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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, 2026

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 001-31830

CATHAY GENERAL BANCORP

(Exact name of registrant as specified in its charter)

Delaware	95-4274680
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
777 North Broadway, Los Angeles, California	90012
(Address of principal executive offices)	(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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock	CATY	Nasdaq Global Select Market

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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, $0.01 par value, 65,900,263 shares outstanding as of October 31, 2026.

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CATHAY GENERAL BANCORP AND SUBSIDIARIES
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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. We intend such forward-looking statements to be covered by the safe harbor provision 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, including statements about anticipated future operating and financial performance, financial position and liquidity, growth opportunities and growth rates, growth plans, acquisition and divestiture opportunities, business prospects, strategic alternatives, business strategies, financial expectations, regulatory and competitive outlook, loan and deposit growth, investment and expenditure plans, financing needs and availability, level of nonperforming assets, and other similar forecasts and statements of expectation and statements of assumptions underlying any of the foregoing. Words such as "aims," "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "hopes," "intends," "may," "optimistic," "plans," "potential," "possible," "predicts," "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, uncertainties and other factors that could cause actual results to differ materially from our historical experience and our present expectations or projections. Such risks, uncertainties and other factors include, but are not limited to:

- local, regional, national and international economic and market conditions and events and the impact they may have on us, our clients and our operations, assets and liabilities;
- 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;
- higher capital requirements from the implementation of the Basel III capital standards;
- 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) and geopolitical events (including wars and armed conflicts);

- potential for new or increased tariffs or trade restrictions;
- failures, interruptions, or security breaches of our information systems;
- our ability to adapt our systems to the expanding use of technology in banking;
- risk management processes and strategies;
- adverse results in legal proceedings;
- the impact of regulatory enforcement actions, if any;
- certain provisions in our charter and bylaws that may affect acquisition of the Company;
- changes in accounting standards or tax laws and regulations;
- market disruption and volatility;
- fluctuations in the Bancorp's stock price;
- restrictions on dividends and other distributions by laws and regulations and by our regulators and our capital structure;
- issuances of preferred stock;
- capital level requirements and successfully raising additional capital, if needed, and the resulting dilution of interests of holders of Bancorp common stock; and
- the soundness of other financial institutions.

These and other factors are further described in Bancorp's Annual Report on Form 10-K for the year ended December 31, 2025 (Item 1A in particular), other reports and registration statements filed with the Securities and Exchange Commission ("SEC"), and other filings Bancorp makes 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, readers are cautioned not to place undue reliance on any forward-looking statements. We have no intention and undertake no obligation to update any forward-looking statement or to announce publicly any revision of any forward-looking statement to reflect developments, events, occurrences or circumstances after the date of such statement, except as required by law.

Bancorp's filings with the SEC are available at the website maintained by the SEC at http://www.sec.gov, or by request directed to Cathay General Bancorp, 9650 Flair Drive, El Monte, California 91731, Attention: Investor Relations (626) 279-3296.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

CATHAY GENERAL BANCORP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

($ In thousands, except par value and share data)	September 30, 2026	December 31, 2025
Assets		
Cash and due from banks	$ 131,044	$ 146,320
Short-term investments and interest-bearing deposits	1,576,961	1,278,089
Securities available-for-sale at fair value (amortized cost of $1,657,883 at September 30, 2026, and $1,735,451 at December 31, 2025)	1,589,036	1,658,223
Loans held for sale	13,597	—
Loans held for investment	21,195,861	20,147,202
Less: Allowance for loan losses	(224,190)	(195,911)
Unamortized deferred loan fees, net	(15,523)	(14,903)
Loans held for investment, net	20,956,148	19,936,388
Equity securities (including $27,246 measured at fair value at September 30, 2026, and $32,754 at December 31, 2025)	116,907	51,886
Federal Home Loan Bank stock	17,250	17,250
Other real estate owned, net	26,910	30,336
Affordable housing investments and alternative energy partnerships, net	295,407	287,182
Premises and equipment, net	90,346	87,579
Customers' liability on acceptances	6,393	4,385
Accrued interest receivable	97,206	96,993
Goodwill	375,696	375,696
Other intangible assets, net	2,095	2,683
Right-of-use assets - operating leases	35,493	34,187
Other assets	242,012	222,378
Total assets	**$ 25,572,501**	**$ 24,229,575**
Liabilities and Stockholders' Equity		
Deposits:		
Non-interest-bearing	$ 3,950,436	$ 3,505,606
Interest-bearing:		
NOW deposits	2,634,247	2,370,047
Money market deposits	4,284,484	3,800,471
Savings deposits	1,517,383	1,500,890
Time deposits	9,448,438	9,717,153
Total deposits	21,834,988	20,894,167
Advances from the Federal Home Loan Bank	200,000	—
Long-term debt	65,011	119,136
Acceptances outstanding	6,393	4,385
Lease liabilities - operating leases	37,370	36,102
Other liabilities	371,994	250,397
Total liabilities	22,515,756	21,304,187
Commitments and contingencies	—	—
Stockholders' Equity		
Common stock, $0.01 par value, 100,000,000 shares authorized; 91,972,991 issued and 66,083,728 outstanding at September 30, 2026, and 91,803,148 issued and 67,200,126 outstanding at December 31, 2025	920	918
Additional paid-in-capital	1,006,181	1,001,401
Accumulated other comprehensive loss, net	(48,496)	(54,400)
Retained earnings	3,107,853	2,909,677
Treasury stock, at cost, 25,889,263 shares at September 30, 2026, and 24,603,022 shares at December 31, 2025	(1,009,713)	(932,208)
Total stockholders' equity	3,056,745	2,925,388
Total liabilities and stockholders' equity	**$ 25,572,501**	**$ 24,229,575**

See accompanying Notes to Consolidated Financial Statements.

CATHAY GENERAL BANCORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

($ In thousands, except share and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest and Dividend Income				
Loans receivable	$ 317,189	$ 308,945	$ 918,294	$ 899,786
Investment securities	15,086	12,690	42,489	38,459
Federal Home Loan Bank stock	658	376	1,785	1,128
Deposits with banks	12,219	12,184	32,947	37,135
Total interest and dividend income	345,152	334,195	995,515	976,508
Interest Expense				
Time deposits	83,001	93,087	248,054	283,517
Other deposits	47,869	46,300	131,805	133,104
Advances from Federal Home Loan Bank	384	3,075	2,851	5,721
Long-term debt	1,808	2,043	5,478	6,092
Short-term debt	212	103	384	627
Total interest expense	133,274	144,608	388,572	429,061
Net interest income before provision for credit losses	211,878	189,587	606,943	547,447
Provision for credit losses	28,600	28,731	58,033	55,431
Net interest income after provision for credit losses	183,278	160,856	548,910	492,016
Non-Interest Income				
Net gains/(losses) from equity securities	36,053	3,263	65,021	(2,318)
Net loss on investment securities	(15,084)	—	(41,323)	—
Letters of credit commissions	2,093	2,256	6,830	6,467
Depository service fees	2,106	2,011	6,091	5,688
Wealth management fees	6,623	6,219	21,645	17,324
Other operating income	10,979	7,272	26,570	20,455
Total non-interest income	42,770	21,021	84,834	47,616
Non-Interest Expense				
Salaries and employee benefits	48,233	43,462	140,477	129,012
Occupancy expense	6,171	6,104	17,799	17,791
Computer and equipment expense	7,211	5,760	19,432	16,974
Professional services expense	7,842	7,360	23,062	23,696
Data processing service expense	4,136	3,991	11,802	13,028
FDIC and regulatory assessments	2,896	2,783	8,335	9,359
Marketing expense	1,683	1,494	5,018	4,485
Other real estate owned expense/(income)	442	(1,078)	2,370	(1,211)
Amortization of investments in low-income housing and alternative energy partnerships	6,467	12,149	23,080	32,382
Amortization of core deposit intangibles	218	229	653	729
Other operating expense	18,077	5,863	30,344	16,662
Total non-interest expense	103,376	88,117	282,372	262,907
Income before income tax expense	122,672	93,760	351,372	276,725
Income tax expense	27,498	16,109	77,103	52,118
Net income	**$ 95,174**	**$ 77,651**	**$ 274,269**	**$ 224,607**
Other Comprehensive Income, net of tax				
Net holding (losses)/gains on securities available-for-sale	(10,182)	9,524	5,904	25,909
Total comprehensive income	**$ 84,992**	**$ 87,175**	**$ 280,173**	**$ 250,516**
Net Income Per Common Share:				
Basic	$ 1.43	$ 1.13	$ 4.10	$ 3.22
Diluted	$ 1.43	$ 1.13	$ 4.09	$ 3.21
Cash dividends paid per common share	$ 0.38	$ 0.34	$ 1.14	$ 1.02
Average Common Shares Outstanding:				
Basic	66,499,705	68,727,390	66,832,009	69,692,964
Diluted	66,761,397	68,990,648	67,131,370	69,946,877

See accompanying Notes to Consolidated Financial Statements.

CATHAY GENERAL BANCORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

Three Months Ended	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)/Income	Retained Earnings	Treasury Stock	Total Stockholders' Equity
			($ In thousands, except share and per share data)				
Balance at June 30, 2026	66,825,367	$ 919	$ 1,005,086	$ (38,314)	$ 3,037,887	$ (958,964)	$ 3,046,614
Dividend Reinvestment Plan	10,379	1	646	—	—	—	647
Restricted stock units vested	48,576	—	—	—	—	—	—
Stock issued to directors	—	—	1	—	—	—	1
Shares withheld related to net share settlement of RSUs	—	—	(1,444)	—	—	—	(1,444)
Purchases of treasury stock	(800,594)	—	—	—	—	(50,749)	(50,749)
Stock-based compensation	—	—	1,892	—	—	—	1,892
Cash dividends of $0.38 per share	—	—	—	—	(25,208)	—	(25,208)
Other comprehensive income	—	—	—	(10,182)	—	—	(10,182)
Net income	—	—	—	—	95,174	—	95,174
Balance at September 30, 2026	**66,083,728**	**$ 920**	**$ 1,006,181**	**$ (48,496)**	**$ 3,107,853**	**$ (1,009,713)**	**$ 3,056,745**

Three Months Ended	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)/Income	Retained Earnings	Treasury Stock	Total Stockholders' Equity
			($ In thousands, except share and per share data)				
Balance at June 30, 2025	69,343,395	$ 918	$ 996,249	$ (69,222)	$ 2,787,608	$ (829,258)	$ 2,886,295
Dividend Reinvestment Plan	12,855	—	634	—	—	—	634
Restricted stock units vested	341	—	—	—	—	—	—
Stock issued to directors	—	—	—	—	—	—	—
Shares withheld related to net share settlement of RSUs	—	—	(3)	—	—	—	(3)
Purchases of treasury stock	(1,070,000)	—	—	—	—	(50,585)	(50,585)
Stock-based compensation	—	—	2,003	—	—	—	2,003
Cash dividends of $0.34 per share	—	—	—	—	(23,243)	—	(23,243)
Other comprehensive income	—	—	—	9,524	—	—	9,524
Net income	—	—	—	—	77,651	—	77,651
Balance at September 30, 2025	**68,286,591**	**$ 918**	**$ 998,883**	**$ (59,698)**	**$ 2,842,016**	**$ (879,843)**	**$ 2,902,276**

See accompanying Notes to Consolidated Financial Statements.

