

Financial Earnings Results.



Fourth Quarter and Full Year 2021

January 27, 2022

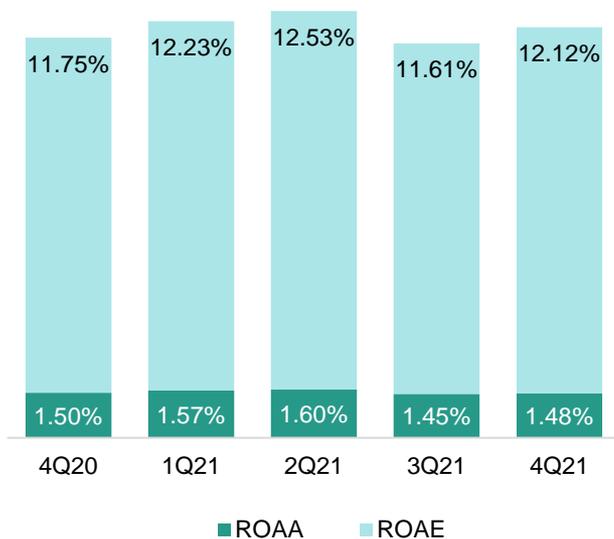
Forward Looking Statements

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, 2020 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.

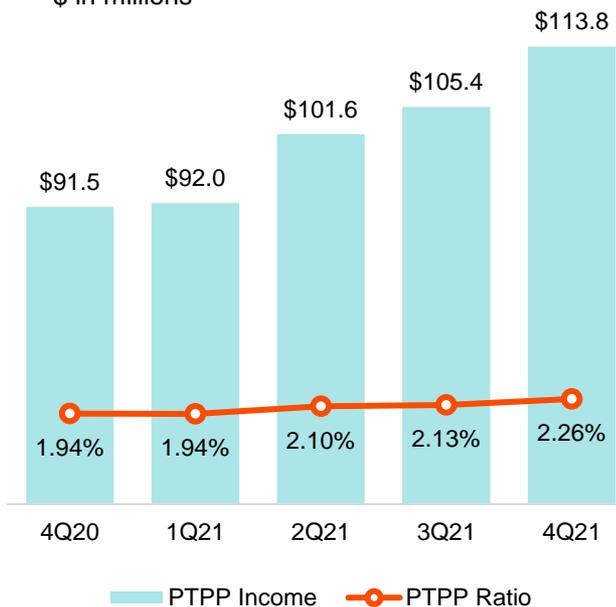
Financial Highlights 4Q 2021

Profitability: Return on Assets & Equity



Pre-Tax Pre-Provision Income Ratio

\$ in millions



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

Quarterly results ending
December 31, 2021

Net Income

- \$75.3 million

Diluted EPS

- \$0.98

Total Revenue

- \$175.3 million

Total Loans

- \$16.3 billion

Total Deposits

- \$18.1 billion

Efficiency Ratio

- 41.77%

Summary Highlights: 4Q and Full Year 2021 Results

\$ in millions, except per share data	4Q21	Change 4Q21 v. 3Q21	Change 4Q21 v. 4Q20	Full Year 2021	Change YoY
Earnings					
Net Income	\$ 75.3	4%	6%	\$ 298.3	30%
Basic EPS	\$ 0.98	5%	10%	\$ 3.81	32%
Diluted EPS	\$ 0.98	5%	10%	\$ 3.80	32%
Total Revenue	\$ 175.3	6%	16%	\$ 652.4	10%
NII	\$ 155.4	2%	11%	\$ 597.8	8%
NIM	3.23%	0%	4%	3.22%	3%
ROAA	1.48%	2%	(1)%	1.52%	25%
ROAE	12.12%	4%	3%	12.11%	25%
Efficiency Ratio	41.77%	(5)%	(16)%	43.92%	(8)%
Balance Sheets					
Total Loans*	\$ 16,338	2%	4%	\$ 16,338	4%
Total Deposits	\$ 18,059	6%	12%	\$ 18,059	12%

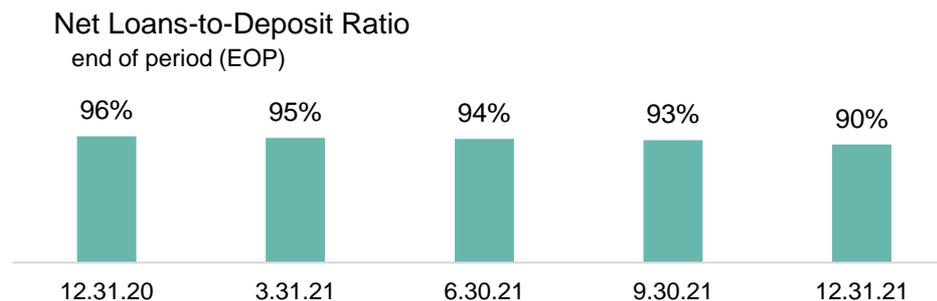
Note: Information as of 12.31.21 and 9.30.21 are unaudited.

* Gross Loans, net of fees

Summary Balance Sheets

\$ in millions, except per share data	12.31.21	9.30.21	QoQ Change
Cash equivalents & ST investments	\$ 2,450	\$ 1,824	\$ 626
AFS debt securities	1,127	1,079	48
Gross loans, net of discounts	\$ 16,338	\$ 15,973	\$ 365
Allowance for credit losses	(136)	(132)	(4)
Net Loans	\$ 16,202	\$ 15,841	\$ 361
Other assets	1,108	1,116	(8)
Total Assets	\$ 20,887	\$ 19,860	\$ 1,027
Customer deposits	\$ 18,059	\$ 17,007	1,052
FHLB borrowings	20	20	-
Debt	142	142	-
Other Liabilities	220	228	(8)
Total Liabilities	\$ 18,441	\$ 17,397	\$ 1,044
Total Stockholders' Equity	\$ 2,446	\$ 2,463	\$ (17)

Note: Information as of 12.31.21 and 9.30.21 are unaudited.

