

Enriching journeys

2019 Annual Report



 Cathay General Bancorp

Enriching each customer's journey

An unwavering commitment to each customer's journey—that is what continues to drive Cathay Bank's success as we have grown to \$18 billion in assets over the last half-century.

Even in a challenging 2019 economy, we thrived. Commercial and residential lending grew. Technology implementations drove new efficiencies and enhanced the customer experience. Communities benefited from our business, charitable works, and volunteer engagement. We continued to develop some of the best-trained people in the banking industry. All of which led to Forbes recognizing us as among the top 20 banks in the nation for the fifth straight year.

Three key drivers—strategic modernization, operational efficiency, and cost control—are what fuel these results and enable us to continue to help our customers achieve their dreams.

More than half a century ago, Cathay Bank opened our doors to serve the growing Chinese American community in Los Angeles.

We helped our customers put down new roots with cars and homes. We supported their businesses, which continue to sustain generations. We worked with them to cultivate communities united by a shared drive to create and build lives in Southern California.

Over time, we've expanded along with our customers. Cathay General Bancorp is the holding company for Cathay Bank and is publicly held (Nasdaq: CATY), with \$18 billion in assets.

Cathay Bank has 61 branches across the United States, as well as outposts in Hong Kong, Beijing, Shanghai, and Taipei.

While the people we serve have evolved and changed, the spirit of what makes up our customers remains the same. Every one believes in the power of initiative and perseverance. Each aims to achieve what is possible. All strive to live their best lives. And we're happy to work alongside them providing the tools and services to get them where they want to go.

Cathay Bank shared the joy of Lunar New Year in New York City's Times Square.

Financial highlights

(dollars in thousands, except per share data)	2019	2018	Increase/(Decrease)	
			Amount	Percentage
For the Year				
Net income	\$ 279,135	\$ 271,885	\$ 7,250	2.7 %
Net income per common share	3.48	3.33	0.15	4.5 %
Cash dividends paid per common share	1.24	1.03	0.21	20.4 %
At Year-End				
Investment securities	\$ 1,451,842	\$ 1,242,509	\$ 209,333	16.8 %
Loans, net	14,951,631	13,871,832	1,079,799	7.8 %
Assets	18,094,144	16,784,737	1,309,407	7.8 %
Deposits	14,692,308	13,702,340	989,968	7.2 %
Stockholders' equity	2,294,283	2,121,866	172,417	8.1 %
Book value per common share	28.78	26.36	2.42	9.2 %
Profitability Ratios				
Return on average assets	1.61 %	1.70 %		
Return on average stockholders' equity	12.63 %	13.18 %		
Capital Ratios				
Tier 1 capital ratio	12.51 %	12.43 %		
Total capital ratio	14.11 %	14.15 %		
Leverage ratio	10.83 %	10.83 %		

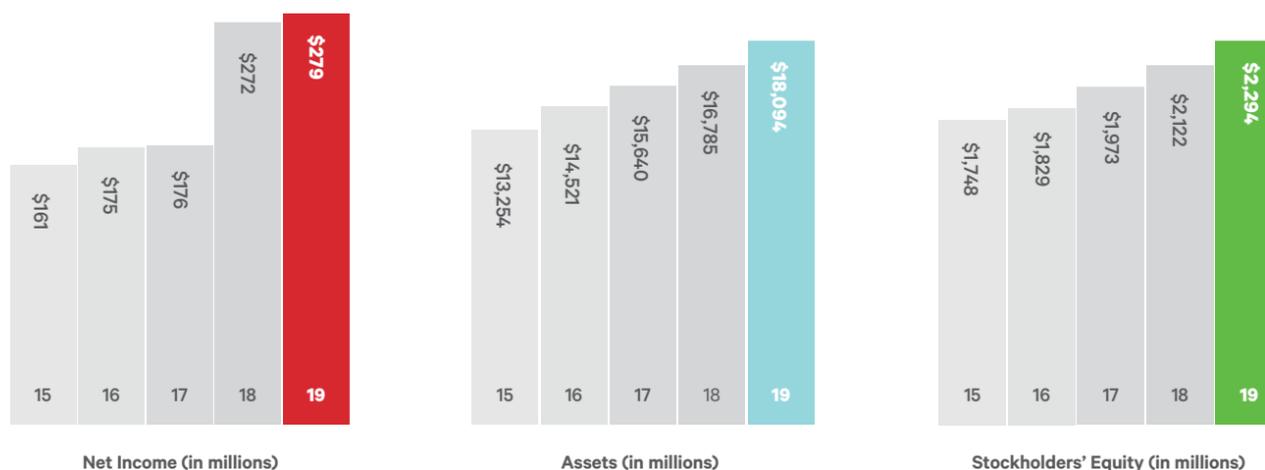
Dear fellow stockholders,

We are pleased to report that Cathay General Bancorp achieved record net income of \$279.1 million for the year ended December 31, 2019, as well as record earnings per share of \$3.48 in 2019.

