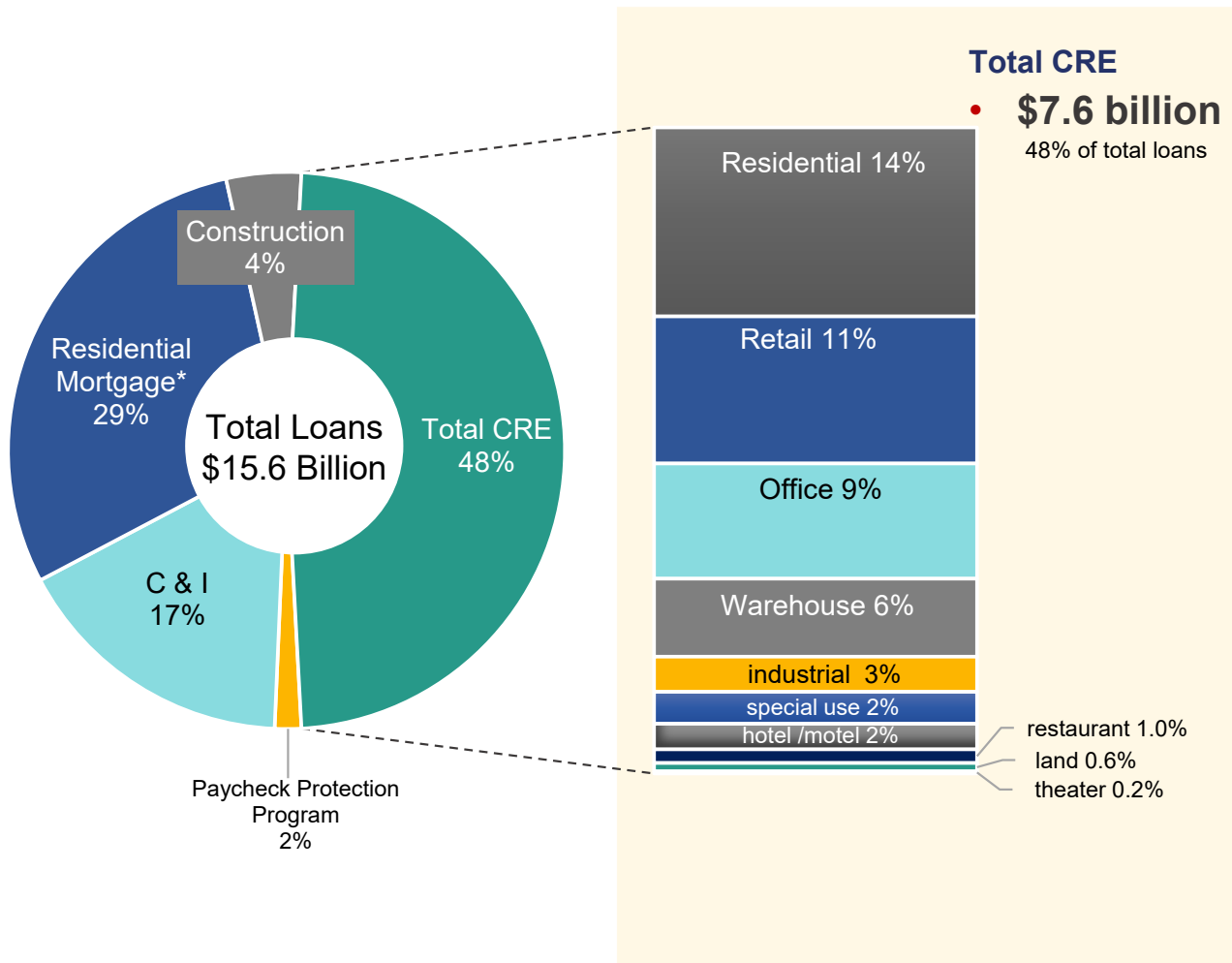


* Residential Mortgage includes equity lines, installment and other loans.

Total Loans by Region

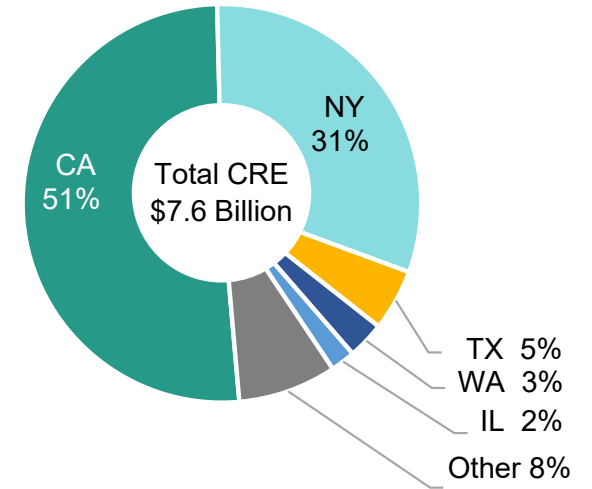


4Q 2020: Commercial Real Estate Portfolio

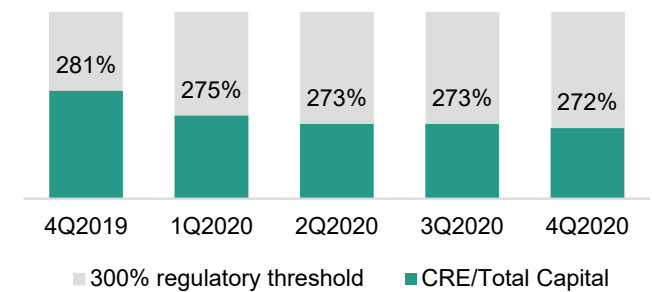


* Residential Mortgage includes equity lines, installment and other loans.