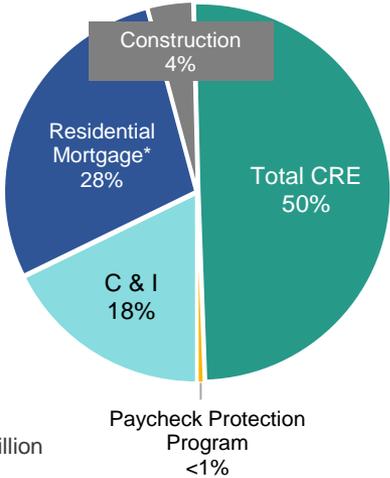


Loan Composition

Total Loan Portfolio

• **\$16.3 billion**
as of 12.31.21

Total CRE \$8.1 billion
Residential Mortgage \$4.6 billion
C&I Loans \$2.9 billion
Paycheck Protection Program \$90 million
Construction Loans \$611 million

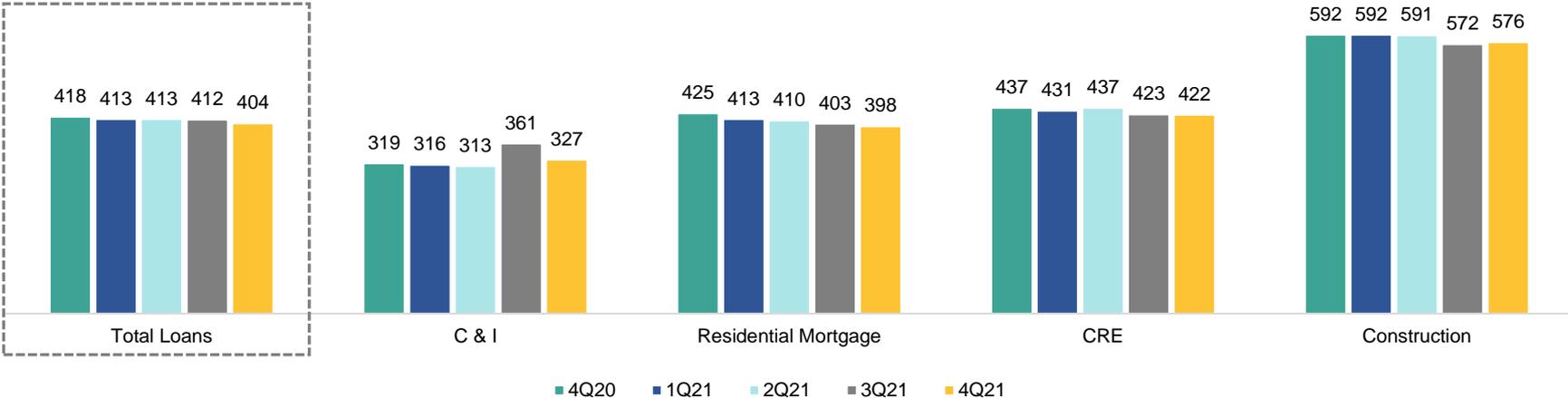


Average Loan Growth – QoQ Annualized \$ in billions

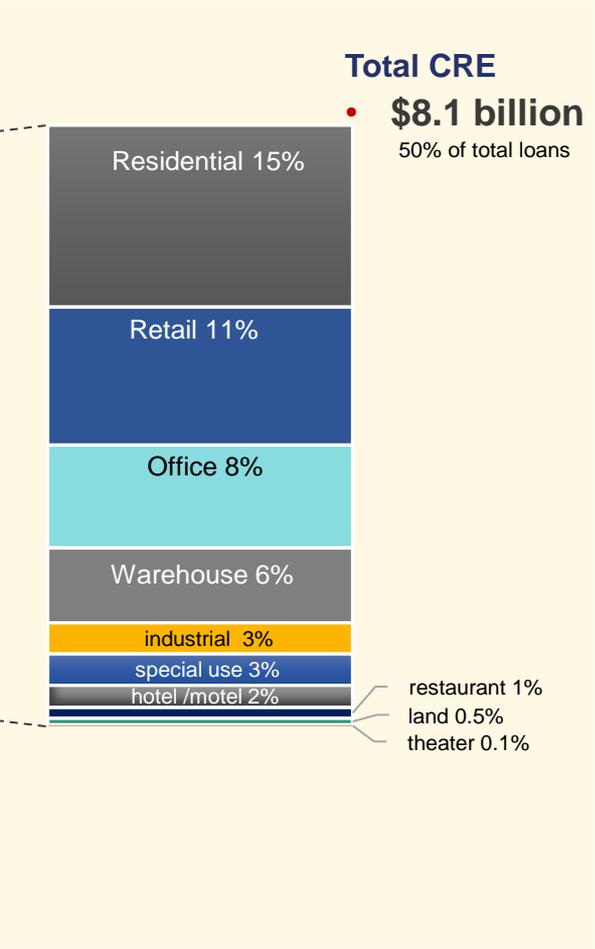
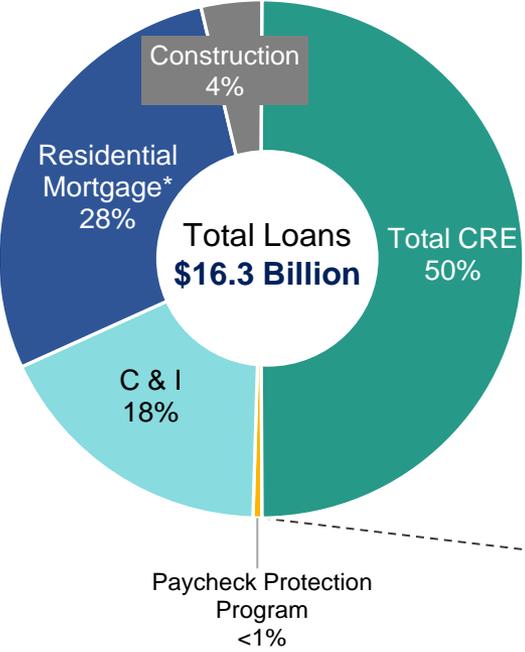


* Residential Mortgage includes equity lines, installment and other loans.