Gross loans increased for the year by \$1.1 billion, or 7.9%, to \$15.1 billion as of December 31, 2019, primarily due to an increase of \$551.1 million, or 8.2%, in commercial mortgage loans; \$394.7 million, or 10.7%, in residential mortgage loans; and \$98 million, or 39.2%, in home equity lines of credit. Total deposits grew by \$1.0 billion, or 7.3%, to \$14.7 billion as of December 31, 2019. Total assets increased by \$1.3 billion to \$18.1 billion as of year-end 2019.

Our capital ratios as of December 31, 2019—calculated under the Basel III capital rules—continue to place the Company in the “well capitalized” category for regulatory purposes. Our Tier 1 risk-based capital ratio is at 12.51%, total risk-based capital ratio is at 14.11%, and Tier 1 leverage capital ratio is at 10.83%. We maintained our quarterly dividend at \$0.31 per share in 2019.

We achieved these results notwithstanding what we anticipated might be a challenging year with the U.S.–China trade tensions and the Federal Reserve indicating it would no longer increase rates. What we did not foresee was that a phase one U.S.–China trade treaty would be delayed, tariffs would increase, and the Federal Reserve would reverse and cut interest rates three times in 2019. The lower interest rates contributed to a reduction of our net interest margin to 3.34% for the fourth quarter of 2019, from 3.77% in the fourth quarter of 2018 and 3.56% for the third quarter of 2019.



“Our 1,244 team members are the heart of our organization, and their hard work for our customers and each other is one reason that for five years in a row we have been among the Top 20 in Forbes Best Banks in America list.”

Pin Tai, Chief Executive Officer

We believe our management team and employees are well suited to meeting these challenges head on and to ensuring the continued strength of our wholly owned subsidiary Cathay Bank. Our efficiency ratio of 44.75% in 2019 reflects efficiencies; cost control; and cautious, thoughtful expenditures to support growth.

In particular, we continued our determined focus on our digital transformation in 2019. We celebrated the one-year anniversary of our Cathay Home Lending online home mortgage application portal. The cathaybank.com website debuted a responsive design, giving our customers and prospects an optimal experience that adapts to mobile, tablet and desktop, delivered in three languages, and placing our customers at the forefront of a superior customer experience. We also introduced Insights by Cathay, a content hub hosted on our website to help inform our customers about financial best practices.

In 2020, we will continue technological advancements as we introduce a new consumer online and mobile banking platform, which will include a unified experience across all devices. We are also moving toward the launch of our first digital account opening products, as well as a new FX portal that will give our customers more direct access to their foreign currency activity.

Employee training and development was another area that received consistent attention in 2019, reflecting our long-held commitment to maximizing our team members' potential. Our 1,244 team members are the heart of our organization, and their hard work for our customers and each other is one reason that for five years in a row we have been among the Top 20 in Forbes Best Banks in America list.

In many ways, this is a tribute to our Training and Development department and its ongoing efforts to keep our employees informed so they can continue providing the best customer experience. From product-based and operations courses to in-depth leadership and management instruction, we believe our training programs enable our employees to optimize their potential and advance within the company. Cathay has also instituted an Enterprise Change Management team, to implement a process to manage change at Cathay and help our employees adapt.

“As we celebrate in 2020 the 30th anniversary of our listing on Nasdaq, we renew our commitment to providing our stockholders with consistent and stable growth.”

Dunson K. Cheng, Executive Chairman of the Board

As we evaluate the challenges already developing in 2020, we are fortunate to have our 58 years of experience to guide our decision-making. With our knowledgeable management and well-trained, insightful staff, Cathay feels well prepared to mitigate identified risks and navigate unexpected hurdles. Those include, of course, ongoing U.S.–China trade tensions, and we continuously assess the impact on our bank. The new threat of the novel coronavirus—and its adverse effect on market conditions and many sectors, including transportation, manufacturing, tourism, and consumer and business spending—reminds us that the global economy provides both opportunities and risks that require diligent management.