Total CRE Geographic Distribution



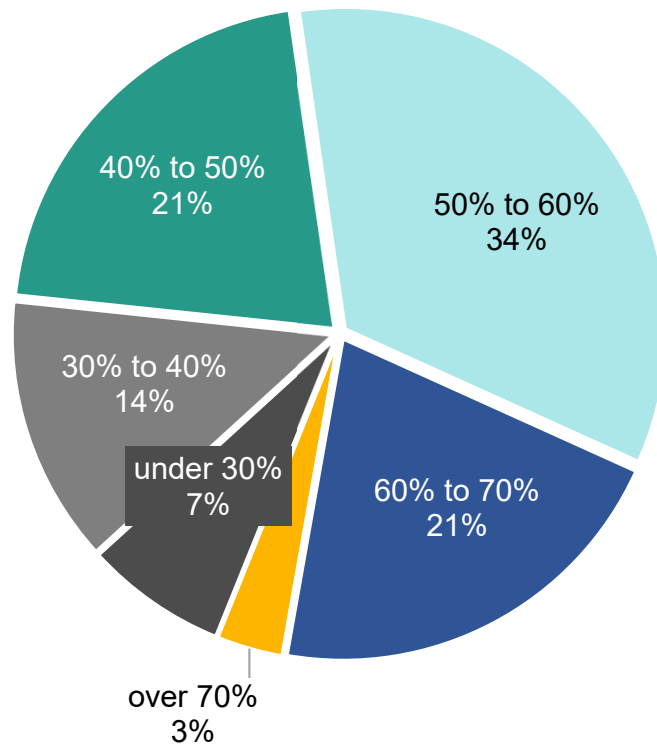
Total CRE Concentration



4Q 2020: Commercial Real Estate Portfolio

LTV Distribution of Total CRE \$7.6 Billion

- **\$1.53 mil** avg. outstanding size
- weighted avg. LTV **51%**



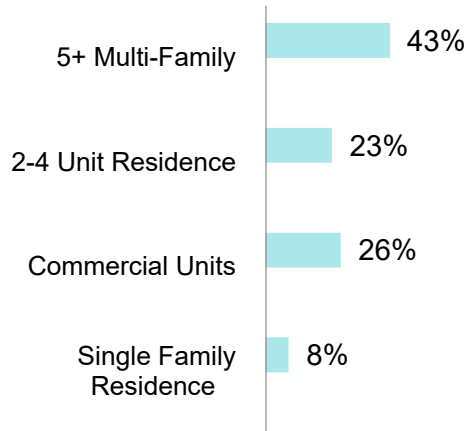
LTV & Size by Property Type

\$ in millions	Total CRE Loan Portfolio	Total CRE Weighted Avg. LTV	COVID CRE Loan Modification	COVID Weighted Avg. LTV
Residential	\$ 2,211	53%	\$ 26	48%
Retail	\$ 1,719	50%	\$ 5	46%
Office	\$ 1,346	50%	\$ 16	54%
Warehouse	\$ 912	51%	\$ -	n/a
Industrial	\$ 413	51%	\$ -	n/a
Special Use	\$ 373	49%	\$ 10	35%
Hotel / Motel	\$ 299	50%	\$ 24	52%
Restaurant	\$ 160	47%	\$ -	n/a
Land	\$ 97	48%	\$ -	n/a
Theater	\$ 25	74%	\$ -	n/a
Total CRE	\$ 7,555	51%	\$ 81	51%

Selected CRE and Construction Loan Portfolios

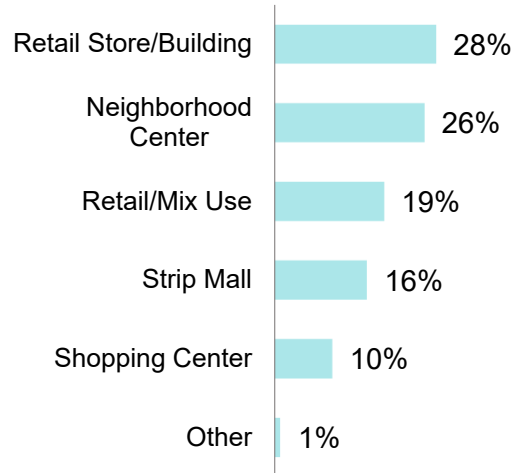
Residential CRE Portfolio

% based on \$2.21 billion loans outstanding



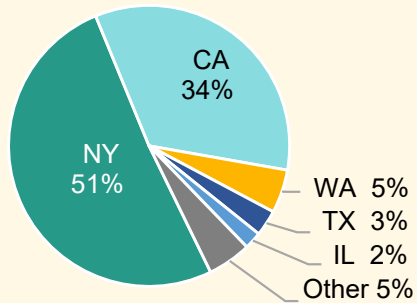
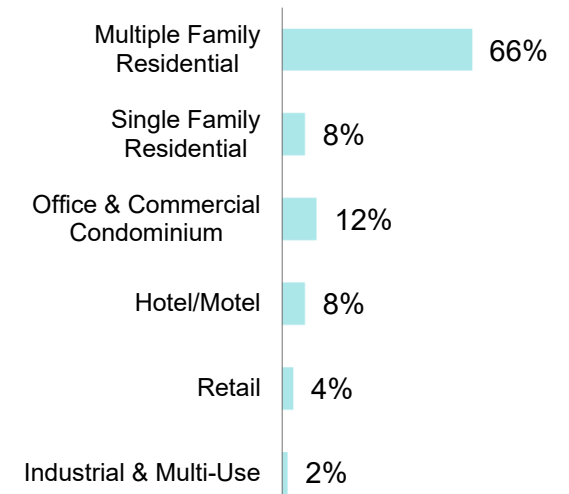
Retail CRE Portfolio