Nine Months Ended	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)/Income	Retained Earnings	Treasury Stock	Total Stockholders' Equity
			($ In thousands, except share and per share data)				
Balance at December 31, 2025	67,200,126	$ 918	$ 1,001,401	$ (54,400)	$ 2,909,677	$ (932,208)	$ 2,925,388
Dividend Reinvestment Plan	35,967	1	1,987	—	—	—	1,988
Restricted stock units vested	117,681	1	—	—	—	—	1
Stock issued to directors	16,195	—	864	—	—	—	864
Shares withheld related to net share settlement of RSUs	—	—	(3,878)	—	—	—	(3,878)
Purchases of treasury stock	(1,286,241)	—	—	—	—	(77,505)	(77,505)
Stock-based compensation	—	—	5,807	—	—	—	5,807
Cash dividends of $1.14 per share	—	—	—	—	(76,093)	—	(76,093)
Other comprehensive income	—	—	—	5,904	—	—	5,904
Net income	—	—	—	—	274,269	—	274,269
Balance at September 30, 2026	**66,083,728**	**$ 920**	**$ 1,006,181**	**$ (48,496)**	**$ 3,107,853**	**$(1,009,713)**	**$ 3,056,745**

Nine Months Ended	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)/Income	Retained Earnings	Treasury Stock	Total Stockholders' Equity
			($ In thousands, except share and per share data)				
Balance at December 31, 2024	70,863,324	$ 916	$ 993,962	$ (85,607)	$ 2,688,353	$ (751,920)	$ 2,845,704
Dividend Reinvestment Plan	43,009	1	1,969	—	—	—	1,970
Restricted stock units vested	108,387	1	—	—	—	—	1
Stock issued to directors	22,956	—	1,020	—	—	—	1,020
Shares withheld related to net share settlement of RSUs	—	—	(2,758)	—	—	—	(2,758)
Purchases of treasury stock	(2,751,085)	—	—	—	—	(127,923)	(127,923)
Stock-based compensation	—	—	4,690	—	—	—	4,690
Cash dividends of $1.02 per share	—	—	—	—	(70,944)	—	(70,944)
Other comprehensive income	—	—	—	25,909	—	—	25,909
Net income	—	—	—	—	224,607	—	224,607
Balance at September 30, 2025	**68,286,591**	**$ 918**	**$ 998,883**	**$ (59,698)**	**$ 2,842,016**	**$ (879,843)**	**$ 2,902,276**

See accompanying Notes to Consolidated Financial Statements.

CATHAY GENERAL BANCORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2026	2025
	($ In thousands)	
Cash Flows from Operating Activities		
Net income	$ 274,269	$ 224,607
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	58,033	55,431
Provision for losses on other real estate owned	—	890
Deferred tax provision	10,245	10,007
Depreciation and amortization	5,053	5,184
Amortization of right-of-use asset	7,196	7,045
Change in operating lease liabilities	1,268	2,228
Net gains on sales and transfers of other real estate owned	(1,095)	(2,968)
Net (gains)/losses on sales of loans	(305)	57
Losses on sales or disposal of premises and equipment	28	63
Amortization on alternative energy partnerships, venture capital and other investments	23,080	32,382
Net losses on sales of investment securities	41,323	—
Amortization/accretion of securities available-for-sale premiums/discounts, net	(23,970)	(19,721)
Unrealized (gains)/ losses on equity securities	(65,021)	2,318
Stock-based compensation and stock issued to officers as compensation	6,672	5,711
Net change in accrued interest receivable and other assets	(42,406)	22,830
Net change in other liabilities	123,154	(32,557)
Net cash provided by operating activities	**417,524**	**313,507**
Cash Flows from Investing Activities		
Purchases of securities available-for-sale	(1,890,016)	(1,289,400)
Proceeds from repayments, maturities and calls of securities available-for-sale	1,531,089	1,249,581
Proceeds from sales of securities available-for-sale	419,010	—
Proceeds from sales of other real estate owned	8,945	10,316
Proceeds from sales of loans originally classified as held-for-investment	11,292	42,134
Net increase in loans	(1,106,491)	(820,318)
Purchases of premises and equipment	(7,261)	(4,455)
Net (increase)/decrease in affordable housing investments and alternative energy partnerships	(31,706)	2,004
Net cash used for investing activities	**(1,065,138)**	**(810,138)**
Cash Flows from Financing Activities		
Increase in deposits	940,823	834,819
Advances from Federal Home Loan Bank	11,406,000	10,145,000
Repayments of Federal Home Loan Bank borrowings	(11,206,000)	(10,015,000)
Repayments of Trust Preferred Securities	(54,125)	—
Cash dividends paid	(76,093)	(70,944)
Purchases of treasury stock	(77,505)	(127,923)
Proceeds from shares issued under Dividend Reinvestment Plan	1,988	1,970
Taxes paid related to net share settlement of RSUs	(3,878)	(2,758)
Net cash provided by financing activities	**931,210**	**765,164**
Increase in cash, cash equivalents, and restricted cash	283,596	268,533
Cash, cash equivalents, and restricted cash, beginning of the period	1,424,409	1,039,520
Cash, cash equivalents, and restricted cash, end of the period	$ **1,708,005**	$ **1,308,053**
Supplemental Cash Flow Information		
Cash paid during the period:		
Interest	$ 392,034	$ 433,983
Income taxes	$ 82,443	$ 43,410
Non-cash investing and financing activities:		
Net change in unrealized holding gains on securities available-for-sale, net of tax	$ 5,904	$ 25,909
Loans transferred from held-for-investment to held-for-sale	$ 24,583	$ 51,128
Transfers to other real estate owned from loans held-for-investment	$ 4,142	$ 10,351

See accompanying Notes to Consolidated Financial Statements.

CATHAY GENERAL BANCORP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Business

Cathay General Bancorp ("Bancorp") is the holding company for Cathay Bank (the "Bank" and, together, with Bancorp, the "Company"), and four limited partnerships investing in affordable housing investments in which the Bank is the sole limited partner. Bancorp also owns 100% of the common stock of two statutory business trusts created for the purpose of issuing capital securities. The Bank was founded in 1962 and offers a wide range of financial services. As of September 30, 2026, the Bank operates 24 branches in Southern California, 17 branches in Northern California, 9 branches in New York State, four in Washington State, two in Illinois, two in Texas, one in Maryland, Massachusetts, Nevada, and New Jersey, one in Hong Kong, and a representative office in Taipei, Beijing, Shanghai and Ho Chi Minh City. Deposit accounts at the Hong Kong branch are not insured by the Federal Deposit Insurance Corporation (the "FDIC"). Current activities of Taipei, Beijing, Shanghai and Ho Chi Minh City representative offices are limited to coordinating the transportation of documents to Bank's head office and performing liaison services.

2. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2026. For further information, refer to the audited Consolidated Financial Statements and Notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 2, 2026 (the "2025 Form 10-K").

The preparation of the Consolidated Financial Statements in accordance with GAAP requires management of the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements. Actual results could differ from those estimates. The Company expects that the most significant estimate subject to change is the allowance for loan losses.

Certain prior period amounts disclosed have been reclassified to conform to the current presentation with no impact on previously reported net income or stockholders' equity.

3. Recently Issued Accounting Standards Pending Adoption

In December 2025, ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements", was issued. ASU 2025-11 clarifies and enhances guidance under ASC 270 on interim financial reporting by (i) clarifying the scope of ASC 270 such that it now explicitly applies only to entities that issue complete interim financial statements and related notes under U.S. GAAP, (ii) establishing clear guidance on the form of interim statements and notes, incorporating a comprehensive list of required interim disclosures drawn from across the ASC, and (iii) introducing a requirement to disclose material events and changes occurring after the end of the last annual period that could impact interim results. ASU 2025-11 will be effective for us for interim periods beginning in 2028, though early adoption is permitted. ASU 2025-11 is not expected to have a significant impact on our financial statements.

In November 2025, ASU 2025-09, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements", was issued. ASU 2025-09 amends ASC 815 to align hedge accounting more closely with an entity's economic risk management practices. Key amendments include (i) to allow designating a variable price component of a nonfinancial forecasted purchase or sale as the hedged risk, (ii) to allow grouping individual forecasted transactions with similar (not identical) risk exposures, (iii) a new model for hedging forecasted interest on variable-rate debt, enabling changes in index or tenor without de-designation, subject to simplifying assumptions, and (iv) additional clarifications related to hedge accounting of nonfinancial components, net written options, and dual-hedge strategies. ASU 2025-09 will be effective for us beginning in 2027, though early adoption is permitted. ASU 2025-09 is not expected to have a significant impact on our financial statements.

In November 2025, ASU 2025-08, “Financial Instruments - Credit Losses (Topic 326): Purchased Loans”, was issued. ASU 2025-08 expands the scope of the “gross-up” method, formerly applicable only to purchased credit-deteriorated ("PCD") assets, to include acquired non-PCD loans that meet certain criteria, now referred to as “purchased seasoned loans” (PSLs). Under this model, an allowance for expected credit losses is recognized at acquisition, offsetting the loan’s amortized cost basis, thereby eliminating the day-one credit-loss expense previously required for non-PCD assets. PSLs are defined as non-PCD loans acquired either (i) through a business combination, or (ii) purchased more than 90 days after origination when the acquirer was not involved in origination. ASU 2025-08 will be effective for us, on a prospective basis for loans acquired on or after the adoption date, for interim and annual reporting periods beginning in 2027, though early adoption is permitted. ASU 2025-08 is not expected to have a significant impact on our financial statements.

In September 2025, ASU No. 2025-06, “Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software”, was issued. ASU 2025-06 simplifies and modernizes the accounting for internal-use software by removing prescriptive project stage guidance and introducing a new capitalization threshold. Under the revised standard, software development costs are capitalized when management authorizes and commits funding for the project, and it is probable the software will be completed and used as intended. ASU 2025-06 will be effective in 2028. ASU 2025-06 is not expected to have a significant impact on our financial statements.

In November 2024, ASU No. 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”, was issued. This ASU requires disaggregated disclosure of income statement expenses for public business entities. ASU 2024-03 requires new financial statement disclosures in tabular format, disaggregating information about prescribed categories underlying any relevant income statement expense caption. The prescribed categories include, among other things, employee compensation, depreciation, and intangible asset amortization. Additionally, entities must disclose the total amount of selling expenses and, in annual reporting periods, an entity’s definition of selling expenses. ASU 2024-03 is effective for us, on a prospective basis, for annual periods beginning in 2027, and interim periods within fiscal years beginning in 2028, though early adoption and retrospective application is permitted. ASU 2024-03 is not expected to have a significant impact on our financial statements.

4. Investment Securities

The following tables set forth the amortized cost, gross unrealized gains, gross unrealized losses, and fair value of securities available-for-sale ("AFS") as of September 30, 2026, and December 31, 2025.

	September 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	($ In thousands)			
Securities AFS				
U.S. treasury securities	$ 925,220	$ —	$ 573	$ 924,647
U.S. government agency entities	611	51	84	578
Mortgage-backed securities	701,414	43	66,840	634,617
Collateralized mortgage obligations	5,638	—	1,429	4,209
Corporate debt securities	25,000	5	20	24,985
Total	**$ 1,657,883**	**$ 99**	**$ 68,946**	**$ 1,589,036**

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	($ In thousands)			
Securities AFS				
U.S. treasury securities	$ 827,763	$ 430	$ —	$ 828,193
U.S. government agency entities	5,888	52	118	5,822
U.S. government sponsored entities	25,000	11	—	25,011
Mortgage-backed securities	704,213	548	75,324	629,437
Collateralized mortgage obligations	24,454	—	1,706	22,748
Corporate debt securities	148,133	101	1,222	147,012
Total	**$ 1,735,451**	**$ 1,142**	**$ 78,370**	**$ 1,658,223**

AFS securities with carrying value of $19.7 million and $22.8 million as of September 30, 2026, and December 31, 2025, respectively, were pledged to secure public deposits and other borrowings.

As of September 30, 2026, and December 31, 2025, accrued interest receivables on AFS securities totaled $2.7 million and $3.0 million, respectively. These amounts are excluded from the securities' amortized cost and included in accrued interest receivable on the Consolidated Balance Sheets. For the Company's accounting policy related to accrued interest receivable on AFS securities, *see Note 1 - Summary of Significant Accounting Policies – Securities Available for Sale – Allowance for Credit Losses on Available for Sale Securities* to the Consolidated Financial Statements in the Company's 2025 Form 10-K.

The amortized cost and fair value of AFS securities as of September 30, 2026, by contractual maturities, are set forth in the table below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or repayment penalties.