Another area that reflects our experience is our strategic succession planning, which led to the appointment of Chang M. Liu as President and Director of Cathay Bank, in addition to his role as Chief Operating Officer of the bank. Liu's 29 years of banking experience and six years at Cathay have positioned him well to contribute to our growth as a company. Liu's experience in corporate lending will help us continue our traditional strength in serving the commercial market in our nine-state footprint.

We also extend warm gratitude to our long-time board member and friend, Ting Y. Liu, who is retiring from our Board of Directors. We thank him for his 39 years of service and wish him all the best.

Thank you for your trust and confidence in us. We sincerely believe that Cathay Bank holds a unique place in the financial lives of our customers and in our communities. We remain focused on expanding our market share and building meaningful relationships with our personal and business customers. As we celebrate in 2020 the 30th anniversary of our listing on Nasdaq, we renew our commitment to providing our stockholders with consistent and stable growth. Your support gives us the strength to envision the future and bring it to fruition.

Sincerely,



Dunson K. Cheng
Executive Chairman
of the Board




Pin Tai
Chief Executive Officer

Milestones and accomplishments

1 Chang Liu appointed President and Director of Cathay Bank

Chang Liu takes on a new role in addition to Chief Operating Officer, leveraging over 29 years of banking experience. He joined Cathay in 2014.

2 New Cathay website features responsive design

The site brings the Cathay brand to life with a visitor-centric experience for desktop, tablet and mobile; a new Insights by Cathay content hub; and advanced technology.

3 Community Partner Award from Chinatown Service Center

Congresswoman Judy Chu presented the award to Chief Executive Officer Pin Tai in Los Angeles.

4 Lunar New Year gold plated figurine and ceramic money bank

We introduced a custom-designed, Cathay-exclusive gold-plated figurine and ceramic money bank during our most successful Lunar New Year promotion. We also offered original calendars, a lucky poster, couplets, and red envelopes.

5 U.S. China Economic Report with UCLA Anderson Forecast

This annual economic report was presented at seven economic outlook events across the country.

6 Cathay named to Forbes Best Banks in America 2020

Forbes has named Cathay General Bancorp to the Top 20 for five years in a row.

7 Record mortgage loan origination

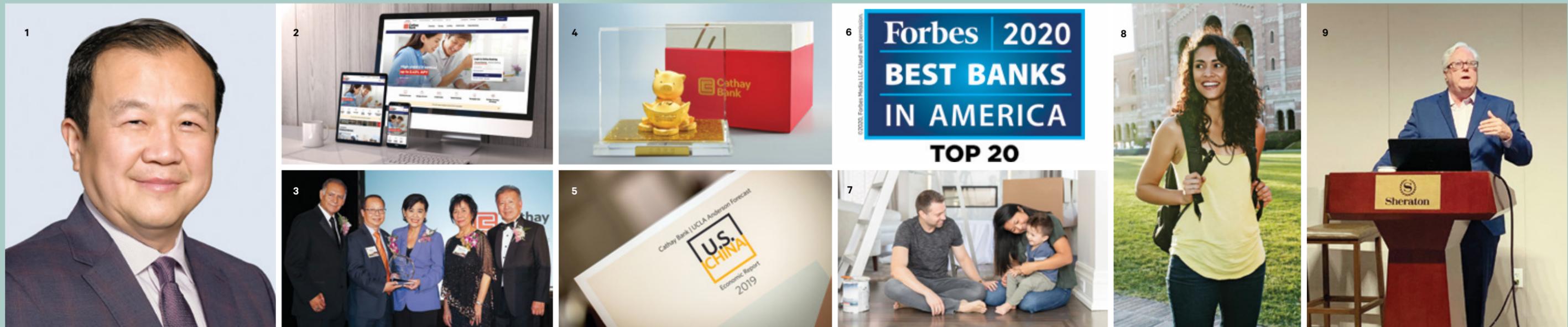
Cathay generated \$1.03 billion in residential mortgage loans in 2019 and marked the one-year anniversary of our Cathay Home Lending online application portal.

8 Twenty Cathay Bank Foundation scholarships

The Foundation's scholarship program awarded \$1,000 each to 20 high school seniors throughout the nine states where Cathay has a presence.

9 Philip Hurst named Program Manager of the Year

Cetera Investment Services named our Director of Wealth Management as Program Manager of the Year, chosen from among 507 financial institutions. Bank Investment Consultant also ranked Philip Hurst #15 on the Top Program Manager list. Cathay Wealth Management contributed an increase of \$3.3 million to non-interest income in 2019 (see inside back cover*).



Helping businesses reach their goals

We were founded as a commercial bank, and our deep understanding of our customers' financial challenges enables us to devise a range of financial solutions for their needs and to build relationships that last.