% based on \$1.72 billion loans outstanding

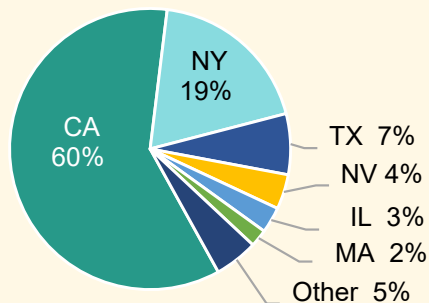


Construction Portfolio

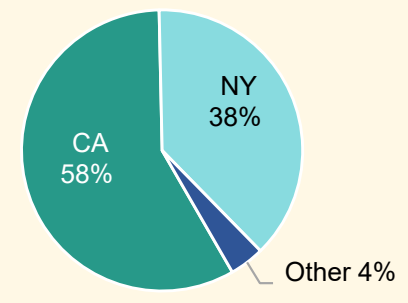
% based on \$679 million loans outstanding



- weighted avg. LTV 53%
- COVID weighted avg. LTV 48%



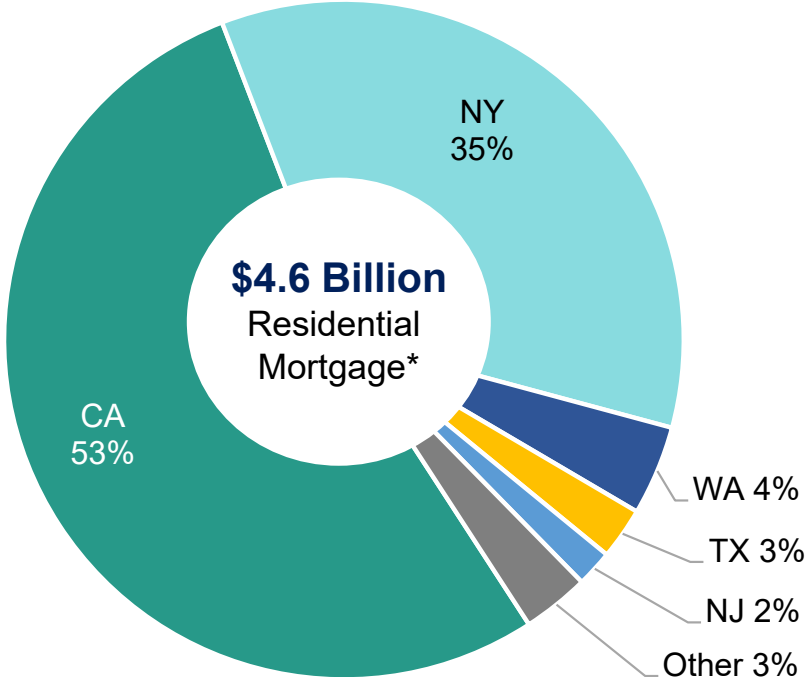
- weighted avg. LTV 50%
- COVID weighted avg. LTV 46%