	September 30, 2026	
	Securities AFS	
	Amortized Cost	Fair Value
	($ In thousands)	
Due in one year or less	$ 935,275	$ 934,634
Due after one year through five years	15,297	15,297
Due after five years through ten years	1,510	1,295
Due after ten years	705,801	637,810
Total	**$ 1,657,883**	**$ 1,589,036**

The following tables set forth the gross unrealized losses and related fair value of the Company's investment portfolio, aggregated by investment category and the length of time that individual security has been in a continuous unrealized loss position, as of September 30, 2026, and December 31, 2025.

	September 30, 2026					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	($ In thousands)					
Securities AFS						
U.S. treasury securities	$ 874,647	$ 573	$ —	$ —	$ 874,647	$ 573
U.S. government agency entities	—	—	513	84	513	84
Mortgage-backed securities	431,123	21,379	203,135	45,461	634,258	66,840
Collateralized mortgage obligations	—	—	4,209	1,429	4,209	1,429
Corporate debt securities	—	—	9,980	20	9,980	20
Total	**$ 1,305,770**	**$ 21,952**	**$ 217,837**	**$ 46,994**	**$ 1,523,607**	**$ 68,946**

	December 31, 2025					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	($ In thousands)					
Securities AFS						
U.S. government agency entities	$ 834	$ 1	$ 3,585	$ 117	$ 4,419	$ 118
Mortgage-backed securities	207	—	600,658	75,324	600,865	75,324
Collateralized mortgage obligations	—	—	22,747	1,706	22,747	1,706
Corporate debt securities	—	—	76,912	1,222	76,912	1,222
Total	**$ 1,041**	**$ 1**	**$ 703,902**	**$ 78,369**	**$ 704,943**	**$ 78,370**

As of September 30, 2026, the Company had a total of 92 AFS securities in a gross unrealized loss position with no credit impairment, consisting primarily of 68 mortgage-backed securities, 18 U.S. treasury securities, four U.S. government agency securities, one corporate debt security, and one collateralized mortgage obligation. As of December 31, 2025, the Company had a total of 159 AFS securities in a gross unrealized loss position with no credit impairment, consisting primarily of 138 mortgage-backed securities, ten U.S. government agency securities, eight corporate debt securities, and three collateralized mortgage obligations.

The AFS securities that were in an unrealized loss position at September 30, 2026, were evaluated to determine whether the decline in fair value below the amortized cost basis resulted from a credit loss or other factors. For a discussion of the factors and criteria the Company uses in analyzing securities for impairment related to credit losses, *see Note 1 - Summary of Significant Accounting Policies - Allowance for Credit Losses on Available for Sale Securities* to the Consolidated Financial Statements in the Company's 2025 Form 10-K.

During the quarter ended September 30, 2026, the Company sold certain available-for-sale investment securities with an amortized cost basis of $89.8 million and recognized a loss of $15.1 million related to investment securities repositioning activities. For the nine months ended September 30, 2026, the Company sold lower-yielding securities with an amortized cost of $460.3 million and recognized a realized loss of $41.3 million.

The unrealized losses on the remaining AFS securities were primarily attributable to changes in the yield curve and wider liquidity and credit spreads. The issuers have not, to the Company's knowledge, exhibited any conditions that would indicate a risk of default. Other than the securities sold, the Company expects to recover the amortized cost basis of its AFS securities and has no intent to sell, nor is it more likely than not that it will be required to sell, securities in an unrealized loss position before recovery. Accordingly, no allowance for credit losses was recorded on AFS securities as of September 30, 2026, and no provision for credit losses was recognized for the quarter.

5. Loans

Most of the Company's business activities are with clients located in areas with significant Asian populations in Southern and Northern California; New York City, New York; Dallas and Houston, Texas; Seattle, Washington; Boston, Massachusetts; Chicago, Illinois; Edison, New Jersey; Rockville, Maryland; and Las Vegas, Nevada. The Company also has loan clients in Hong Kong. The Company does not have a significant concentration in any single commercial industry sector and generally its loans, when secured, are secured by real property or other collateral of the borrowers. The Company generally expects loans to be paid off from the operating profits of the borrowers, from refinancing by other lenders, or through sale by the borrowers of the secured collateral.

The types of loans in the Company's Consolidated Balance Sheets as of September 30, 2026, and December 31, 2025, were as follows:

	September 30, 2026	December 31, 2025
	($ In thousands)	
Commercial loans	$ 3,945,390	$ 3,184,556
Construction loans	265,880	337,550
Commercial real estate loans	10,844,794	10,564,744
Residential mortgage loans	5,905,416	5,832,094
Equity lines	227,831	226,444
Installment and other loans	6,550	1,814
Gross loans	$ 21,195,861	$ 20,147,202
Allowance for loan losses	(224,190)	(195,911)
Unamortized deferred loan fees, net	(15,523)	(14,903)
Total loans held for investment, net	$ **20,956,148**	$ **19,936,388**

As of September 30, 2026, and December 31, 2025, recorded investment in non-accrual loans was $87.3 million and $112.4 million, respectively. For non-accrual loans, the amounts previously charged-off represent 5.0% and 14.4% of the contractual balances for non-accrual loans as of September 30, 2026, and December 31, 2025, respectively.

At September 30, 2026, the Bank pledged $1.27 billion of its commercial loans to the Federal Reserve Bank's Discount Window under the Borrower-in-Custody program. The Bank had borrowing capacity of $1.17 billion from the Federal Reserve Bank Discount Window at September 30, 2026.

The following table presents non-accrual loans and the related allowance as of September 30, 2026, and December 31, 2025.

	September 30, 2026		
	Unpaid Principal Balance	Recorded Investment	Allowance
		($ In thousands)	
With no allocated allowance:			
Commercial loans	$ 4,851	$ 4,764	$ —
Commercial real estate loans	55,125	46,483	—
Residential mortgage loans and equity lines	19,923	19,178	—
Subtotal	$ 79,899	$ 70,425	$ —
With allocated allowance:			
Commercial loans	$ 5,042	$ 2,424	$ 1,125
Commercial real estate loans	841	763	9
Residential mortgage loans and equity lines	14,749	13,666	59
Subtotal	$ 20,632	$ 16,853	$ 1,193
Total non-accrual loans	$ **100,531**	$ **87,278**	$ **1,193**

	December 31, 2025		
	Unpaid Principal Balance	Recorded Investment	Allowance
	($ In thousands)		
With no allocated allowance:			
Commercial loans	$ 25,154	$ 14,899	$ —
Commercial real estate loans	58,213	39,874	—
Residential mortgage loans and equity lines	32,854	31,354	—
Subtotal	$ 116,221	$ 86,127	$ —
With allocated allowance:			
Commercial loans	$ 6,887	$ 6,599	$ 3,409
Commercial real estate loans	24,438	19,637	8,932
Subtotal	$ 31,325	$ 26,236	$ 12,341
Total non-accrual loans	**$ 147,546**	**$ 112,363**	**$ 12,341**

The following tables present the average recorded investment and interest income recognized on non-accrual loans for the period indicated:

	Three Months Ended September 30, 2026		Nine Months Ended September 30, 2026	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
	($ In thousands)			
Commercial loans	$ 7,539	$ 2	$ 10,070	$ 6
Construction loans	2,971	—	1,001	—
Commercial real estate loans	60,919	—	60,951	—
Residential mortgage loans and equity lines	31,557	—	31,690	—
Total non-accrual loans	**$ 102,986**	**$ 2**	**$ 103,712**	**$ 6**

	Three Months Ended September 30, 2025		Nine Months Ended September 30, 2025	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
	($ In thousands)			
Commercial loans	$ 45,584	$ —	$ 53,099	$ 7
Construction loans	—	—	1,804	—
Commercial real estate loans	101,615	—	93,100	—
Residential mortgage loans and equity lines	27,517	—	26,737	—
Total non-accrual loans	**$ 174,716**	**$ —**	**$ 174,740**	**$ 7**

The following tables present the aging of the loan portfolio by type as of September 30, 2026 and December 31, 2025:

	September 30, 2026						
	Accruing						
	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Non-accrual Loans	Total Past Due	Loans Not Past Due	Total
				($ In thousands)			
Type of Loans:							
Commercial loans	$ 19,530	$ 15,565	$ 4,994	$ 7,188	$ 47,277	$ 3,898,113	$ 3,945,390
Construction loans	—	—	—	—	—	265,880	265,880
Commercial real estate loans	3,627	12,939	—	47,246	63,812	10,780,982	10,844,794
Residential mortgage loans and equity lines	—	17,615	—	32,844	50,459	6,082,788	6,133,247
Installment and other loans	—	—	—	—	—	6,550	6,550
Total loans	**$ 23,157**	**$ 46,119**	**$ 4,994**	**$ 87,278**	**$ 161,548**	**$ 21,034,313**	**$ 21,195,861**

	December 31, 2025						
	Accruing						
	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Non-accrual Loans	Total Past Due	Loans Not Past Due	Total
				($ In thousands)			
Type of Loans:							
Commercial loans	$ 13,561	$ 1,376	$ —	$ 21,498	$ 36,435	$ 3,148,121	$ 3,184,556
Construction loans	—	—	—	—	—	337,550	337,550
Commercial real estate loans	5,062	6,254	1,000	59,511	71,827	10,492,917	10,564,744
Residential mortgage loans and equity lines	31,440	10,861	—	31,354	73,655	5,984,883	6,058,538
Installment and other loans	—	—	—	—	—	1,814	1,814
Total loans	**$ 50,063**	**$ 18,491**	**$ 1,000**	**$ 112,363**	**$ 181,917**	**$ 19,965,285**	**$ 20,147,202**

The Company evaluates loan modifications made to borrowers experiencing financial difficulty to determine whether the modification results in a new loan under ASC 310-20. For modifications that do not result in a new loan, the Company uses the post-modification contractual terms, including the post-modification contractual interest rate, when applying a discounted cash flow method to estimate expected credit losses. Loan modifications made to borrowers experiencing financial difficulty are individually evaluated. The modification may include, but is not limited to, term extensions, payment delays, interest rate reductions, or a combination of such modifications.

The following table presents the amortized cost of loans modified to borrowers experiencing financial difficulty disaggregated by class of financing receivable, type of concession granted and the financial effects of the modifications for the three and nine months ended September 30, 2026, and September 30, 2025, by loan class and modification type. There were no loan modification activities for the three months ended September 30, 2026. The tables do not include those modifications that only resulted in an insignificant payment delay.

	Nine Months Ended September 30, 2026					Financial Effects of Loan Modifications		
	Term Extension	Payment Delay	Combo-Rate Reduction/Term Extension/Payment Delay	Total	Modification as a % of Loan Class	Weighted-Average Reduction in Rate	Weighted-Average Term Extension (in Years)	Weighted-Average Payment Deferral (in Years)
	($ In thousands)							
Loan Type								
Commercial loans	$ 5,511	$ 37,931	$ 5,461	$ 48,903	1.24%	0.00	0.3	0.3
Commercial real estate loans	14,739	—	6,595	21,334	0.20%	1.62	0.7	0.9
Residential mortgage loans	—	—	206	206	0.00%	(0.75)	12.4	0.7
Construction loans	8,637	—	—	8,637	3.25%	1.26	0.4	0.0
Total	**$ 28,887**	**$ 37,931**	**$ 12,262**	**$ 79,080**				

	Three Months Ended September 30, 2025					Financial Effects of Loan Modifications		
	Term Extension	Payment Delay	Combo-Rate Reduction/Term Extension/Payment Delay	Total	Modification as a % of Loan Class	Weighted-Average Reduction in Rate	Weighted-Average Term Extension (in Years)	Weighted-Average Payment Deferral (in Years)
	($ In thousands)							
Loan Type								
Commercial loans	$ 2,495	$ —	$ 13,424	$ 15,919	0.50%	0.00	0.4	0.2
Commercial real estate loans	2,060	—	—	2,060	0.02%	0.00	1.0	0.0
Construction loans	11,197	—	26,140	37,337	10.48%	(0.31)	0.6	0.0
Total	**$ 15,752**	**$ —**	**$ 39,564**	**$ 55,316**				

	Nine Months Ended September 30, 2025					Financial Effects of Loan Modifications		
	Term Extension	Payment Delay	Combo-Rate Reduction/Term Extension/Payment Delay	Total	Modification as a % of Loan Class	Weighted-Average Reduction in Rate	Weighted-Average Term Extension (in Years)	Weighted-Average Payment Deferral (in Years)
	($ In thousands)							
Loan Type								
Commercial loans	$ 6,303	$ —	$ 13,424	$ 19,727	0.61%	0.00	1.1	0.2
Commercial real estate loans	2,060	—	4,014	6,074	0.06%	(0.91)	2.1	0.5
Residential mortgage loans	—	—	217	217	0.00%	0.00	0.0	1.9
Construction loans	11,197	—	26,140	37,337	10.48%	(0.31)	0.6	0.0
Total	**$ 19,560**	**$ —**	**$ 43,795**	**$ 63,355**				

The Company considers a loan to be in payment default once it is 90 days contractually past due under the modified terms. The Company closely monitors the performance of modified loans to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts.