1

“We are very proud to be associated with Cathay. ... They’ve been with us on almost every project with their lending policy ... whether through line of credit, letter of credit, mortgages. ... when we are with Cathay ... we feel like there’s something extra that they can give us, and we feel comfortable in the family atmosphere that they create for us.”

Youngwoo & Associates, real estate developer, New York City



2

Professionalism and individual attention spur commercial mortgage growth

In 2019, our commercial mortgage portfolio grew \$551.1 million, or 8.2%, in no small part because of how we ensure on-time execution and closing. As a direct lender, our experienced real estate specialists guide clients through every phase of a project, including customization of their loan package and helping evaluate future growth opportunities.

Deepening our commitment to commercial and industrial customers

The 2019 hiring of a Director of Treasury Management exemplifies our commitment to commercial customers. We offer an online suite of dedicated products and services that support business clients with all of their financial needs. The suite—which includes an information and funds management portal and fraud prevention tools—improves our clients’ control over spending, regulates cash flows, and reduces operational costs by adding efficiency and optimization to internal financial processes.

We also added one of the largest merchant services providers, Elavon, and affiliated with top-line credit card provider Pinnacle—an important addition to our commercial card program that provides clients with greater flexibility.

“From the day we engaged with Cathay Bank ... the company has tripled in business. ... I believe we can grow much more with Cathay Bank ... they understand the business and they respond to our needs and they make things happen. ... Having the loan available ... to buy equipment, that not only helps us increase revenue, also add more employees ...”

Waleed Saab, Chief Executive Officer,
The Beef Jerky Factory, Colton, California

1 Origin Point Brands selected Cathay Bank to support its long-term growth

2 Young S. Woo, Principal, and Margarette Lee, Esq., Principal



Residential mortgage lending supports individuals, families and communities

Buying a home is a signature element of the American dream. In 2019, we achieved record mortgage loan originations of \$1.03 billion, and our outstanding mortgage balance reached \$4.09 billion.

Our customers benefited from technology enhancements, including our online mortgage application portal, a self-service mortgage platform that offers a more transparent home financing experience for consumers.

Other improvements included a mortgage support call center, an enhanced portfolio of loan offerings, and the continuation of our popular relationship discount feature, which inspires mortgage seekers to open new deposit accounts and sign up for automatic payment.

New branch locations expand access to financial services

We celebrated with customers and the community at the grand openings of two branches in Washington State and one in New York City.

“As a single transgender woman of color, I never thought home ownership was in the stars for me. But from the moment I sat down with Lupe Sanchez, AVP, Community Mortgage Lending Officer at Cathay Bank, I felt all my fears disappear. Lupe helped me to get a clear understanding of the mortgage process and what every detail of every document I was signing meant.”

Drian Juarez, first time homebuyer

1 Canal Branch opened in New York City

2 One-year anniversary of WeChat

3 Striving to help customers achieve what's next

Helping individuals attain their dreams

Cathay Bank's dedication to each individual's journey became clear in our 2019 Customer Experience Survey, in which customers gave our employees and branches an average score of 9.5 out of 10.



Supporting our communities' growth

We invested more than \$3 million this year in the communities we serve. More than 300 of our employees volunteered 4,200 hours to help individuals and families purchase first homes, businesses access capital, and youths to seniors understand finances.



“Through a \$50,000 donation to Vermont Slauson Economic Development Corporation, Cathay Bank enhanced our youth development and small business development efforts, proving vital to the initial construction of the Teen Tech Center. Cathay Bank’s partnership helps us create pathways to self sufficiency while strengthening families and uplifting communities.”

Joseph Rouzan, Executive Director, VSEDC

Sharing financial literacy

Cathay Bank employees volunteered 1,100 hours to Junior Achievement in California, Nevada, Texas, and Washington to help young people own their economic success through volunteer-led, experiential learning.

The Volunteer Income Tax Assistance Program is a federal program that offers free tax help to people who generally make \$56,000 or less, persons with disabilities, and limited English-speaking taxpayers who need assistance in preparing their tax returns. Cathay Bank IRS-certified volunteers provided 640 hours of service in English, Mandarin and Cantonese.

A helping hand for small business

As a member of the Federal Home Loan Bank, Cathay Bank facilitated one of its two largest grants in 2019: an Access to Housing and Economic Assistance for Development grant for \$50,000 to the Asian Pacific Islander Small Business Program, with the aim of developing a business-planning app in Chinese and Khmer.

A combined \$50,000 in grants from Cathay Bank and Cathay Bank Foundation to the Vermont Slauson Economic Development Corporation (VSEDC) will assist with general operating funds and loan loss reserves while also providing technical assistance to small businesses in South Los Angeles.

