

CATHAY GENERAL BANCORP
Form 10-Q
August 11, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition
period from
Commission file
number

to

0-18630

CATHAY GENERAL BANCORP
(Exact name of registrant as specified in its charter)

Delaware
(State of other jurisdiction of
incorporation
or organization)

95-4274680
(I.R.S. Employer Identification No.)

777 North Broadway, Los Angeles,
California
(Address of principal executive
offices)

90012
(Zip Code)

Registrant's telephone number,
including area code:

(213) 625-4700

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes R No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company"

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in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, \$.01 par value, 49,472,308 shares outstanding as of July 31, 2008.

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**CATHAY GENERAL BANCORP AND SUBSIDIARIES
2ND QUARTER 2008 REPORT ON FORM 10-Q
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Forward-Looking Statements

In this quarterly Report on Form 10-Q, the term "Bancorp" refers to Cathay General Bancorp and the term "Bank" refers to Cathay Bank. The terms "Company," "we," "us," and "our" refer to Bancorp and the Bank collectively. The statements in this report include 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. These forward-looking statements may include, but are not limited to, such words as "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "will," "should," "could," "predicts," "potential," "continue," or the negative of such terms and other comparable terminology or similar expressions. Forward-looking statements are not guarantees. They involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties and other factors include, but are not limited to adverse developments or conditions related to or arising from:

- the impact of any goodwill impairment that may be determined;
- deterioration in asset or credit quality;
- acquisitions of other banks, if any;
- fluctuations in interest rates;
- expansion into new market areas;
- earthquake, wildfire or other natural disasters;
- competitive pressures;
- legislative and regulatory developments; and
- general economic or business conditions in California and other regions where the Bank has operations.

These and other factors are further described in the Company's Annual Report on Form 10-K for the year ended December 31, 2007, (at Item 1A in particular) its reports and registration statements filed with the Securities and Exchange Commission ("SEC") and other filings it makes in the future with the SEC from time to time. Actual results in any future period may also vary from the past results discussed in this report. Given these risks and uncertainties, we caution readers not to place undue reliance on any forward-looking statements, which speak to the date of this report. The Company has no intention and undertakes no obligation to update any forward-looking statement or to publicly announce the results of any revision of any forward-looking statement to reflect future developments or events.

The Company's filings with the SEC are available to the public at the website maintained by the SEC at <http://www.sec.gov>, or by requests directed to Cathay General Bancorp, 777 North Broadway, Los Angeles, California 90012, Attn: Investor Relations (213) 625-4749.

PART I - FINANCIAL INFORMATION**Item 1. FINANCIAL STATEMENTS (Unaudited)****CATHAY GENERAL BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)**

	June 30, 2008	December 31, 2007	% change
	(In thousands, except share and per share data)		
Assets			
Cash and due from banks	\$ 114,270	\$ 118,437	(4)
Short-term investments	6,408	2,278	181
Securities purchased under agreements to resell	150,000	516,100	(71)
Long-term certificates of deposit	-	50,000	(100)
Securities available-for-sale (amortized cost of \$2,566,135 in 2008 and \$2,348,606 in 2007)	2,533,353	2,347,665	8
Trading securities	75	5,225	(99)
Loans	7,327,724	6,683,645	10
Less: Allowance for loan losses	(84,856)	(64,983)	31
Unamortized deferred loan fees, net	(10,165)	(10,583)	(4)
Loans, net	7,232,703	6,608,079	9
Federal Home Loan Bank stock	65,825	65,720	0
Other real estate owned, net	29,077	16,147	80
Affordable housing investments, net	103,795	94,000	10
Premises and equipment, net	88,699	76,848	15
Customers' liability on acceptances	30,988	53,148	(42)
Accrued interest receivable	45,984	53,032	(13)
Goodwill	319,285	319,873	(0)
Other intangible assets, net	32,588	36,097	(10)
Other assets	58,865	39,883	48
Total assets	\$ 10,811,915	\$ 10,402,532	4
Liabilities and Stockholders' Equity			
Deposits			
Non-interest-bearing demand deposits	\$ 818,776	\$ 785,364	4
Interest-bearing deposits:			
NOW deposits	261,005	231,583	13
Money market deposits	732,410	681,783	7
Savings deposits	334,328	331,316	1
Time deposits under \$100,000	1,424,692	1,311,251	9
Time deposits of \$100,000 or more	3,170,831	2,937,070	8
Total deposits	6,742,042	6,278,367	7
Federal funds purchased	81,000		