There were no loans that received modifications within the twelve months preceding payment default that subsequently defaulted during the three months and nine months ended September 30, 2026 and September 30, 2025.

The following table presents the performance of loans that were modified in the twelve months ended September 30, 2026, and 2025.

	As of September 30, 2026			
	Current	30–89 Days Past Due	90+ Days Past Due	Total
	($ In thousands)			
Loan Type				
Commercial loans	$ 43,443	$ 5,460	$ —	$ 48,903
Commercial real estate loans	21,334	—	—	21,334
Residential mortgage loans	206	—	—	206
Construction loans	8,637	—	—	8,637
Total	$ **73,620**	$ **5,460**	$ —	$ **79,080**

	As of September 30, 2025			
	Current	30–89 Days Past Due	90+ Days Past Due	Total
	($ In thousands)			
Loan Type				
Commercial loans	$ 12,227	$ 7,500	$ —	$ 19,727
Commercial real estate loans	6,074	—	—	6,074
Construction loans	37,337	—	—	37,337
Residential mortgage loans	217	—	—	217
Total	$ **55,855**	$ **7,500**	$ —	$ **63,355**

Under the Company's internal underwriting policy, an evaluation is performed of the probability that the borrower will be in payment default on any of its debt in the foreseeable future without the modification in order to determine whether a borrower is experiencing financial difficulty.

As of September 30, 2026, there were no commitments to lend additional funds to borrowers experiencing financial difficulty and whose loans were modified.

As part of the on-going monitoring of the credit quality of our loan portfolio, the Company utilizes a risk grading matrix to assign a risk grade to each loan. Loans are risk rated based on analysis of the current state of the borrower's credit quality. The analysis of credit quality includes a review of sources of repayment, the borrower's current financial and liquidity status and other relevant information. The risk rating categories can be generally described by the following grouping for non-homogeneous loans:

- **Pass/Watch** – These loans range from minimal credit risk to higher than average, but still acceptable, credit risk. The loans have sufficient sources of repayment to repay the loans in full, in accordance with all the terms and conditions and remain currently well protected by collateral values.

- **Special Mention** – Borrower is fundamentally sound, and loan is currently protected but adverse trends are apparent that, if not corrected, may affect ability to repay. Primary source of loan repayment remains viable but there is increasing reliance on collateral or guarantor support.

- **Substandard** – These loans are inadequately protected by current sound net worth, paying capacity, or collateral. Well-defined weaknesses exist that could jeopardize repayment of debt. Loss may not be imminent, but if weaknesses are not corrected, there is a good possibility of some loss.

- **Doubtful** – The possibility of loss is extremely high, but due to identifiable and important pending events (which may strengthen the loan), a loss classification is deferred until the situation is better defined.

- **Loss** – These loans are considered uncollectible and of such little value that to continue to carry the loan as an active asset is no longer warranted.

The following table summarizes the Company's loans held for investment and current year-to-date gross write-offs as of September 30, 2026, and December 31, 2025, presented by loan portfolio segments, internal risk ratings and vintage year. The vintage year is the year of origination, renewal or major modification. Revolving Loans that are converted to term loans presented in the table below are excluded from the term loans by vintage year columns.

	Loans Amortized Cost Basis by Origination Year								
September 30, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Revolving Loans**	**Revolving Converted to Term Loans**	**Total**
					($ In thousands)				
Commercial loans									
Pass/Watch	$ 517,548	$ 376,222	$ 169,974	$ 177,681	$ 149,358	$ 200,911	$ 2,216,913	$ 7,451	$ 3,816,058
Special Mention	1,547	13,074	3,968	2,094	1,032	3,664	37,435	—	62,814
Substandard	30	11,559	—	12,979	1,888	11,906	23,526	927	62,815
Total	**$ 519,125**	**$ 400,855**	**$ 173,942**	**$ 192,754**	**$ 152,278**	**$ 216,481**	**$ 2,277,874**	**$ 8,378**	**$ 3,941,687**
YTD gross write-offs	$ —	$ 74	$ 2,232	$ 309	$ 2,204	$ 2,848	$ 3,308	$ —	$ 10,975
Construction loans									
Pass/Watch	$ 52,643	$ 109,294	$ 29,745	$ 28,464	$ —	$ 24,563	$ 2,346	$ —	$ 247,055
Substandard	8,114	—	—	4,817	—	3,820	—	—	16,751
Total	**$ 60,757**	**$ 109,294**	**$ 29,745**	**$ 33,281**	**$ —**	**$ 28,383**	**$ 2,346**	**$ —**	**$ 263,806**
YTD gross write-offs	$ —	$ —	$ —	$ —	$ 8,810	$ —	$ —	$ —	$ 8,810
Commercial real estate loans									
Pass/Watch	$ 1,592,518	$ 1,845,735	$ 1,138,664	$ 1,438,120	$ 1,317,854	$ 2,688,482	$ 250,295	$ 513	$ 10,272,181
Special Mention	32,672	16,254	34,137	81,108	103,403	51,386	8,600	—	327,560
Substandard	2,424	2,160	36,902	24,576	59,433	111,116	391	—	237,002
Total	**$ 1,627,614**	**$ 1,864,149**	**$ 1,209,703**	**$ 1,543,804**	**$ 1,480,690**	**$ 2,850,984**	**$ 259,286**	**$ 513**	**$ 10,836,743**
YTD gross write-offs	$ —	$ —	$ —	$ —	$ —	$ 19,245	$ —	$ —	$ 19,245
Residential mortgage loans									
Pass/Watch	$ 827,519	$ 849,858	$ 367,606	$ 774,598	$ 813,731	$ 2,218,478	$ —	$ —	$ 5,851,790
Special Mention	—	—	—	—	—	1,532	—	—	1,532
Substandard	13	3,840	3,160	6,135	9,794	26,948	—	—	49,890
Total	**$ 827,532**	**$ 853,698**	**$ 370,766**	**$ 780,733**	**$ 823,525**	**$ 2,246,958**	**$ —**	**$ —**	**$ 5,903,212**
YTD gross write-offs	$ —	$ —	$ —	$ 16	$ —	$ —	$ —	$ —	$ 16
Equity lines									
Pass/Watch	$ —	$ —	$ —	$ —	$ —	$ —	$ 211,285	$ 15,923	$ 227,208
Substandard	—	—	—	—	—	—	884	248	1,132
Total	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 212,169**	**$ 16,171**	**$ 228,340**
YTD gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Installment and other loans									
Pass/Watch	$ 5,925	$ 563	$ —	$ —	$ 62	$ —	$ —	$ —	$ 6,550
Total	**$ 5,925**	**$ 563**	**$ —**	**$ —**	**$ 62**	**$ —**	**$ —**	**$ —**	**$ 6,550**
YTD gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total loans	**$ 3,040,953**	**$ 3,228,559**	**$ 1,784,156**	**$ 2,550,572**	**$ 2,456,555**	**$ 5,342,806**	**$ 2,751,675**	**$ 25,062**	**$ 21,180,338**
Total YTD gross write-offs	**$ —**	**$ 74**	**$ 2,232**	**$ 325**	**$ 11,014**	**$ 22,093**	**$ 3,308**	**$ —**	**$ 39,046**

December 31, 2025	Loans Amortized Cost Basis by Origination Year								
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Converted to Term Loans	Total
					($ In thousands)				
Commercial loans									
Pass/Watch	$ 384,065	$ 190,685	$ 220,174	$ 154,865	$ 157,979	$ 85,858	$ 1,702,322	$ 6,269	$ 2,902,217
Special Mention	—	33,459	—	1,462	5,000	3,875	117,738	—	161,534
Substandard	16,414	2,166	16,962	2,479	2,615	10,443	61,790	1,031	113,900
Doubtful	—	—	—	1,805	—	297	—	—	2,102
Total	**$ 400,479**	**$ 226,310**	**$ 237,136**	**$ 160,611**	**$ 165,594**	**$ 100,473**	**$ 1,881,850**	**$ 7,300**	**$ 3,179,753**
YTD gross write-offs	$ —	$ 175	$ 715	$ 2,752	$ 4,469	$ 12,503	$ 12,487	$ —	$ 33,101
Construction loans									
Pass/Watch	$ 86,893	$ 69,113	$ 37,801	$ 68,635	$ 30,283	$ —	$ 1,298	$ —	$ 294,023
Special Mention	—	—	9,235	—	—	—	—	—	9,235
Substandard	—	—	—	—	26,060	6,636	—	—	32,696
Total	**$ 86,893**	**$ 69,113**	**$ 47,036**	**$ 68,635**	**$ 56,343**	**$ 6,636**	**$ 1,298**	**$ —**	**$ 335,954**
YTD gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate loans									
Pass/Watch	$ 1,909,540	$ 1,286,856	$ 1,673,226	$ 1,442,872	$ 1,290,175	$ 2,184,774	$ 206,139	$ —	$ 9,993,582
Special Mention	29,745	58,491	74,142	113,065	32,074	33,062	22,214	—	362,793
Substandard	2,589	15,069	11,520	26,772	59,915	63,004	1,724	1,208	181,801
Doubtful	—	—	—	—	—	17,843	—	—	17,843
Total	**$ 1,941,874**	**$ 1,360,416**	**$ 1,758,888**	**$ 1,582,709**	**$ 1,382,164**	**$ 2,298,683**	**$ 230,077**	**$ 1,208**	**$ 10,556,019**
YTD gross write-offs	$ —	$ —	$ —	$ —	$ 930	$ 3,632	$ —	$ —	$ 4,562
Residential mortgage loans									
Pass/Watch	$ 980,403	$ 488,518	$ 899,547	$ 905,719	$ 688,469	$ 1,826,904	$ —	$ —	$ 5,789,560
Special Mention	—	—	—	—	—	1,571	—	—	1,571
Substandard	47	2,140	5,252	7,585	4,764	20,801	—	—	40,589
Total	**$ 980,450**	**$ 490,658**	**$ 904,799**	**$ 913,304**	**$ 693,233**	**$ 1,849,276**	**$ —**	**$ —**	**$ 5,831,720**
YTD gross write-offs	$ —	$ 74	$ —	$ —	$ —	$ —	$ —	$ —	$ 74
Equity lines									
Pass/Watch	$ —	$ —	$ —	$ —	$ —	$ —	$ 209,256	$ 15,853	$ 225,109
Substandard	—	—	—	—	—	—	1,494	436	1,930
Total	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 210,750**	**$ 16,289**	**$ 227,039**
YTD gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Installment and other loans									
Pass/Watch	$ 1,635	$ 108	$ —	$ 71	$ —	$ —	$ —	$ —	$ 1,814
Total	**$ 1,635**	**$ 108**	**$ —**	**$ 71**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 1,814**
YTD gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total loans	**$ 3,411,331**	**$ 2,146,605**	**$ 2,947,859**	**$ 2,725,330**	**$ 2,297,334**	**$ 4,255,068**	**$ 2,323,975**	**$ 24,797**	**$ 20,132,299**
Total YTD gross write-offs	**$ —**	**$ 249**	**$ 715**	**$ 2,752**	**$ 5,399**	**$ 16,135**	**$ 12,487**	**$ —**	**$ 37,737**

Allowance for Credit Losses

The Company has an allowance framework under ASC Topic 326 for all financial assets measured at amortized cost and certain off-balance sheet credit exposures. The measurement of the allowance for credit losses is based on management's best estimate of lifetime expected credit losses inherent in the Company's relevant financial assets. The forward-looking concept of current expected credit loss ("CECL") approach requires loss estimates to consider historical experience, current conditions and reasonable and supportable economic forecasts of future events and circumstances.