- weighted avg. LTV 51%

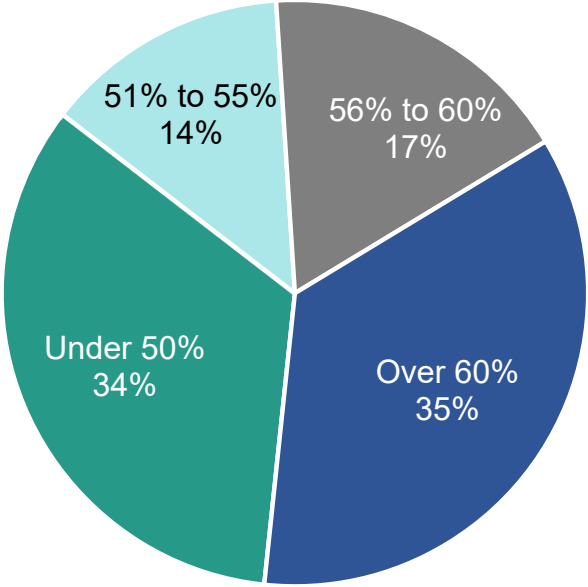
4Q 2020: Residential Mortgage Portfolio

Geographic Distribution of Residential Mortgage



SFR LTV Distribution

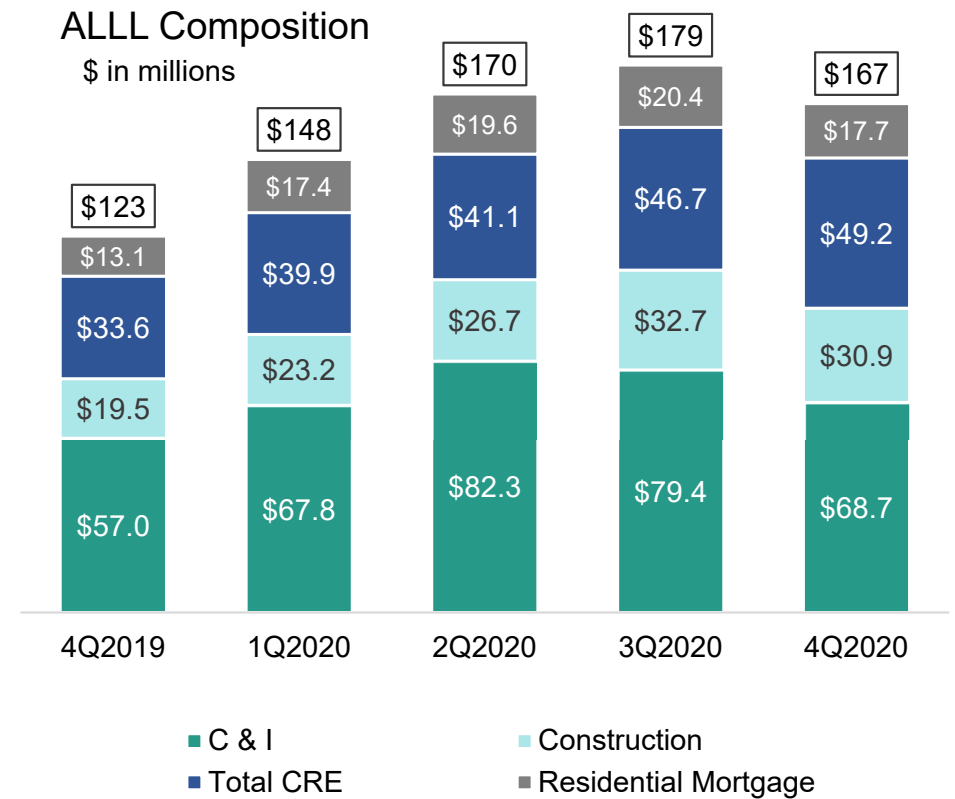
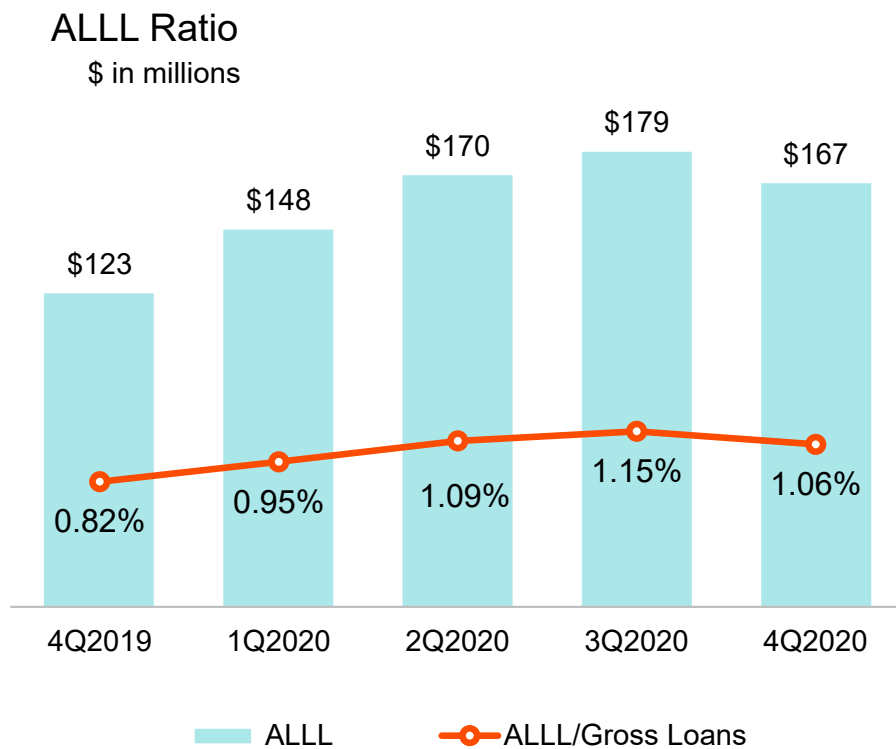
- **\$363,937** avg. outstanding size
- weighted avg. LTV **54%**



* Residential Mortgage includes equity lines, installment and other loans.

(\$ in millions)	10.31.20	11.30.20	12.31.20
Portfolio under Mortgage Assistance Program (MAP)			
Loans under MAP	\$131.0	\$68.1	\$40.7
% of Total SFR Portfolio	3.2%	1.6%	1.0%