Average Loan Yield by Type in bps

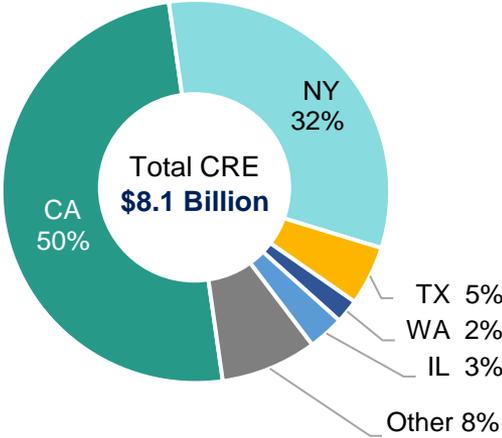


Commercial Real Estate Portfolio

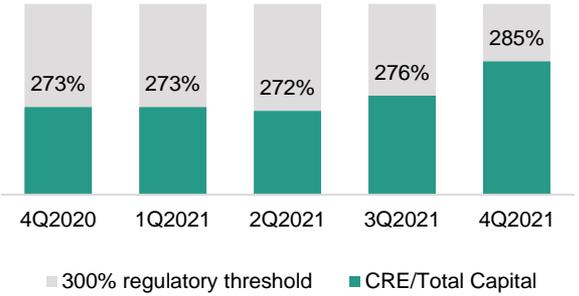


* Residential Mortgage includes equity lines, installment and other loans.

Total CRE Geographic Distribution



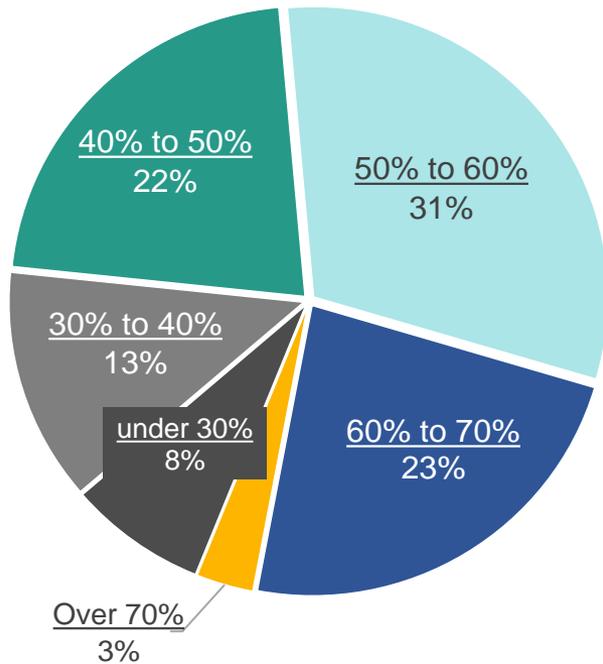
Total CRE Concentration



Commercial Real Estate Portfolio

LTV Distribution of Total CRE \$8.1 Billion

- **\$1.58 mil** avg. outstanding size
- weighted avg. LTV **51%**



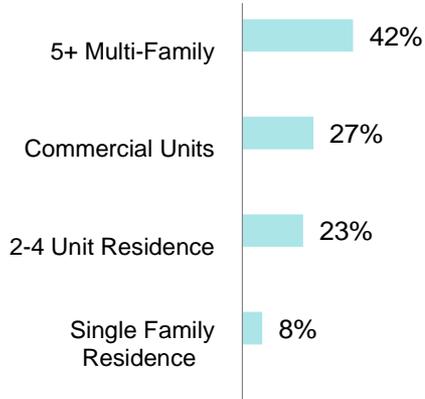
LTV & Size by Property Type

\$ in millions	Total CRE Loan Portfolio	Total CRE Weighted Avg. LTV
Residential	\$ 2,462	54%
Retail	\$ 1,871	50%
Office	\$ 1,392	49%
Warehouse	\$ 1,013	52%
Industrial	\$ 420	51%
Special Use	\$ 428	48%
Hotel / Motel	\$ 301	47%
Restaurant	\$ 144	46%
Land	\$ 89	47%
Theater	\$ 23	67%
Total CRE	\$ 8,143	51%

Selected CRE and Construction Loan Portfolios

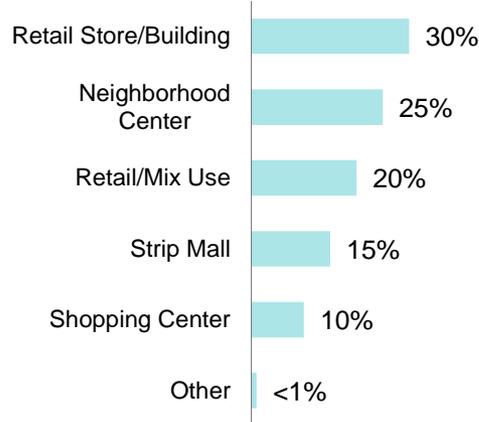
Residential CRE Portfolio

% based on \$2.46 billion loans outstanding



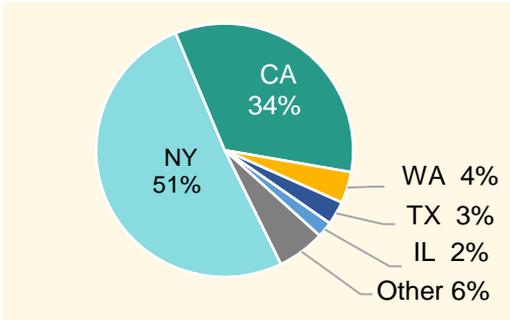
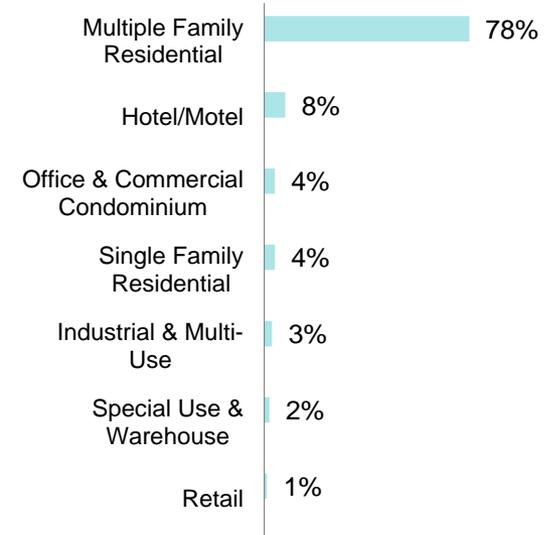
Retail CRE Portfolio