The ACL is the combination of the allowance for loan losses and the reserve for unfunded loan commitments. The allowance for loan losses is reported as a reduction of the amortized cost basis of loans, while the reserve for unfunded loan commitments is included within "other liabilities" on the Consolidated Balance Sheets (Unaudited). The amortized cost basis of loans does not include accrued interest receivable, which is included in "accrued interest receivable" on the Consolidated Balance Sheets. The "Provision for credit losses" on the Consolidated Statements of Operations and Comprehensive Income (Unaudited) is a combination of the provision for loan losses and the provision for unfunded loan commitments.

Management estimates expected credit losses using a combination of historical loss experience, internal credit risk metrics, borrower-specific information, and external economic forecasts. Historical loss data accounts for portfolio composition, delinquency trends, and other relevant credit indicators. The Company incorporates forward-looking information by applying reasonable and supportable forecasts of key macroeconomic variables, including GDP, unemployment rates, and real estate market conditions, which are updated regularly and applied consistently across loan portfolios.

Under the CECL methodology, quantitative and qualitative loss factors are applied to our population of loans on a collective pool basis when similar risk characteristics exist. Loans that do not share similar risk characteristics with pooled loans include loans individually evaluated due to credit deterioration, borrower-specific circumstances and loan modifications made to borrowers experiencing financial difficulty. Expected credit losses for individually evaluated loans are measured using discounted expected cash flows or, for collateral-dependent loans, the fair value of collateral less estimated costs to sell.

Quantitative Factors

The Company evaluates expected credit losses for loan pools with similar risk characteristics using quantitative models that incorporate historical loss experience, borrower credit attributes, collateral characteristics, and projected economic conditions. Loan portfolios are segmented into groups such as residential mortgages, commercial and industrial loans, construction loans, and various classes of commercial real estate based on common risk characteristics. The quantitative models estimate lifetime expected credit losses by considering contractual cash flows and expected prepayments, and the impact of forecasted macroeconomic conditions.

The quantitative framework generally considers the probability that a borrower will default (“probability of default” or PD), the expected severity of loss in the event of default (“loss given default” or LGD), and the expected exposure at the time of default (“exposure at default” or EAD). These components are influenced by historical performance, loan structure, collateral type, and forecasted macroeconomic conditions. The models estimate lifetime expected credit losses by considering contractual cash flows and expected prepayments, and the impact of forecasted economic conditions.

The Company applies an eight quarter reasonable and supportable forecast period followed by a four quarter systematic reversion to long-term historical loss experience. Multiple economic scenarios may be considered in developing the forecast, and management applies judgment in determining the weighting of those scenarios.

Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments. The contractual term excludes expected extensions, renewals, and modifications unless such options are included in the original or modified contract and are not unconditionally cancellable by the Company.

For certain smaller portfolios with limited historical loss experience, such as SBA loans and HELOCs, the Company applies a simplified loss-rate approach that incorporates historical performance, forecasted economic conditions, and reversion to long-term loss expectations.

Qualitative Factors

The Company applies qualitative adjustments to reflect factors not fully captured in the quantitative models, including changes in underwriting practices, borrower concentrations, subportfolio growth, competitive dynamics, regulatory developments, and economic uncertainty. Qualitative adjustments also consider emerging risks, model limitations, and credit trends not yet reflected in historical data, as well as collateral value considerations for certain loan types.

The Company's CECL methodology requires a significant amount of management judgment in determining the appropriate allowance for credit losses. Several of the steps in the methodology are subjective in nature including, among other things:

- Segmenting the loan portfolio
- Determining the amount of loss history to consider
- Evaluating model inputs, assumptions, and data sources
- Assessing expected prepayment behavior
- Selecting and weighting the most appropriate reasonable and supportable ("R&S") economic forecast scenario
- Determining the length and structure of the R&S forecast and reversion periods
- Estimating expected utilization rates on unfunded loan commitments
- Assessing relevant and appropriate qualitative factors.

In addition, the CECL methodology is dependent on economic forecasts that are inherently imprecise and subject to change from period to period. Although the allowance for credit losses is considered by management to be appropriate, there can be no assurance that it will be sufficient to absorb future losses.

Management believes the allowance for credit losses is appropriate based on the Company's loan portfolio, associated unfunded commitments, credit risk ratings, and other relevant information available.

Individually Evaluated Loans

When a loan no longer shares similar risk characteristics with other loans, such as in the case of certain nonaccrual loans, the Company estimates the allowance for loan losses on an individual loan basis. Generally, the allowance for loan losses for individually evaluated loans is measured as the difference between the recorded value of the loans and the fair value of the collateral. For loans evaluated individually, the Company uses one of two different asset valuation measurement methods: (1) the fair value of collateral less costs to sell; or (2) the present value of expected future cash flows. If an individually evaluated loan is determined to be collateral dependent, the Company applies the fair value of the collateral less costs to sell method. If an individually evaluated loan is determined not to be collateral dependent, the Company uses the present value of future cash flows.

Unfunded Loan Commitments

Unfunded loan commitments are generally related to providing credit facilities to clients of the Bank and are not actively traded financial instruments. These unfunded commitments are disclosed as off-balance sheet financial instruments in Note 9 in the Notes to Consolidated Financial Statements (Unaudited).

The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company, using the same loss factors as used for the allowance for loan losses. The reserve for unfunded loan commitments uses a one-year historical usage rate of the unfunded commitments during the contractual life of the commitments. The allowance for unfunded commitments is included in "other liabilities" on the Consolidated Balance Sheets. Changes in the allowance for unfunded commitments are included in the provision for credit losses.

The following tables set forth activity in the allowance for loan losses and allowance for unfunded commitments by portfolio segment for the three and nine months ended September 30, 2026, and September 30, 2025.

	Commercial Loans	Construction Loans	Commercial Real Estate Loans	Residential Mortgage Loans and Equity Lines	Installment and Other Loans	Total
			($ In thousands)			
Allowance for Loan Losses:						
June 30, 2026 Ending Balance	$ 46,374	$ 15,153	$ 134,102	$ 23,260	$ 7	$ 218,896
(Reversal)/provision for expected credit losses	(8,099)	5,029	26,751	6,883	16	30,580
Charge-offs	(261)	(8,810)	(17,876)	—	—	(26,947)
Recoveries	1,660	1	—	—	—	1,661
Net recoveries/(charge-offs)	1,399	(8,809)	(17,876)	—	—	(25,286)
September 30, 2026 Ending Balance	**$ 39,674**	**$ 11,373**	**$ 142,977**	**$ 30,143**	**$ 23**	**$ 224,190**
Allowance for unfunded credit commitments:						
June 30, 2026 Ending Balance	$ 11,611	$ 3,042	$ 265	$ —	$ —	$ 14,918
(Reversal)/provision for expected credit losses	(3,103)	1,117	6	—	—	(1,980)
September 30, 2026 Ending Balance	**$ 8,508**	**$ 4,159**	**$ 271**	**$ —**	**$ —**	**$ 12,938**

	Commercial Loans	Construction Loans	Commercial Real Estate Loans	Residential Mortgage Loans and Equity Lines	Installment and Other Loans	Total
			($ In thousands)			
Allowance for Loan Losses:						
June 30, 2025 Ending Balance	$ 40,842	$ 5,434	$ 106,773	$ 20,465	$ 17	$ 173,531
Provision/(reversal) for expected credit losses	13,855	966	11,054	2,892	(5)	28,762
Charge-offs	(16,173)	—	(314)	—	—	(16,487)
Recoveries	547	5	285	4	—	841
Net (charge-offs)/recoveries	(15,626)	5	(29)	4	—	(15,646)
September 30, 2025 Ending Balance	**$ 39,071**	**$ 6,405**	**$ 117,798**	**$ 23,361**	**$ 12**	**$ 186,647**
Allowance for unfunded credit commitments:						
June 30, 2025 Ending Balance	$ 7,590	$ 2,248	$ 54	$ —	$ —	$ 9,892
(Reversal)/provision for expected credit losses	(872)	698	143	—	—	(31)
September 30, 2025 Ending Balance	**$ 6,718**	**$ 2,946**	**$ 197**	**$ —**	**$ —**	**$ 9,861**

	Commercial Loans	Construction Loans	Commercial Real Estate Loans	Residential Mortgage Loans and Equity Lines	Installment and Other Loans	Total
			($ In thousands)			
Allowance for Loan Losses:						
December 31, 2025 Ending Balance	$ 39,123	$ 6,475	$ 125,665	$ 24,641	$ 7	$ 195,911
Provision for expected credit losses	4,082	13,707	34,255	5,476	16	57,536
Charge-offs	(10,975)	(8,810)	(19,245)	(16)	—	(39,046)
Recoveries	7,444	1	2,302	42	—	9,789
Net (charge-offs)/recoveries	(3,531)	(8,809)	(16,943)	26	—	(29,257)
September 30, 2026 Ending Balance	**$ 39,674**	**$ 11,373**	**$ 142,977**	**$ 30,143**	**$ 23**	**$ 224,190**
Allowance for unfunded credit commitments:						
December 31, 2025 Ending Balance	$ 9,067	$ 3,095	$ 279	$ —	$ —	$ 12,441
(Reversal)/provision for expected credit losses	(559)	1,064	(8)	—	—	497
September 30, 2026 Ending Balance	**$ 8,508**	**$ 4,159**	**$ 271**	**$ —**	**$ —**	**$ 12,938**

	Commercial Loans	Construction Loans	Commercial Real Estate Loans	Residential Mortgage Loans and Equity Lines	Installment and Other Loans	Total
			($ In thousands)			
Allowance for Loan Losses:						
December 31, 2024 Ending Balance	$ 57,796	$ 8,185	$ 79,597	$ 16,181	$ 6	$ 161,765
Provision/(reversal) for expected credit losses	7,897	(1,786)	41,889	7,240	6	55,246
Charge-offs	(27,634)	—	(4,153)	(74)	—	(31,861)
Recoveries	1,012	6	465	14	—	1,497
Net (charge-offs)/recoveries	(26,622)	6	(3,688)	(60)	—	(30,364)
September 30, 2025 Ending Balance	**$ 39,071**	**$ 6,405**	**$ 117,798**	**$ 23,361**	**$ 12**	**$ 186,647**
Allowance for unfunded credit commitments:						
December 31, 2024 Ending Balance	$ 7,780	$ 1,896	$ —	$ —	$ —	$ 9,676
(Reversal)/provision for expected credit losses	(1,062)	1,050	197	—	—	185
September 30, 2025 Ending Balance	**$ 6,718**	**$ 2,946**	**$ 197**	**$ —**	**$ —**	**$ 9,861**

During the nine months ended September 30, 2026, the Company transferred $24.6 million in commercial loans held for investment to loans held for sale. Loans transferred to held-for-sale are recorded at the lower of cost or fair value at the time of transfer, with any write-down recognized through the allowance for credit losses. During the nine months ended September 30, 2026, the Company sold $11.0 million in commercial loans held for sale.

6. Equity Securities

As of September 30, 2026, and December 31, 2025, equity securities had a carrying value of $116.9 million and $51.9 million, including certain equity securities with a fair value of $27.2 million and $32.8 million, respectively, which are valued using quoted prices in active markets. The remaining balance of equity securities consists of investments in private investment funds, which are accounted for under the equity method. The Company recognized an unrealized net gain of $36.1 million during the three months ended September 30, 2026, compared to an unrealized net gain of $3.3 million for the three months ended September 30, 2025. The Company recognized an unrealized net gain of $65.0 million for the nine months ending September 30, 2026, compared to an unrealized net loss of $2.3 million for the nine months ending September 30, 2025. The $67.3 million increase in unrealized gain was primarily due to an increase in the value of an investment in a private investment fund during the nine months ending September 30, 2026, when compared to the nine months ending September 30, 2025.