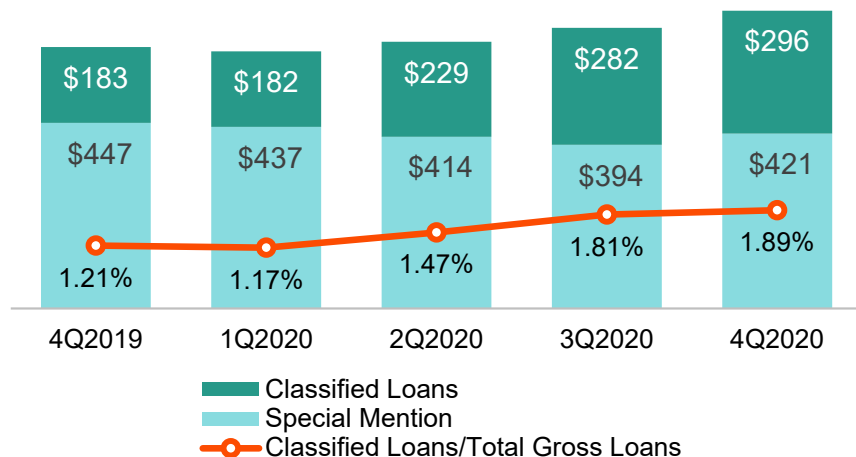
Allowance for Loan and Lease Losses (ALLL)



Asset Quality Metrics

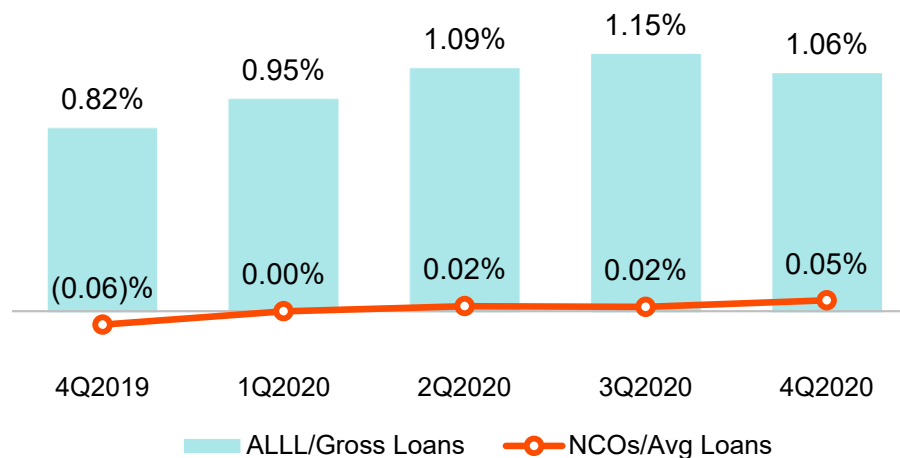
Classified Loans Ratio

\$ in millions



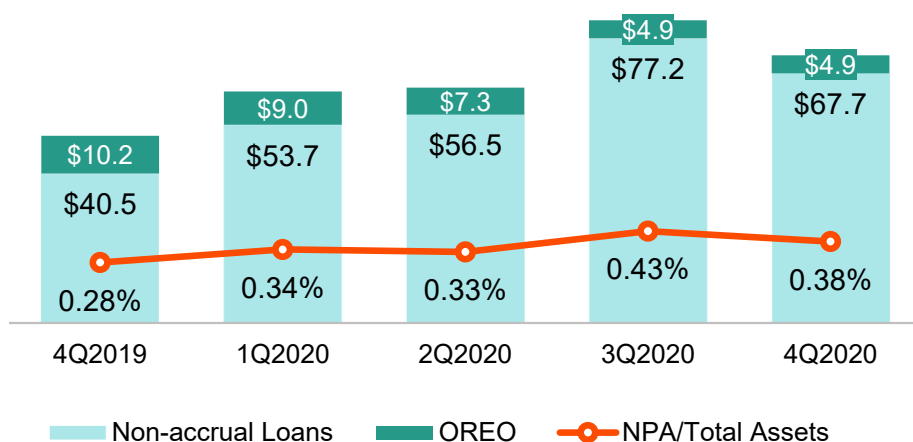
Classified Loans are loans classified as substandard and doubtful.