% based on \$1.87 billion loans outstanding

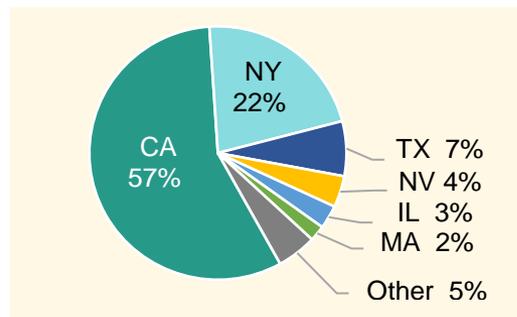


Construction Portfolio

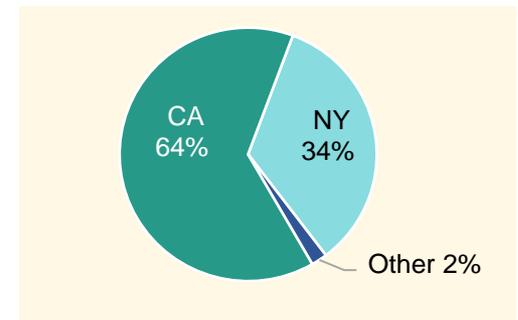
% based on \$611 million loans outstanding



• weighted avg. LTV 54%



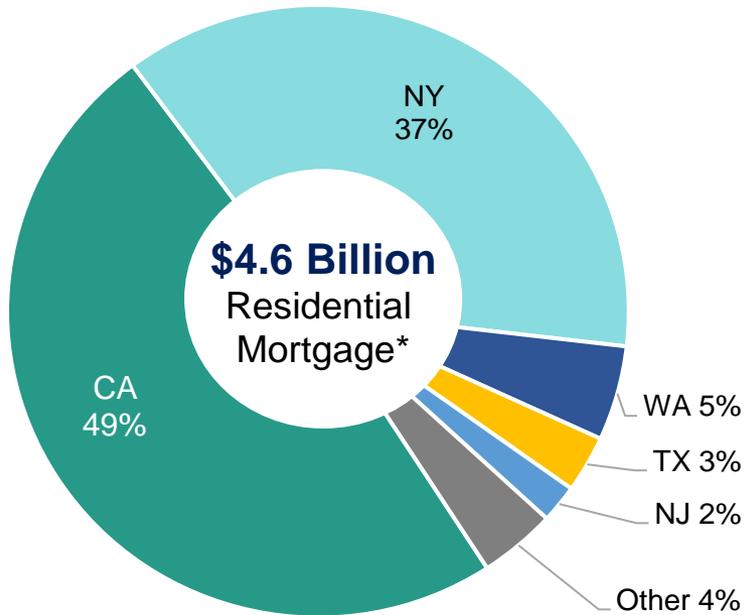
• weighted avg. LTV 50%



• weighted avg. LTV 55%

Residential Mortgage Portfolio

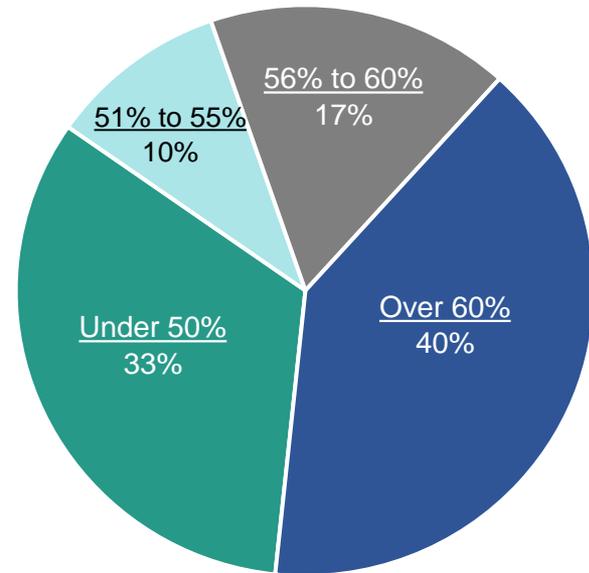
Geographic Distribution of Residential Mortgage