7. Goodwill and Other Intangible Assets

Goodwill
Total goodwill was $375.7 million as of September 30, 2026, and remains unchanged compared to December 31, 2025. The Company completed its annual goodwill impairment testing and concluded that goodwill was not impaired as of December 31, 2025. Management has identified no interim events or changes in circumstances that would indicate potential impairment.

Core Deposit Intangibles
The following table presents the carrying amounts and accumulated amortization of core deposits intangible assets as of September 30, 2026, and December 31, 2025:

	September 30, 2026	December 31, 2025
	($ In thousands)	
Beginning balance	$ 7,936	$ 7,936
Accumulated amortization	(6,589)	(5,936)
Ending balance	$ **1,347**	$ **2,000**

There were no impairment write-downs included in amortization of core deposit intangibles for the three and nine months ended September 30, 2026, and September 30, 2025.

The Company amortizes the core deposit intangibles based on the projected useful lives of the related deposits. The amortization expense related to the core deposit intangible assets was $218 thousand and $229 thousand for the three months ended September 30, 2026, and 2025, respectively. The amortization expense related to the core deposit intangible assets was $653 thousand and $729 thousand for the nine months ended September 30, 2026, and 2025, respectively.

The following table presents the estimated aggregate amortization expense of core deposit intangibles for each of the remaining years:

	Amount
	($ In thousands)
2026	$ 218
2027	622
2028	507
Total	$ **1,347**

8. Borrowed Funds

Borrowings from the Federal Home Loan Bank ("FHLB") – There were $200.0 million of outstanding over-night borrowings from the FHLB as of September 30, 2026, and no over-night borrowing from the FHLB as of December 31, 2025. Total advance from the FHLB was $200.0 million at a weighted average rate of 4.42% as of September 30, 2026, and there was no advance from the FHLB as of December 31, 2025. Our unused borrowing capacity from the FHLB as of September 30, 2026, and December 31, 2025, was $7.02 billion and $7.89 billion, respectively, and unpledged securities at September 30, 2026, and December 31, 2025, was $1.57 billion and $1.64 billion, respectively.

Long Term Debt – The Company established three special purpose trusts in 2003 and two in 2007 for the purpose of issuing Guaranteed Preferred Beneficial Interests in their Subordinated Debentures to outside investors ("Capital Securities"). The proceeds from the issuance of the Capital Securities as well as our purchase of the common stock of the special purpose trusts were invested in Junior Subordinated Notes of the Company ("Junior Subordinated Notes"). The trusts exist for the purpose of issuing Capital Securities and investing in Junior Subordinated Notes. Subject to some limitations, payment of distributions out of the monies held by the trusts and payments on liquidation of the trusts, or the redemption of the Capital Securities, are guaranteed by the Company to the extent the trusts have funds on hand at such time. The obligations of the Company under the guarantees and the Junior Subordinated Notes are subordinate and junior in right of payment to all indebtedness of the Company and are structurally subordinated to all liabilities and obligations of the Company's subsidiaries. The Company has the right to defer payments of interest on the Junior Subordinated Notes at any time or from time to time for a period of up to twenty consecutive quarterly periods with respect to each deferral period. Under the terms of the Junior Subordinated Notes, the Company may not, with certain exceptions, declare or pay any dividends or distributions on its capital stock or purchase or acquire any of its capital stock if it has deferred payment of interest on any Junior Subordinated Notes.

As of September 30, 2026, the Company completed the redemption of $54.1 million of Trust Preferred Securities ("TruPS"), issued by three of the Company's statutory business trusts and extinguished the related Junior Subordinated Notes. There was no gain or loss on the extinguishment of the Junior Subordinated Notes, as the reacquisition price equaled the carrying amount.

At September 30, 2026, Junior Subordinated Notes totaled $65.0 million with a weighted average interest rate of 6.21%, compared to $119.1 million with a weighted average rate of 6.76% at December 31, 2025. The Junior Subordinated Notes have a stated maturity term of 30 years.

9. Commitments and Contingencies

From time to time, Bancorp and its subsidiaries are parties to litigation that arises in the ordinary course of business or otherwise is incidental to various aspects of its operations. Based upon information available to the Company and its review of any such litigation with counsel, management presently believes that the liability relating to such litigation, if any, would not be expected to have a material adverse impact on the Company's consolidated financial condition, results of operations or liquidity taken as a whole. The outcome of litigation and other legal and regulatory matters is inherently uncertain, however, and it is possible that one or more of the legal matters currently pending or threatened against the Company could have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity taken as a whole.

Although the Company establishes accruals for legal proceedings when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated, the Company does not have accruals for all legal proceedings where there is a risk of loss. In addition, amounts accrued may not represent the ultimate loss to the Company from the legal proceedings in question. Thus, ultimate losses may be higher or lower, and possibly significantly so, than the amounts accrued for legal loss contingencies.

In the normal course of business, the Company from time to time becomes a party to financial instruments with off-balance sheet risk to meet the financing needs of its clients. These financial instruments include commitments to extend credit in the form of loans, or through commercial or standby letters of credit and financial guarantees. These instruments represent varying degrees of exposure to risk in excess of the amounts included in the accompanying Consolidated Balance Sheets. The contractual or notional amount of these instruments indicates a level of activity associated with a particular class of financial instrument and is not a reflection of the level of expected losses, if any.

The Company's unfunded commitments related to investments in qualified affordable housing were $86.7 million and $89.3 million as of September 30, 2026, and December 31, 2025, respectively.

Loan Commitments - We enter into contractual commitments to extend credit, normally with fixed expiration dates or termination clauses, at specified rates and for specific purposes. Substantially all of our commitments to extend credit are contingent upon clients maintaining specific credit standards at the time of loan funding. We minimize our exposure to loss under these commitments by subjecting them to credit approval and monitoring procedures. Management assesses the credit risk associated with certain commitments to extend credit in determining the level of the allowance for credit losses.

Standby Letters of Credit - Standby letters of credit are written conditional commitments issued by us to secure the obligations of a client to a third party. In the event the client does not perform in accordance with the terms of an agreement with the third party, we would be required to fund the commitment. The maximum potential amount of future payments we could be required to make is represented by the contractual amount of the commitment. If the commitment is funded, we would be entitled to seek reimbursement from the client. Our policies generally require that standby letter of credit arrangements contain security and debt covenants similar to those contained in loan agreements.

As of September 30, 2026 and December 31, 2025, commitments to extend credit of $4.20 billion and $3.81 billion include commitments to fund fixed rate loans of $54.4 million and $48.4 million and adjustable-rate loans of $4.15 billion and $3.76 billion, respectively.

10. Stockholders' Equity

Total stockholders' equity was $3.06 billion as of September 30, 2026, an increase of $131.4 million from $2.93 billion as of December 31, 2025. The increase primarily reflected net income of $274.3 million, other comprehensive income of $5.9 million, stock-based compensation of $5.8 million, proceeds from dividend reinvestment of $2.0 million, and stock issued to directors of $0.9 million, partially offset by purchase of treasury stock of $77.5 million, common stock cash dividends of $76.1 million, and shares withheld related to net share settlement of RSUs of $3.9 million.

Activity in accumulated other comprehensive income/(loss), net of tax, and reclassification out of accumulated other comprehensive income/(loss) for the three and nine months ended September 30, 2026, and September 30, 2025, was as follows:

	Three Months Ended September 30, 2026			Three Months Ended September 30, 2025		
	Pre-tax	Tax expense (benefit)	Net-of-tax	Pre-tax	Tax expense (benefit)	Net-of-tax
	($ In thousands)					
Beginning balance, loss, net of tax						
Securities AFS			$ (38,314)			$ (69,222)
Total			**$ (38,314)**			**$ (69,222)**
Net unrealized (losses)/gains on AFS securities arising during the period	(29,539)	(8,732)	(20,807)	13,521	3,997	9,524
Reclassification adjustment for net losses on AFS securities in net income	15,084	4,459	10,625	-	-	-
Ending balance, loss, net of tax						
Securities AFS			$ (48,496)			$ (59,698)
Total			**$ (48,496)**			**$ (59,698)**

	Nine Months Ended September 30, 2026			Nine Months Ended September 30, 2025		
	Pre-tax	Tax expense (benefit)	Net-of-tax	Pre-tax	Tax expense/ (benefit)	Net-of-tax
	($ In thousands)					
Beginning balance, loss, net of tax						
Securities AFS			$ (54,400)			$ (85,607)
Total			**$ (54,400)**			**$ (85,607)**
Net unrealized (losses)/ gains on AFS securities arising during the period	(32,941)	(9,737)	(23,204)	$ 36,782	$ 10,873	$ 25,909
Reclassification adjustment for net losses on AFS securities in net income	41,323	12,215	29,108	-	-	-
Ending balance, loss, net of tax						
Securities AFS			$ (48,496)			$ (59,698)
Total			**$ (48,496)**			**$ (59,698)**

11. Earnings per Share

Basic earnings per share excludes dilution and is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per common share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock and resulted in the issuance of common stock that then shared in earnings. Restricted stock units ("RSUs") with anti-dilutive effect were not included in the computation of diluted earnings per share. The following table sets forth earnings per common share calculations:

($ In thousands, except share and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 95,174	$ 77,651	$ 274,269	$ 224,607
Weighted-average shares:				
Basic weighted-average number of common shares outstanding	66,499,705	68,727,390	66,832,009	69,692,964
Dilutive effect of weighted-average outstanding common share equivalents:				
RSUs	261,692	263,258	299,361	253,913
Diluted weighted-average number of common shares outstanding	**66,761,397**	**68,990,648**	**67,131,370**	**69,946,877**
Average restricted stock units with anti-dilutive effect	—	546	2,118	16,387
Earnings per common share:				
Basic	$ 1.43	$ 1.13	$ 4.10	$ 3.22
Diluted	$ 1.43	$ 1.13	$ 4.09	$ 3.21

12. Stock-Based Compensation

Pursuant to the Company's 2005 Incentive Plan, as amended and restated, the Company may grant incentive stock options (employees only), non-statutory stock options, common stock awards, restricted stock, RSUs, stock appreciation rights and cash awards to non-employee directors and eligible employees.

RSUs are generally granted at no cost to the recipient. RSUs generally vest ratably over three years or cliff vest after one or three years of continued employment from the date of the grant. While a portion of RSUs may be time-vesting awards, others may vest subject to the attainment of specified performance goals and are referred to as "performance-based RSUs." All RSUs are subject to forfeiture until vested.

Performance-based RSUs are granted at the target amount of awards. Based on the Company's attainment of specified performance goals and consideration of market conditions, the number of shares that vest can be adjusted to a minimum of zero and to a maximum of 150% of the target. The amount of performance-based RSUs that are eligible to vest is determined at the end of each performance period and is then added together to determine the total number of performance shares that are eligible to vest. Performance-based RSUs generally cliff vest three years from the date of grant.

Compensation costs for the time-based awards are based on the quoted market price of the Company's stock at the grant date. Compensation costs associated with performance-based RSUs are based on grant date fair value, which considers both market and performance conditions. Compensation costs of both time-based and performance-based awards are recognized on a straight-line basis from the grant date until the vesting date of each grant.

The following table presents RSU activity during the nine months ended September 30, 2026:

	Time-Based RSUs		Performance-Based RSUs	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Balance at December 31, 2025	210,701	$ 36.00	313,031	$ 33.28
Granted	55,011	61.41	74,219	61.11
Vested	(73,930)	38.56	(111,815)	38.41
Forfeited	(18,378)	44.66	—	—
Balance at September 30, 2026	**173,404**	$ **42.05**	**275,435**	$ **38.70**

The compensation expense recorded for RSUs was $1.9 million and $2.0 million for the three months ended September 30, 2026, and 2025, respectively. For the nine months ended September 30, 2026, and 2025, the compensation expense recorded for RSUs was $5.8 million and $4.7 million, respectively. Unrecognized stock-based compensation expense related to RSUs was $10.9 million and $11.4 million as of September 30, 2026, and 2025, respectively. As of September 30, 2026, these costs are expected to be recognized over the next 1.9 years for time-based and performance-based RSUs.