Reserves and Net Charge-Offs



Non-Performing Assets Ratio

\$ in millions

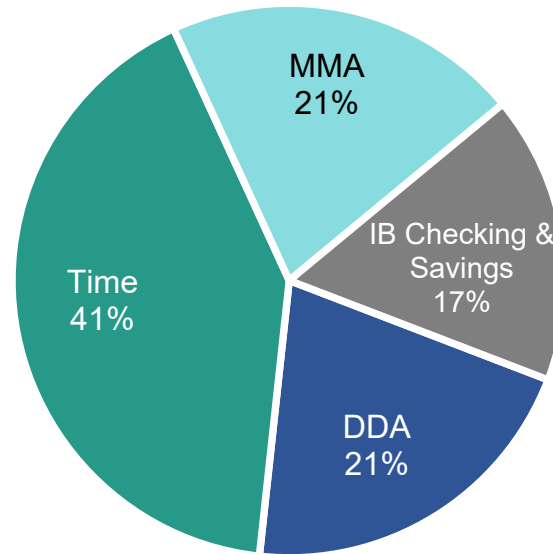


Non-Performing Assets (NPA) = Non-accrual Loans + OREO

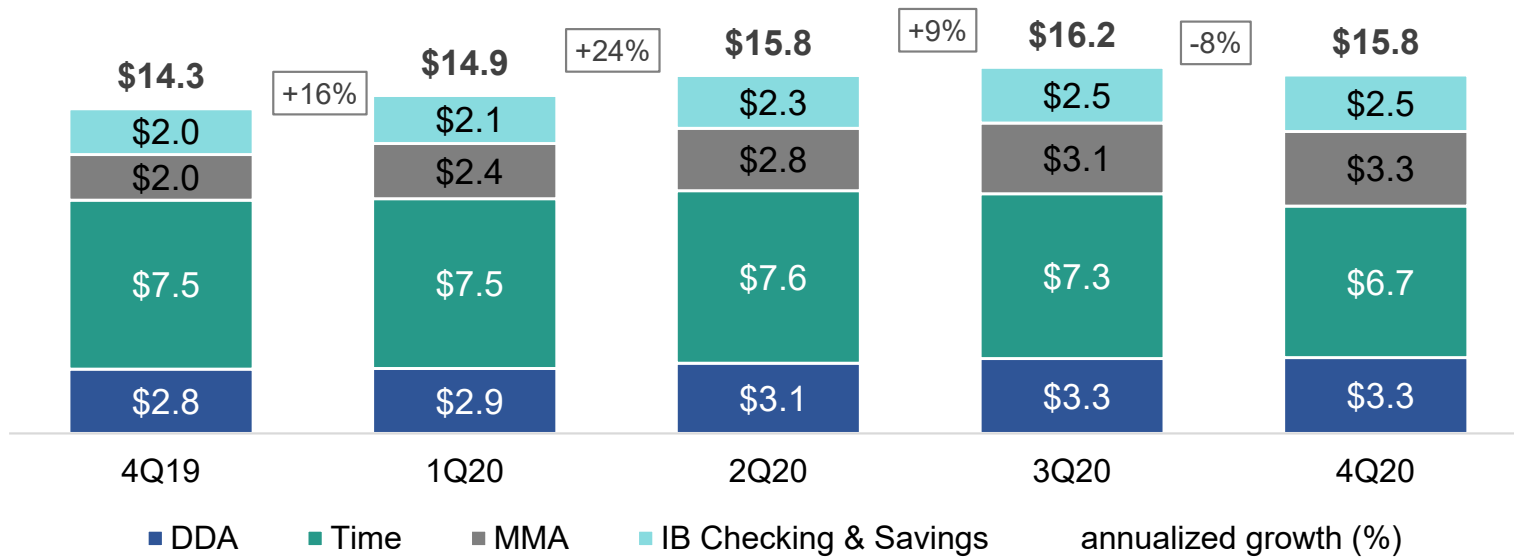
- **Allowance coverage of loans HFI:** 1.06% as of 12/31/20 compared to 1.15% as of 9/30/20.
- **Nonaccrual loans/loans HFI:** 0.4% as of 12/31/20 vs. 0.5% as of 9/30/20 vs. 0.27% as of 12/31/19.

Deposit Mix

Total Deposit
 • **\$16.1 billion**
 as of 12.31.20



Average Deposits
 \$ in billions



Summary Income Statements

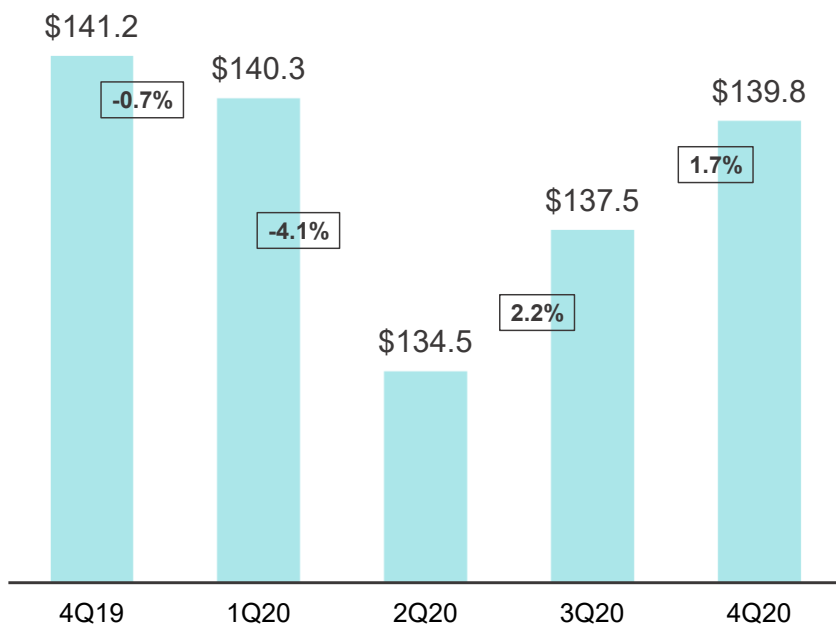
\$ in millions, except per share data	12.31.20	9.30.20	\$ Change	% Change
Net Interest Income	\$ 139.8	\$ 137.5	\$ 2.3	1.7%
Noninterest income	10.7	11.6	(0.9)	(7.8)%
Net (losses) / Gains from equity securities	0.8	(1.6)	2.4	150.0%
Total Noninterest Income	11.5	10.0	1.5	15.0%
Noninterest expense	59.6	59.7	(0.1)	(0.2)%
amortization of tax credit and other investment plus core deposit tangibles	15.4	16.3	(0.9)	(5.5)%
Total Noninterest Expense	\$ 75.0	\$ 76.0	\$ (1.0)	(1.3)%
Provision for credit losses	(5.0)	12.5	(17.5)	(140.0)%
Income tax expense	10.3	2.2	8.1	368.2%
Net Income	\$ 71.0	\$ 56.8	\$ 14.2	25.0%
Diluted EPS	\$ 0.89	\$ 0.71	\$ 0.18	25.4%
Weighted avg. diluted shares (in millions)	79.8	79.8	0.07	0.1%

Note: Information as of 12.31.20 and 9.30.20 are unaudited.