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

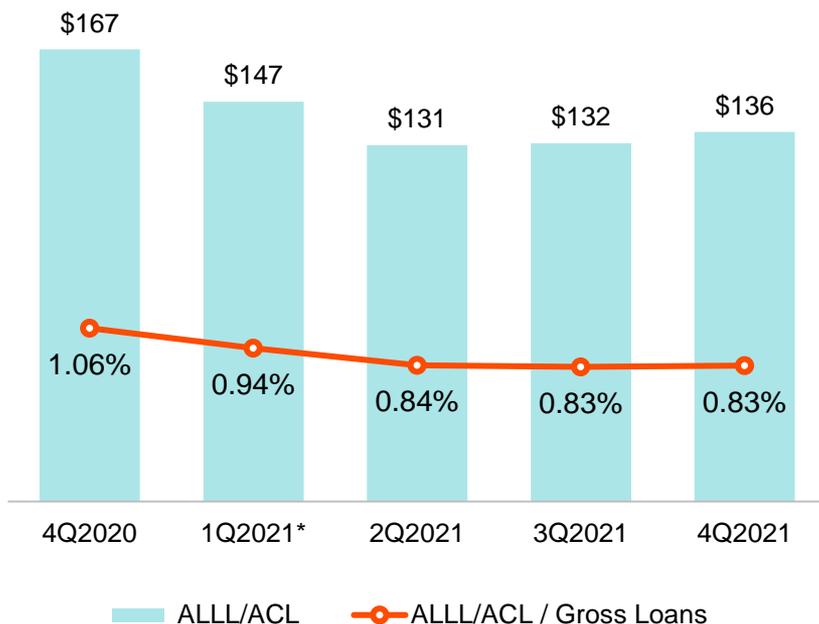
SFR LTV Distribution

- **\$371,130** avg. outstanding size
- weighted avg. LTV **55%**



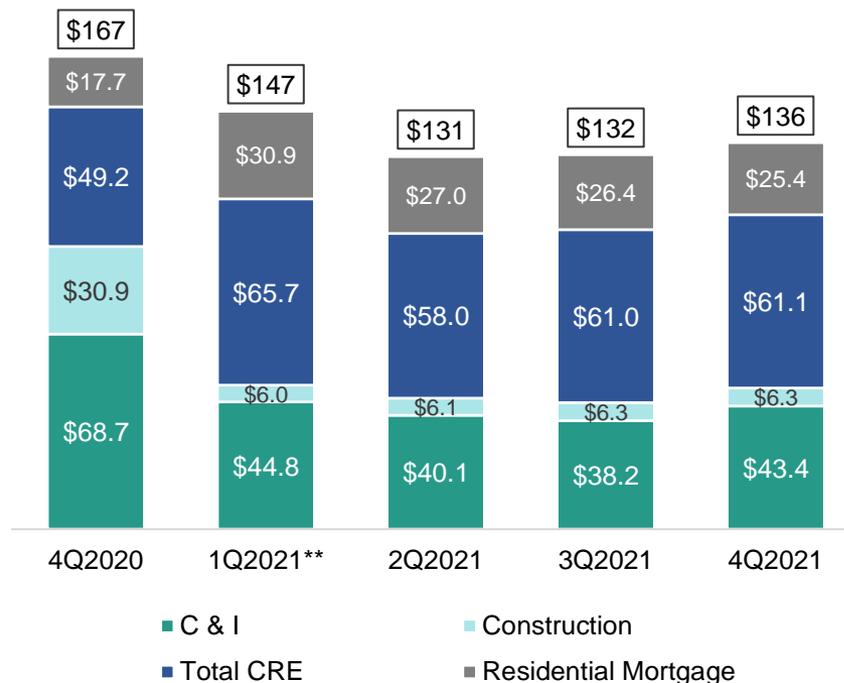
Allowance for Loan and Lease Losses (ALLL) / Allowance for Credit Losses (ACL)*

ALLL / ACL Ratio
\$ in millions



* CECL adoption as of January 1, 2021. Day 1 CECL ACL adjustment was \$(1.6 million).

ALLL / ACL Composition
\$ in millions



** ACL Composition based on CECL allocation.

Asset Quality Metrics

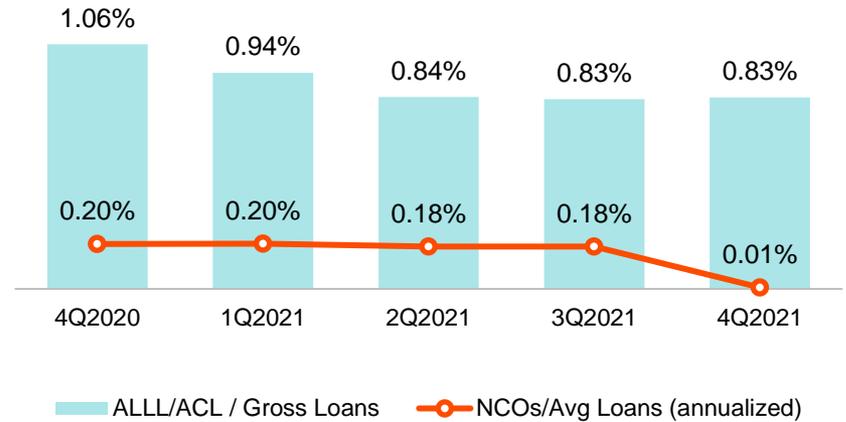
Classified Loans Ratio

\$ in millions



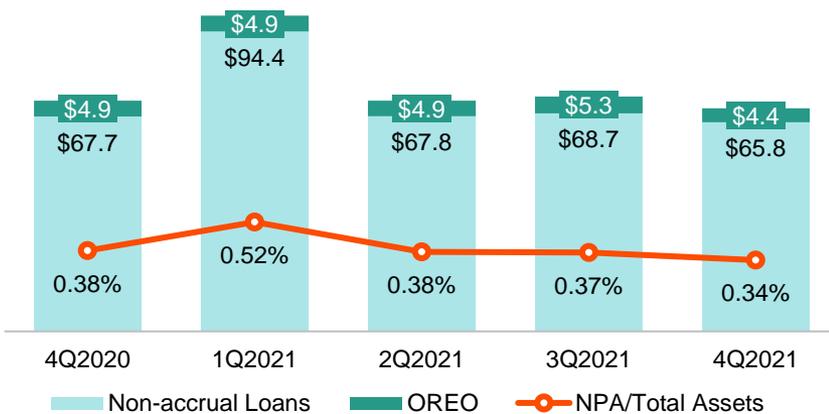
Classified Loans are loans classified as substandard and doubtful.

Reserves and Net Charge-Offs



Non-Performing Assets Ratio

\$ in millions



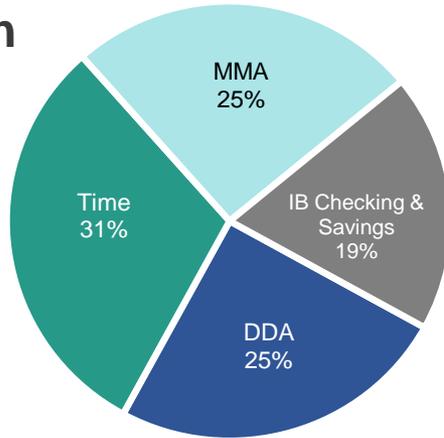
Non-Performing Assets (NPA) = Non-accrual Loans + OREO

- **Allowance coverage of loans HFI:** 0.83% as of 12/31/21 and 9/30/21.
- **Nonaccrual loans/loans HFI:** 0.40% as of 12/31/21 and 0.43% as of 9/30/21 vs. 0.43% as of 12/31/20.

