

CATHAY GENERAL BANCORP
Form 10-Q
November 09, 2007

**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 September 30, 2007

OR

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

For the transition period from _____ to _____

Commission file number 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 or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Non-accelerated
accelerated filer " filer "

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filer R

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes " No R

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, 49,816,286 shares outstanding as of October 31, 2007.

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**CATHAY GENERAL BANCORP AND SUBSIDIARIES
3RD QUARTER 2007 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:

- expansion into new market areas;
- acquisitions of other banks, if any;
- fluctuations in interest rates;
- demographic changes;
- earthquake or other natural disasters;
- competitive pressures;
- deterioration in asset or credit quality;
- legislative and regulatory developments;
- changes in business strategy; 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, 2006, (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 as of 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 from commercial document retrieval services and 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)**

	September 30, 2007	December 31, 2006	% change
	(In thousands, except share and per share data)		
Assets			
Cash and due from banks	\$ 83,276	\$ 114,798	(27)
Federal funds sold	-	18,000	(100)
Cash and cash equivalents	83,276	132,798	(37)
Short-term investments	17,152	16,379	5
Securities purchased under agreements to resell	360,000	-	100
Long-term certificates of deposit	50,000	-	100
Securities available-for sale, at fair value (amortized cost of \$2,060,542 at September 30, 2007 and \$1,543,667 at December 31, 2006)	2,043,529	1,522,223	34
Trading securities	10,171	5,309	92
Loans	6,439,407	5,747,546	12
Less: Allowance for loan losses	(66,277)	(64,689)	2
Unamortized deferred loan fees, net	(11,054)	(11,984)	(8)
Loans, net	6,362,076	5,670,873	12
Federal Home Loan Bank stock	51,620	34,348	50
Other real estate owned, net	374	5,259	(93)
Affordable housing investments, net	94,669	87,289	8
Premises and equipment, net	74,905	72,934	3
Customers' liability on acceptances	32,685	27,040	21
Accrued interest receivable	54,313	39,267	38
Goodwill	319,873	316,752	1
Other intangible assets, net	37,883	42,987	(12)
Other assets	35,854	53,050	(32)
Total assets	\$ 9,628,380	\$ 8,026,508	20
Liabilities and Stockholders' Equity			
Deposits			
Non-interest-bearing demand deposits	\$ 778,690	\$ 781,492	(0)
Interest-bearing deposits:			
NOW deposits	228,659	239,589	(5)
Money market deposits	697,721	657,689	6
Savings deposits	336,743	358,827	(6)
Time deposits under \$100,000	1,095,348	1,007,637	9
Time deposits of \$100,000 or more	2,933,645	2,630,072	12
Total deposits	6,070,806	5,675,306	7

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Federal funds purchased	98,000	50,000	96
Securities sold under agreement to repurchase	1,108,710	400,000	177
Advances from the Federal Home Loan Bank	1,089,680	714,680	52