Net Interest Income & Non-interest Income

Net Interest Income

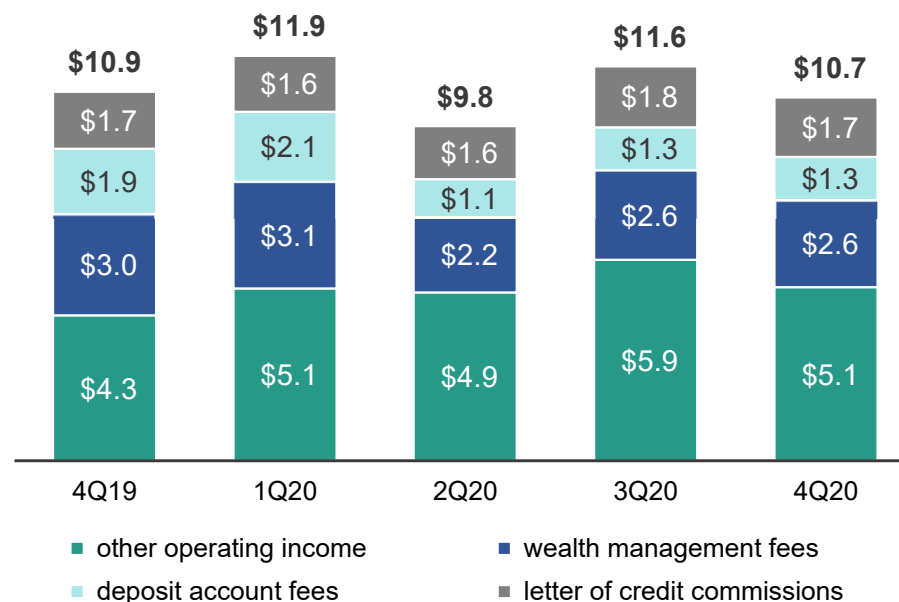
\$ in millions



■ Net Interest Income ■ QoQ Growth (%)

Non-Interest Income*

\$ in millions



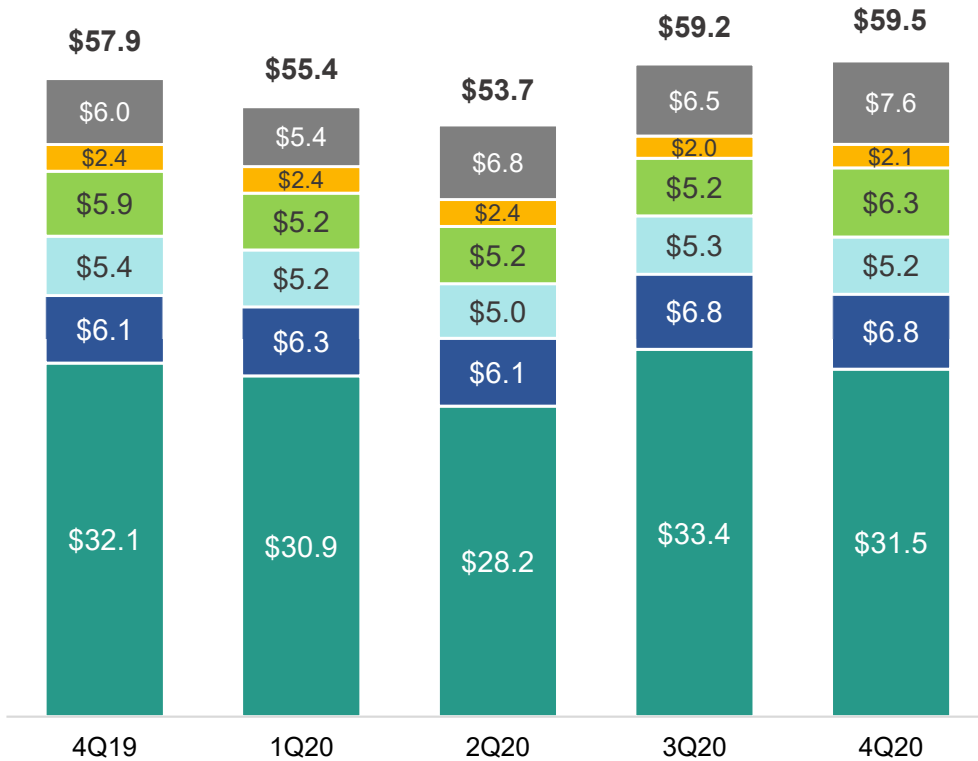
* Non-interest income excludes net gains/(losses) from equity securities.