1 Teaching at JA Finance Park in Los Angeles

2 Employees present FDIC Money Smart workshops in Spanish, Mandarin, Cantonese, and Korean

“The Inspirational Leadership training has helped me improve my ability to provide feedback and coaching and work more effectively with a broad range of people. It has also helped me develop a core network of future leaders of the bank so we can all work together for the betterment of our organization.”

Anna Jordan, VP, Loan Servicing Manager

Employee survey yields insights, spurs action

We conducted our first-ever Employee Engagement Survey in 2018 and shared the results in 2019. In 2020, we are implementing the recommendations that emerged, with a focus on providing the resources necessary for maximizing each team member’s potential.

A full menu of staff development opportunities

In addition to tuition reimbursement, bank-paid Toastmasters, and training for front-line retail employees, the year’s highlights include the launching of the online Cathay Bank Academy to put learning directly in the hands of our team members.

To refine our managers’ skills, we made Inspirational Leadership training available for our supervisors. To develop the bank’s bench strength, decision-making ability and future leaders, we graduated classes from our Emerging Leadership Program, Operations Career Pathway Program, Operations Bootcamps, and Officer Trainee Program.



- 1 Attracting talent at career fairs throughout the year
- 2 Building team spirit during the annual Hong Kong Dragon Boat Festival in New York
- 3 Showing our pride

Investing in our employees

We believe the best way to enrich each customer’s journey is to provide our experienced, knowledgeable bankers with multiple opportunities for professional advancement, which are key to a culture of continuous, customer-focused improvement.



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**
VP 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 Jane Jelenko**
Retired Financial Services Partner of KPMG LLP
- 9 Ting Y. Liu**
Retired Investor
- 10 Joseph C.H. Poon**
President of Edward Properties, LLC
- 11 Richard Sun**
President of SSS Development, Inc.
- 12 Pin Tai**
Chief Executive Officer of Cathay General Bancorp and Cathay Bank

Director Emeritus

Patrick S.D. Lee

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
- Pin Tai**
Chief Executive Officer
- Heng W. Chen**
Executive Vice President, Chief Financial Officer, and Treasurer

Cathay Bank Executive Officers

- Dunson K. Cheng**
Executive Chairman of the Board
- Pin Tai**
Chief Executive Officer and Director of Cathay Bank
- Chang M. Liu**
President and Chief Operating Officer and Director of Cathay Bank
- Irwin Wong**
Senior Executive Vice President and Chief Administrative Officer
- 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

- Matthew Bonaccorso**
Executive Vice President and Chief Lending Officer
- Eddie Chang**
Executive Vice President and Manager, Corporate Commercial Real Estate and Construction Lending
- Marisa DeRojas**
Executive Vice President, Director of Financial Crimes Risk Management
- Shu-Yuan Lai**
Executive Vice President and Chief Lending Officer
- Thomas Lo**
Executive Vice President, Director of Commercial and International Banking
- Allen Peng**
Executive Vice President and Chief Retail Administrator
- Jennifer L. Powells**
Executive Vice President and Chief Human Resources Officer
- Robert Romero**
Executive Vice President and Chief Information Officer
- Veronica Tsang**
Executive Vice President and Chief Retail Administrator



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, 2019; 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, 2019, 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.

*Securities and insurance products are offered by, and financial consultants are registered with, Cetera Investment Services LLC, member FINRA/SIPC. Advisory services are offered by Cetera Investment Services LLC. Neither firm is affiliated with Cathay Bank or its related companies. Advisory services may only be offered by Investment Adviser Representatives. Cathay Wealth Management is located at Cathay Bank. Securities and insurance products, with the exception of Brokerage CDs, (1) are not deposits of, obligations of, or guaranteed by the Bank, or an affiliate of the Bank; (2) are not insured by the FDIC or any other agency of the United States, the Bank or, if applicable, an affiliate of the Bank; and (3) involve investment risk, including investment risk associated with the product, including possible loss of principal. Cetera Investment Services registered office: 825 E. Valley Blvd., 2nd Floor, San Gabriel, CA 91776. 877 722 8429



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Part of the cultural legacy of our communities

Founded in 1962, Cathay Bank offers a wide range of financial services. Cathay Bank operates in nine states, with branches in California, Illinois, Maryland, Massachusetts, Nevada, New Jersey, New York, Texas, and Washington State, as well as Hong Kong.



Cathay participated in the 120th Golden Dragon Parade in Los Angeles.

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

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