As of September 30, 2026, 2,722,817 shares were available for future grants under the Company's 2005 Incentive Plan, as amended and restated.

13. Income Taxes

The effective tax rate for the first nine months of 2026 was 21.9% compared to 18.8% for the first nine months of 2025. The effective tax rate for the first nine months of 2026 and 2025 includes the impact of low-income housing tax credits.

The Company's tax returns are open for audit by the Internal Revenue Service back to 2023 and by the California Franchise Tax Board and other states where the Company files state tax returns back to 2022.

It is reasonably possible that unrecognized tax benefits could change significantly over the next twelve months. The Company does not expect that any such changes will have a material impact on its annual effective tax rate.

14. Fair Value Measurements and Fair Value of Financial Instruments

The Company uses fair value to measure certain assets and liabilities on a recurring basis, primarily securities available-for-sale and derivatives. For assets measured at the lower of cost or fair value, the fair value measurement criteria may or may not be met during a reporting period and such measurements are therefore considered "nonrecurring" for purposes of disclosing our fair value measurements. Fair value is used on a nonrecurring basis to adjust carrying values for individually evaluated loans and other real estate owned and also to record impairment on certain assets, such as goodwill, CDI, and other long-lived assets.

The Company used valuation methodologies to measure assets at fair value under ASC Topic 820 and ASC Topic 825, as amended by ASU 2016-01 and ASU 2018-03, to estimate the fair value of financial instruments not recorded at fair value. The fair value of the Company's assets and liabilities is classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable prices in active markets for similar assets or liabilities; prices for identical or similar assets or liabilities in markets that are not active; directly observable market inputs for substantially the full term of the asset and liability; market inputs that are not directly observable but are derived from or corroborated by observable market data.
- Level 3 – Unobservable inputs based on the Company's own judgment about the assumptions that a market participant would use.

The classification of assets and liabilities within the hierarchy is based on whether inputs to the valuation methodology used are observable or unobservable, and the significance of those inputs in the fair value measurement. The Company's assets and liabilities are classified in their entirety based on the lowest level of input that is significant to their fair value measurements.

Financial assets and liabilities measured at fair value on a recurring basis:

The Company uses the following methodologies to measure the fair value of its financial assets and liabilities on a recurring basis:

Securities Available-for-Sale and Equity Securities - For certain actively traded agency preferred stocks, mutual funds, U.S. Treasury securities, and other equity securities, the Company measures the fair value based on quoted market prices in active exchange markets at the reporting date, a Level 1 measurement. The Company also measures securities by using quoted market prices for similar securities or dealer quotes, a Level 2 measurement. This category generally includes U.S. Government agency securities, U.S. Government sponsored entities, state and municipal securities, mortgage-backed securities ("MBS"), collateralized mortgage obligations and corporate bonds.

Interest Rate Swaps – The Company measures the fair value of interest rate swaps using third party models with observable market data, a Level 2 measurement.

Currency Option Contracts and Foreign Exchange Contracts - The Company measures the fair value of currency option contracts and foreign exchange contracts based on observable market rates on a recurring basis, a Level 2 measurement.

The following tables present financial assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2026, and December 31, 2025:

	September 30, 2026			
	Fair Value Measurements Using			Total Fair Value Measurements
	Level 1	Level 2	Level 3	
	($ In thousands)			
Assets				
Securities AFS				
U.S. Treasury securities	$ 924,647	$ —	$ —	$ 924,647
U.S. government agency entities	—	578	—	578
Mortgage-backed securities	—	634,617	—	634,617
Collateralized mortgage obligations	—	4,209	—	4,209
Corporate debt securities	—	24,985	—	24,985
Total securities AFS	**924,647**	**664,389**	—	**1,589,036**
Equity securities				
Mutual funds	8,304	—	—	8,304
Preferred stock of government sponsored entities	4,361	—	—	4,361
Other equity securities	14,581	—	—	14,581
Total equity securities	**27,246**	—	—	**27,246**
Interest rate swaps	—	40,142	—	40,142
Foreign exchange contracts	—	247	—	247
Total assets	$ **951,893**	$ **704,778**	$ —	$ **1,656,671**
Liabilities				
Interest rate swaps	$ —	$ 36,243	$ —	$ 36,243
Foreign exchange contracts	—	178	—	178
Total liabilities	$ —	$ **36,421**	$ —	$ **36,421**

	December 31, 2025			
	Fair Value Measurements Using			Total Fair Value Measurements
	Level 1	Level 2	Level 3	
	($ In thousands)			
Assets				
Securities AFS				
U.S. Treasury securities	$ 828,193	$ —	$ —	$ 828,193
U.S. government agency entities	—	5,822	—	5,822
U.S. government sponsored entities	—	25,011	—	25,011
Mortgage-backed securities	—	629,437	—	629,437
Collateralized mortgage obligations	—	22,748	—	22,748
Corporate debt securities	—	147,012	—	147,012
Total securities AFS	**828,193**	**830,030**	—	**1,658,223**
Equity securities				
Mutual funds	8,691	—	—	8,691
Preferred stock of government sponsored entities	9,364	—	—	9,364
Other equity securities	14,699	—	—	14,699
Total equity securities	**32,754**	—	—	**32,754**
Interest rate swaps	—	26,472	—	26,472
Foreign exchange contracts	—	211	—	211
Total assets	**$ 860,947**	**$ 856,713**	**$ —**	**$ 1,717,660**
Liabilities				
Interest rate swaps	$ —	$ 28,917	$ —	$ 28,917
Foreign exchange contracts	—	73	—	73
Total liabilities	**$ —**	**$ 28,990**	**$ —**	**$ 28,990**

Financial assets and liabilities measured at estimated fair value on a non-recurring basis:

Certain assets or liabilities are required to be measured at estimated fair value on a nonrecurring basis subsequent to initial recognition. Generally, these adjustments are the result of lower-of-cost-or-fair value or other impairment write-downs of individual assets. In determining the estimated fair values during the period, the Company determined that substantially all the changes in estimated fair value were due to declines in market conditions versus instrument specific credit risk.

For financial assets measured at fair value on a nonrecurring basis that were still reflected in the Consolidated Balance Sheets as of September 30, 2026, and December 31, 2025, the following tables set forth the level of valuation assumptions used to determine each adjustment, the carrying value of the related individual assets as of September 30, 2026, and December 31, 2025, and the total losses for the periods indicated:

	As of September 30, 2026				Total Losses			
	Fair Value Measurements Using			Total Fair Value	For the Three Months Ended		For the Nine Months Ended	
	Level 1	Level 2	Level 3	Measurements	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
				($ In thousands)				
Assets								
Non-accrual loans by type:								
Commercial loans	$ —	$ —	$ 23	$ 23	$ —	$ 9,028	$ —	$ 9,115
Commercial real estate loans	—	—	11,281	11,281	—	314	971	4,153
Residential mortgage loans and equity lines	—	—	199	199	—	—	—	—
Total non-accrual loans	—	—	11,503	11,503	—	9,342	971	13,268
Other real estate owned [1]	—	—	29,759	29,759	—	—	—	—
Investments in venture capital	—	—	84	84	—	—	—	—
Total assets	$ —	$ —	$ 41,346	$ 41,346	$ —	$ 9,342	$ 971	$ 13,268

[1] Other real estate owned balance of $26.9 million in the Consolidated Balance Sheets is net of estimated disposal costs.

	As of December 31, 2025				Total Losses	
	Fair Value Measurements Using			Total Fair Value	For the Twelve Months Ended	
	Level 1	Level 2	Level 3	Measurements	December 31, 2025	December 31, 2024
				($ In thousands)		
Assets						
Non-accrual loans by type:						
Commercial loans	$ —	$ —	$ 1,030	$ 1,030	$ 6,395	$ 5,654
Commercial real estate loans	—	—	28,356	28,356	4,562	4,049
Residential mortgage loans and equity lines	—	—	217	217	—	59
Total non-accrual loans	—	—	29,603	29,603	10,957	9,762
Other real estate owned [1]	—	—	32,356	32,356	—	—
Other equity securities	—	—	1,539	1,539	—	—
Investments in venture capital	—	—	84	84	2	147
Total assets	$ —	$ —	$ 63,582	$ 63,582	$ 10,959	$ 9,909

[1] Other real estate owned balance of $30.3 million in the Consolidated Balance Sheets is net of estimated disposal costs.

The significant unobservable (Level 3) inputs used in the fair value measurement of collateral for collateral-dependent individually evaluated loans are primarily based on the appraised value of collateral adjusted by estimated sales cost and commissions. The Company generally obtains new appraisal reports every twelve months as appropriate. As the Company's primary objective in the event of default would be to monetize the collateral to settle the outstanding balance of the loan, less marketable collateral would receive a larger discount. In the current year, the Company used borrower specific collateral discounts with various discount levels.

The fair value of individually evaluated loans is calculated based on the net realizable fair value of the collateral or the observable market price of the most recent sale or quoted price from loans held for sale. The Company does not record loans at fair value on a recurring basis. Nonrecurring fair value adjustments to collateral dependent individually evaluated loans are recorded based on the current appraised value of the collateral, management's judgment and estimation of value using discounted future cash flows or updated appraisals which are then adjusted based on recent market trends, a Level 3 measurement.

Loans held for sale are recorded at the lower of cost or fair value upon transfer. Loans held for sale may be measured at fair value on a nonrecurring basis when fair value is less than cost. Fair value is generally determined based on available market data for similar loans and therefore, are classified as Level 2 measurement.

The significant unobservable inputs (Level 3) used in the fair value measurement of other real estate owned ("OREO") are primarily based on the appraised value of OREO adjusted by estimated sales cost and commissions. The Company applies estimated sales cost and commissions of 5% of the collateral value of individually evaluated loans, quoted price, or loan sale price of loans held for sale, and appraised value of OREO.