(\$ in millions)	4Q2019	1Q2020	2Q2020	3Q2020	4Q2020
Non-interest income, before net gains/(losses) from equity securities					
Non-interest income*	\$10.9	\$11.9	\$9.8	\$11.6	\$10.7
net gains/(losses) from equity securities	(\$2.2)	(\$6.1)	\$5.8	(\$1.6)	\$0.8
Total Non-interest Income	\$8.7	\$5.8	\$15.6	\$10.0	\$11.5

Operating Expense & Efficiency

Core Noninterest Expense*

\$ in millions

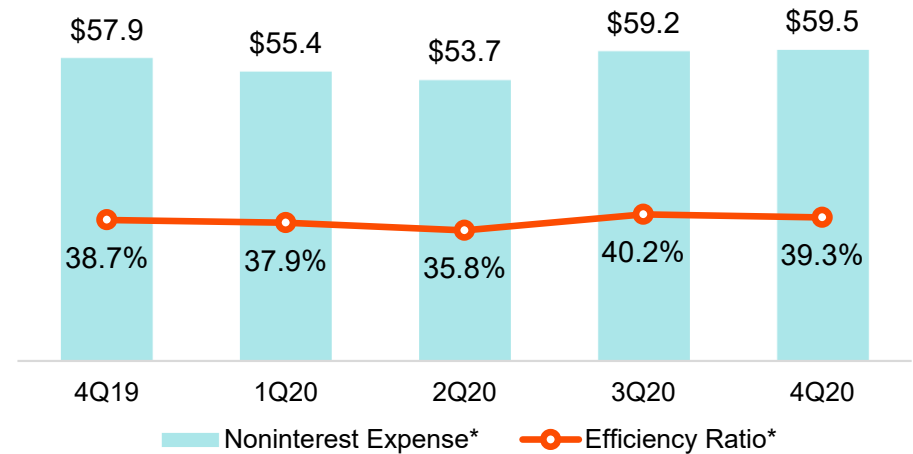


- salaries and employee benefits
- computer and data processing
- occupancy
- professional services
- FDIC and State assessments
- other operating expense

* Core noninterest expense excludes amortization of investment in low income housing, alternative energy partnerships, and core deposit premium, and other real estate owned. Core efficiency ratio is based on core noninterest expense.

Core Noninterest Expense* & Efficiency Ratio*

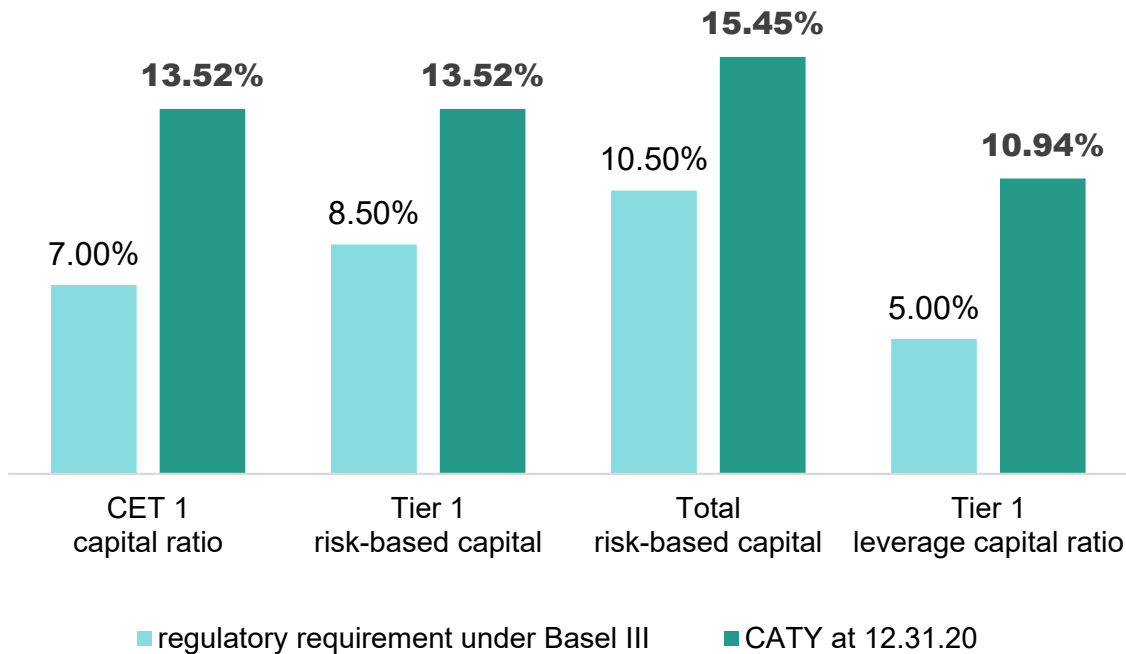
\$ in millions



Core noninterest expense, before amortization and other real estate owned

Core noninterest expense*	\$57.9	\$55.4	\$53.7	\$59.2	\$59.5
Amortization in investment in low income housing	\$6.8	\$6.0	\$6.3	\$5.3	\$6.6
Amortization in alternative energy partnerships	\$6.0	\$7.9	\$6.7	\$10.9	\$8.6
Other real estate owned & CDF	\$0.5	(\$4.1)	\$0.6	\$0.6	\$0.3
Total Noninterest Expense	\$71.2	\$65.2	\$67.3	\$76.0	\$75.0

Strong Capital Ratios



- **Capital Ratio** well above regulatory standards that continues to place Cathay in the “well capitalized” category, calculated under the Basel III capital rules.
- **Book Value Per Common Share** is \$30.41 as of 12.31.20: +2.0% compared to 9.30.19 and +5.7% YoY.
- **Capital Return on Shareholder**
 - common stock dividend: \$0.31/share quarterly, or \$1.24/share annualized.
 - Repurchased 399,978 shares at \$26.79 avg. cost, completes existing buyback program.



**Cathay General
Bancorp**