Deposit Mix

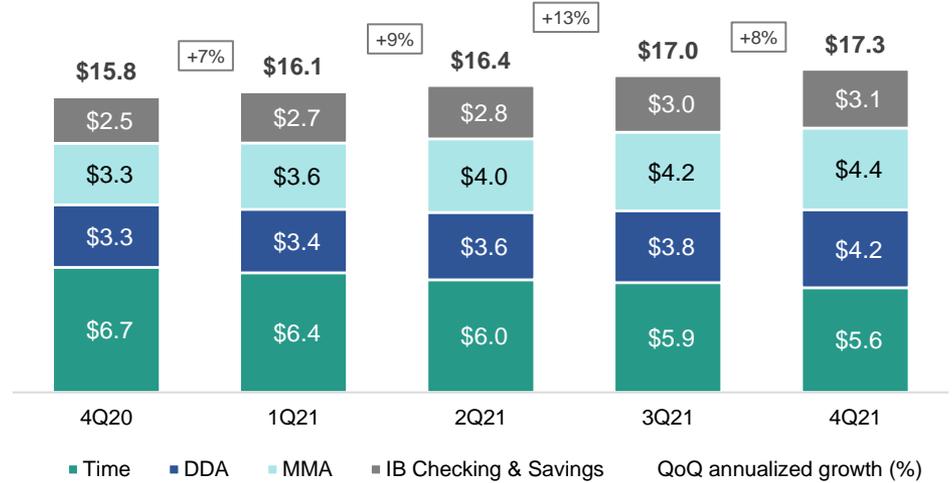
Total Deposit

- **\$18.1 billion**
as of 12.31.21



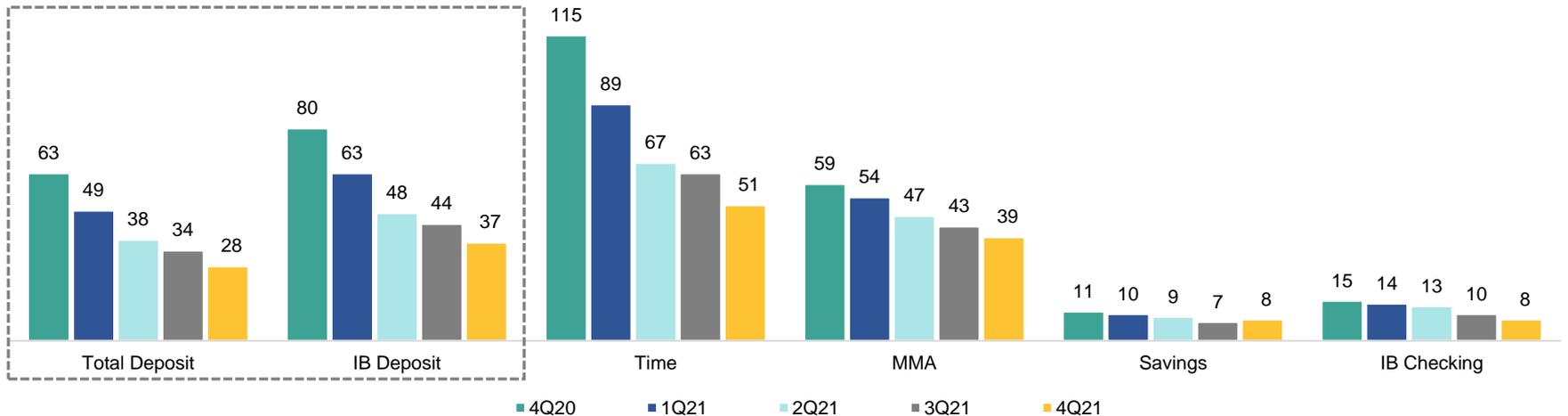
Average Deposit Growth – QoQ Annualized

\$ in billions



Average Cost of Deposits by Type

in bps



Summary Income Statements

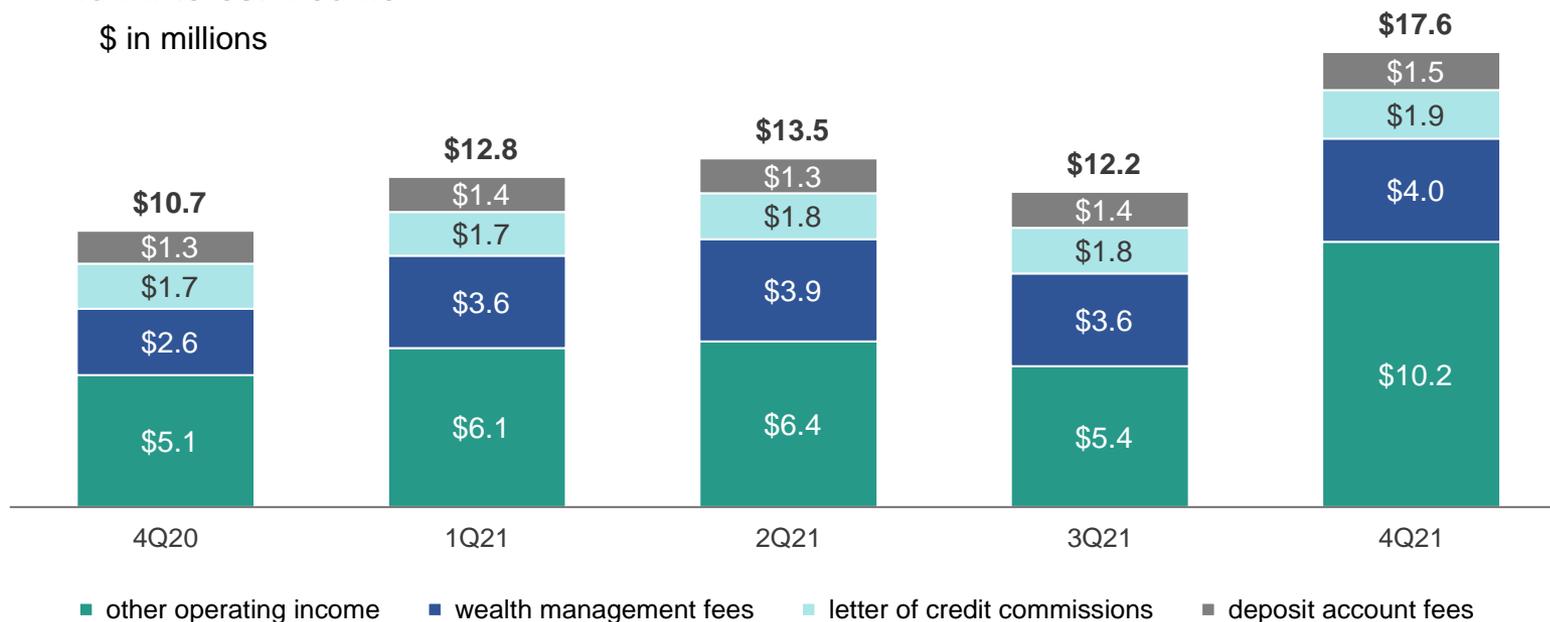
\$ in millions, except per share data	12.31.21	9.30.21	\$ Change	% Change
Net Interest Income	\$ 155.5	\$ 152.5	\$ 3.0	1.9%
Noninterest income	17.6	12.2	5.4	44.1%
Net (losses) / Gains from equity securities	2.2	-	2.2	100.0%
Total Noninterest Income	19.8	12.2	7.6	62.1%
Noninterest expense	62.2	59.8	2.4	4.1%
amortization of tax credit and other investment plus core deposit tangibles	11.0	12.4	(1.5)	(11.7)%
Total Noninterest Expense	\$ 73.2	\$ 72.2	\$ 1.0	1.4%
Provision for credit losses	3.5	3.1	0.5	(14.8)%
Income tax expense	23.2	17.0	6.2	36.4%
Net Income	\$ 75.3	\$ 72.4	\$ 2.9	4.0%
Diluted EPS	\$ 0.98	\$ 0.93	\$ 0.05	5.4%
Weighted avg. diluted shares (in millions)	76.9	78.2	(1.2)	(1.6)%

Note: Information for quarter ending 12.31.21 and 9.30.21 are unaudited.

Non-interest Income

Non-Interest Income*

\$ in millions



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

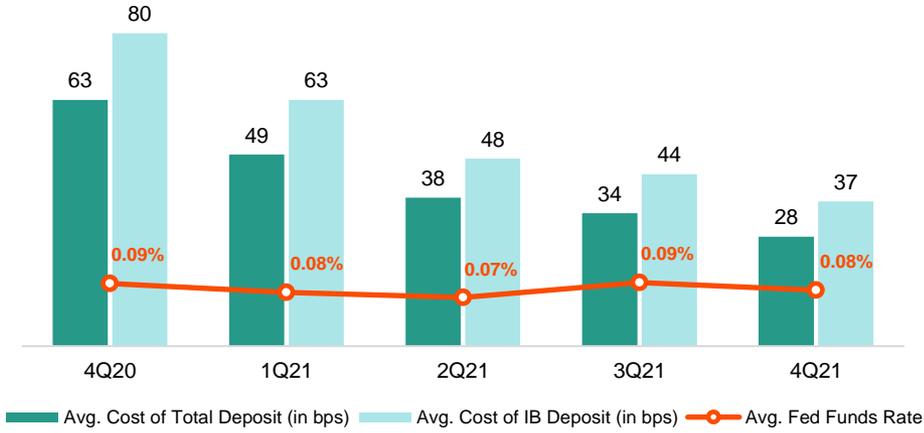
(\$ in millions)	4Q2020	1Q2021	2Q2021	3Q2021	4Q2021
Non-interest income, before net gains/(losses) from equity securities					
Non-interest income*	\$10.7	\$12.8	\$13.5	\$12.2	\$17.6
net gains/(losses) from equity securities	\$0.8	(\$2.8)	(\$0.9)	\$0.0	\$2.2
Total Non-interest Income	\$11.5	\$10.0	\$12.6	\$12.2	\$19.8

Loan Yields, Deposit Costs and Net Interest Margins

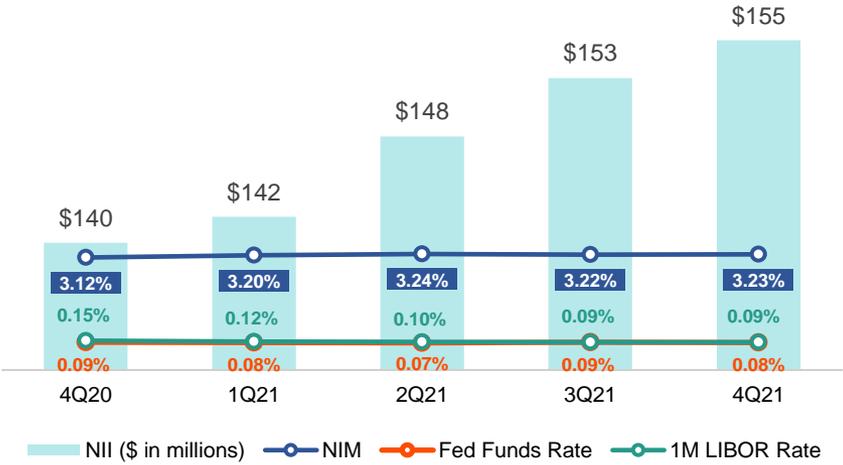
Average Loan Yield vs Prime Rate and 1M LIBOR



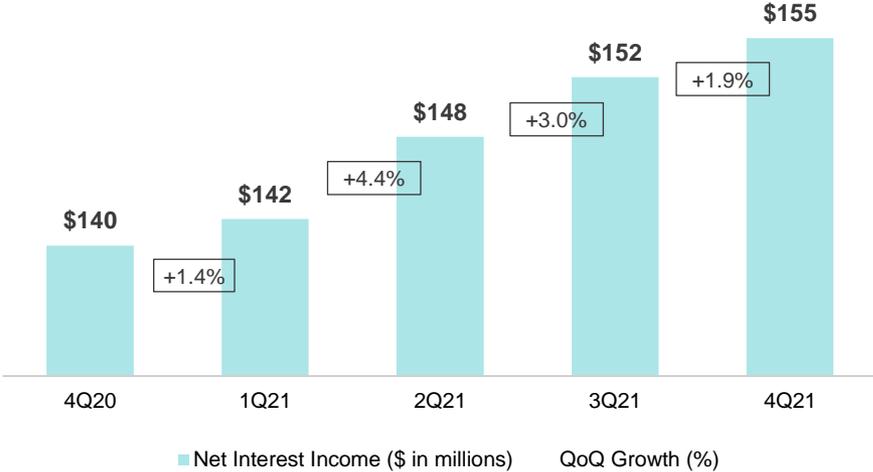
Average Cost of Deposits vs Fed Funds Rate



Net Interest Income and Net Interest Margin



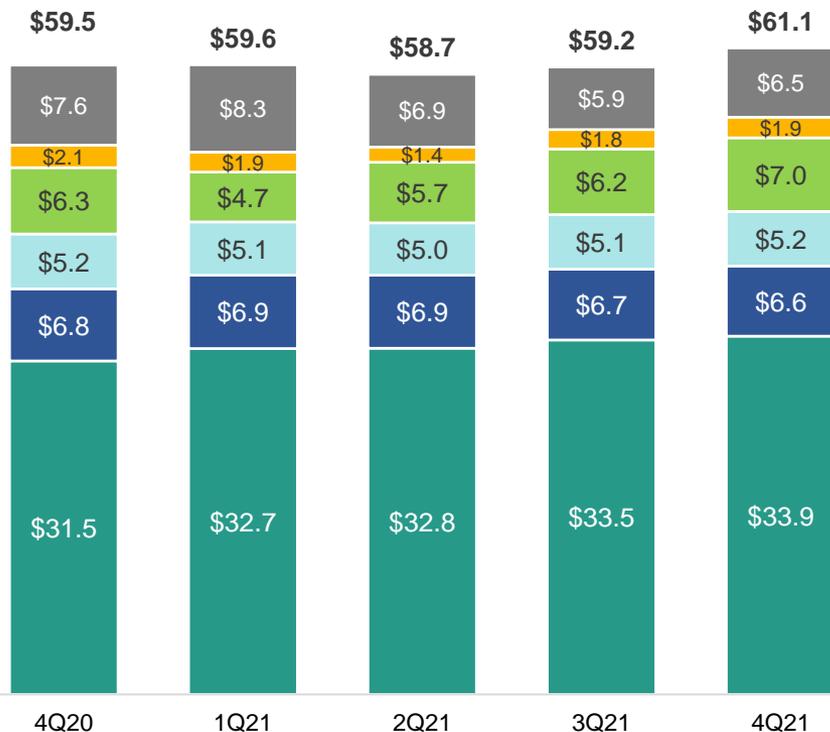
Net Interest Income Growth



Operating Expense & Efficiency

Core Noninterest Expense*

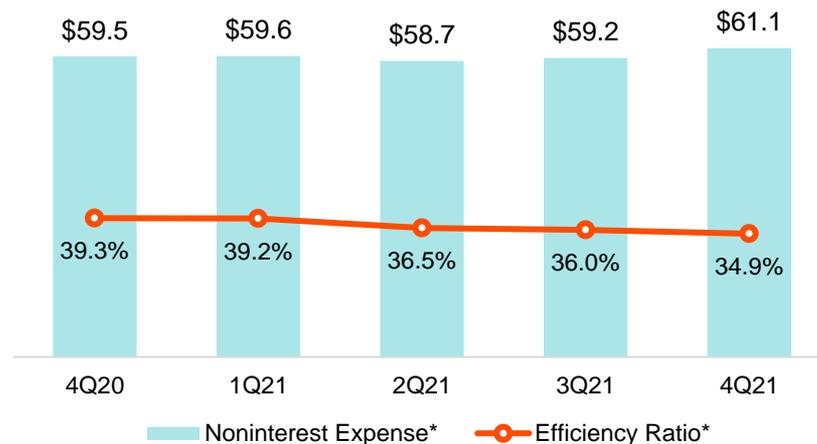
\$ in millions



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

Core Noninterest Expense* & Efficiency Ratio*

\$ in millions



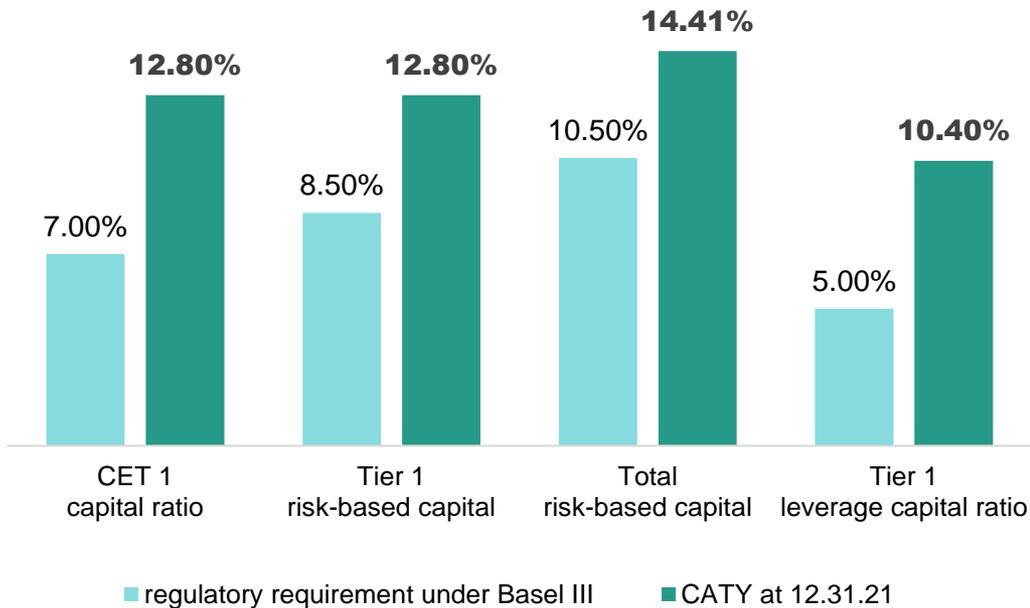
(\$ in millions)

Core noninterest expense, before amortization and other real estate owned

	4Q2020	1Q2021	2Q2021	3Q2021	4Q2021
Core noninterest expense*	\$59.5	\$59.6	\$58.7	\$59.2	\$61.1
Amortization in investment in low income housing	\$6.6	\$6.6	\$6.8	\$11.0	\$8.5
Amortization in alternative energy partnerships	\$8.6	\$5.0	\$3.8	\$1.4	\$2.3
Other real estate owned & CDF	\$0.3	\$0.2	\$0.4	\$0.1	\$0.3
Acquisition cost	\$0.0	\$0.0	\$0.0	\$0.5	\$0.9
Total Noninterest Expense	\$75.0	\$71.4	\$69.7	\$72.2	\$73.2

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

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 \$32.29 as of 12.31.21: +1.3% compared to 9.30.21 and +6.2% YoY.
- **Capital Return on Shareholder**
 - common stock dividend: \$0.34/share quarterly, or \$1.36/share annualized.
 - stock buyback: purchased 1,511,038 shares at avg. cost of \$43.97/sh. in fourth quarter.
 - a remaining of \$32.9 million under the \$125-million stock buyback program.



**Cathay General
Bancorp**