Fair value is estimated in accordance with ASC Topic 825. Fair value estimates are made at specific points in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Bank's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Bank's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following table sets forth the carrying and notional amounts and estimated fair value of financial instruments as of September 30, 2026, and December 31, 2025:

	September 30, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	($ In thousands)			
Financial Assets				
Cash and due from banks	$ 131,044	$ 131,044	$ 146,320	$ 146,320
Short-term investments	1,576,961	1,576,961	1,278,089	1,278,089
Securities AFS	1,589,036	1,589,036	1,658,223	1,658,223
Loans held for sale	13,597	13,597	—	—
Loans held for investment, net	20,956,148	20,951,223	19,936,388	20,516,176
Equity securities	116,907	116,907	51,886	51,886
Investment in Federal Home Loan Bank stock	17,250	17,250	17,250	17,250
	Notional Amount	Fair Value	Notional Amount	Fair Value
Foreign exchange contracts	$ 162,570	$ 247	$ 176,037	$ 211
Interest rate swaps	1,320,277	40,142	1,113,823	26,472

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities				
Deposits	$ 21,834,988	$ 21,793,721	$ 20,894,167	$ 20,884,386
Advances from Federal Home Loan Bank	200,000	200,723	—	—
Long-term debt	65,011	41,802	119,136	79,818

	Notional Amount	Fair Value	Notional Amount	Fair Value
Foreign exchange contracts	$ 31,334	$ 178	$ 37,991	$ 73
Interest rate swaps	1,476,632	36,243	1,590,384	28,917

	Notional Amount	Fair Value	Notional Amount	Fair Value
Off-Balance Sheet Financial Instruments				
Commitments to extend credit	$ 4,199,716	$ (23,542)	$ 3,809,999	$ (21,357)
Standby letters of credit	421,202	(2,298)	536,745	(2,971)
Other letters of credit	6,050	(7)	4,442	(5)

The following tables set forth the level in the fair value hierarchy for the estimated fair values of financial instruments as of September 30, 2026, and December 31, 2025, excluding financial instruments recorded at fair value on a recurring basis already presented in other tables in this note:

	As of September 30, 2026			
	Fair Value	Level 1	Level 2	Level 3
	($ In thousands)			
Financial Assets				
Cash and due from banks	$ 131,044	$ 131,044	$ —	$ —
Short-term investments	1,576,961	1,576,961	—	—
Loans held for investment, net	20,951,223	—	—	20,951,223
Investment in Federal Home Loan Bank stock	17,250	—	17,250	—
Financial Liabilities				
Deposits	21,793,721	—	—	21,793,721
Advances from Federal Home Loan Bank	200,723	—	200,723	—
Long-term debt	41,802	—	41,802	—

	As of December 31, 2025			
	Fair Value	Level 1	Level 2	Level 3
	($ In thousands)			
Financial Assets				
Cash and due from banks	$ 146,320	$ 146,320	$ —	$ —
Short-term investments	1,278,089	1,278,089	—	—
Loans held for investment, net	20,516,176	—	—	20,516,176
Equity securities	1,539	—	—	1,539
Investment in Federal Home Loan Bank stock	17,250	—	17,250	—
Financial Liabilities				
Deposits	20,884,386	—	—	20,884,386
Long-term debt	79,818	—	79,818	—

15. Financial Derivatives

The Company uses derivative instruments to manage exposure to interest rate and foreign currency risk and to assist customers with their risk-management objectives. Certain derivatives are designated as hedging instruments in qualifying fair value hedge relationships. Other derivatives are economic hedges that do not qualify for, or the Company has elected not to apply, hedge accounting, including derivatives entered into to accommodate customer needs. Derivative instruments are recognized on the Consolidated Balance Sheets at fair value, and the accounting for changes in fair value depends on whether the derivative is designated as a hedging instrument.

Customer Accommodation Derivatives (Economic Hedges)

The Company enters into interest rate and foreign exchange derivative contracts with customers to assist them in managing market risks. For each customer derivative, the Company enters into an offsetting derivative with a third-party financial institution, including centrally cleared counterparties ("CCPs"), resulting in minimal net market risk to the Company. These derivatives are not designated as accounting hedges and are recorded at fair value, with changes in fair value recognized in earnings.

Certain derivatives cleared through CCPs are subject to daily variation margin. When variation margin is legally characterized as settlement under the CCP's rulebook, the daily cash exchanges are accounted for as settlements of the derivative's fair value rather than collateral.

As of September 30, 2026, and December 31, 2025, the Company had outstanding customer and offsetting dealer interest rate derivative contracts with a notional amount of $1.12 billion and $1.02 billion, respectively, fair values of $36.0 million and $24.0 million, respectively. As of September 30, 2026, and December 31, 2025, no customer swap transactions were cleared through a CCP.

The Company also enters into foreign exchange forward contracts with customers to mitigate the risk of fluctuations in foreign currency exchange rates associated with foreign currency deposits or customer-initiated foreign exchange transactions. These contracts are not designated as hedging instruments and are recorded at fair value, with changes in fair value recognized in non-interest income. Period-end gross positive fair values are recorded in other assets and gross negative fair values are recorded in other liabilities.

The notional amount and fair value of the Company's derivative financial instruments not designated as hedging instruments as of September 30, 2026, and December 31, 2025, not including interest rate swaps cleared through the CCP, were as follows:

Derivative financial instruments not designated as hedging instruments:	September 30, 2026	December 31, 2025
	($ In thousands)	
Notional amounts:		
Forward, and swap contracts with positive fair value	$ 1,278,782	$ 1,194,638
Forward, and swap contracts with negative fair value	$ 1,147,546	$ 1,056,592
Fair value:		
Forward, and swap contracts with positive fair value	$ 36,224	$ 24,199
Forward, and swap contracts with negative fair value	$ (36,156)	$ (24,061)

Fair Value Hedges of Individual Loans

As of September 30, 2026, the Bank's outstanding fair value interest rate swap contracts matched to individual fixed-rate commercial real estate loans with a notional amount of $46.2 million and a fair value of $1.9 million. These swaps are designated as fair value hedges of changes in the fair value of the underlying loans attributable to interest rate movements. The swaps amortize in line with the contractual amortization of the hedged loans and permit prepayments with the same prepayment penalty terms as the related loans. Hedge ineffectiveness for these relationships was not significant for the periods presented.

Last-of-Layer (Portfolio Layer) Fair Value Hedges

The Company has designated $476.7 million of notional amount as a last-of layer fair value hedge of closed pools of fixed-rate loans with an aggregate notional value of $681.9 million as of September 30, 2026. The loans included in the closed portfolio are expected to retain sufficient principal such that the hedged layer is not affected by prepayments, defaults, or other factors under the last-of-layer method.

The Company uses pay-fixed, receive 1-Month Term SOFR interest rate swaps to hedge the designated last-of-layer portion of the loan pools. As of September 30, 2026, the hedged last-of-layer tranche had a fair value loss basis adjustment of $215.0 thousand. These swaps convert the hedged layer into a floating-rate exposure. The Company's objective in these hedging relationships is to reduce exposure to changes in fair value attributable to interest rate movements.

The notional amount and net unrealized loss of the Company's fair value derivative financial instruments as of September 30, 2026, and December 31, 2025, were as follows:

	September 30, 2026	December 31, 2025
	($ In thousands)	
Fair value swap hedges:		
Notional	$ 522,904	$ 625,222
Weighted average fixed rate-pay	4.15%	4.06%
Weighted average variable rate spread	0.18%	0.19%
Weighted average variable rate-receive	3.87%	4.41%
Net gain/(loss)[1]	$ 3,191	$ (2,417)

[1] the amount is included in other non-interest income.

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Periodic net settlement of swaps [1]	$ (507)	$ 510	$ (1,606)	$ 2,844

[1] the amount of periodic net settlement of interest rate swaps was included in interest income.

Included in the total notional amount of $522.9 million of the fair value interest rate contracts entered into with financial counterparties as of September 30, 2026, was $470.0 million of interest rate swaps cleared through the CCP. Applying variation margin payments as settlement to CCP cleared derivative transactions resulted in a reduction in derivative asset fair values of $1.8 million as of September 30, 2026.

As of September 30, 2026, and December 31, 2025, the Company had $39.7 million and $12.1 million, respectively, as cash margin that serves as collateral on deposits in a cash margin account for interest rate swaps. Of the balances held in the cash margin account $1.2 million and $4.3 million are restricted as of September 30, 2026, and December 31, 2025, respectively.

Counterparty Credit Risk

Derivative contracts expose the Company to the risk that counterparties may be unable to meet their contractual obligations. The Company manages this risk by transacting with institutional counterparties that have strong credit profiles and by requiring approval from the Bank's Board of Directors. Credit exposure is limited to the net favorable fair value and any accrued interest receivable on derivative positions. A significant portion of the Company's interest rate swaps are centrally cleared through a derivative clearing organization, which reduces counterparty credit risk.

16. Balance Sheet Offsetting

Certain financial instruments, including resell and repurchase agreements, securities lending arrangements and derivatives, may be eligible for offset in the Consolidated Balance Sheets and/or subject to master netting arrangements or similar agreements. The Company's securities sold with agreements to repurchase and derivative transactions with upstream financial institution counterparties are generally executed under International Swaps and Derivative Association master agreements that include "right of set-off" provisions. In such cases, there is generally a legally enforceable right to offset recognized amounts and there may be an intention to settle such amounts on a net basis.

Financial instruments that are eligible for offset in the Consolidated Balance Sheets, as of September 30, 2026, and December 31, 2025, are set forth in the following table:

	Gross Amounts Recognized	Gross Amounts Offset in the Balance Sheet	Net Amounts Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet		
				Financial Instruments	Collateral Posted	Net Amount
	($ In thousands)					
September 30, 2026						
Assets:						
Derivatives	$ 40,142	$ 37,136	$ 3,006	$ —	$ 1,655	$ 1,351
Liabilities:						
Derivatives	$ 36,243	$ —	$ 36,243	$ —	$ —	$ 36,243
December 31, 2025						
Assets:						
Derivatives	$ 26,472	$ 6,089	$ 20,383	$ —	$ 1,409	$ 18,974
Liabilities:						
Derivatives	$ 28,917	$ —	$ 28,917	$ —	$ —	$ 28,917

17. Revenue from Contracts with Clients

The following is a summary of revenue from contracts with clients that are in-scope and not in-scope under ASC Topic 606:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	($ In thousands)			
Non-interest income, in-scope:				
Fees and service charges on deposit accounts	$ 2,762	$ 2,681	$ 8,077	$ 7,726
Wealth management fees	6,623	6,219	21,645	17,324
Other service fees[1]	4,865	5,648	14,943	14,890
Total in-scope non-interest income	14,250	14,548	44,665	39,940
Non-interest gain, not in-scope[2]	28,520	6,473	40,169	7,676
Total non-interest income	**$ 42,770**	**$ 21,021**	**$ 84,834**	**$ 47,616**

[1] Other service fees comprise of fees related to letters of credit, wire fees, fees on foreign exchange transactions and other immaterial individual revenue streams.

[2] Noninterest income outside the scope of ASC 606 primarily consists of interest-rate swap income, net gains and losses on equity securities and other miscellaneous income.

The major revenue streams by fee type that are within the scope of ASC Topic 606 presented in the above table are described in additional detail below:

Fees and Services Charges on Deposit Accounts
Fees and service charges on deposit accounts include charges for analysis, overdraft, cash checking, ATM, and safe deposit activities executed by our deposit clients, as well as interchange income earned through card payment networks for the acceptance of card-based transactions. Fees earned from our deposit clients are governed by contracts that provide for overall custody and access to deposited funds and other related services and can be terminated at will by either party. Fees and service charges on deposit accounts are recognized when the performance obligations are met.

Wealth Management Fees
The Company employs financial consultants to provide investment planning services for clients including wealth management services, asset allocation strategies, portfolio analysis and monitoring, investment strategies, and risk management strategies. The fees the Company earns are variable and are recognized over the period in which the related services are performed, based on transaction details received from the third-party broker-dealer.

Practical Expedients and Exemptions
The Company applies the practical expedient and exemptions in ASC 606-10-50-14 and does not disclose the transaction price allocated to remaining unsatisfied or partially unsatisfied performance obligations. The Company's contracts with customers generally have an original expected duration of one year or less, are open-ended arrangements that may be terminated by either party upon notice of less than one year or qualify for the practical expedient because the Company recognizes revenue in the amount to which it has a right to invoice for services performed.

In addition, given the short-term nature of the contracts, the Company applies the practical expedient in ASC 606-10-32-18 and does not adjust the consideration for a significant financing component when, at contract inception, the period between transfer of the applicable service and customer payment is expected to be one year or less.

18. Stock Repurchase Program

On February 4, 2026, the Company completed its June 2025 stock repurchase program by repurchasing 243,499 shares at an average cost of $51.31 in the first quarter of 2026, for a total of $12.5 million.

On April 23, 2026, the Company announced that its Board of Directors adopted a new share repurchase program authorizing the Company to repurchase up to $150.0 million of the Company's common stock. On July 16, 2026, the Company's Board approved an increase to its existing share repurchase authorization from $150.0 million to $200.0 million, with no change to the current authorization expiration date that is subject to regulatory approval which is currently pending.

During the third quarter, we repurchased 800,594 common shares at an average cost of $62.81 per share, for a total of $50.7 million.

19. Subsequent Events

The Company has evaluated the effect of events that have occurred subsequent to September 30, 2026, through the date of issuance of the Consolidated Financial Statements, and, based on such evaluation, the Company believes that there have been no material events during such period that would require recognition in the Consolidated Financial Statements or disclosure in the Notes to the Consolidated Financial Statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2025 and are based upon its unaudited Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these Consolidated Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues, and expenses, and related disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements. Actual results may differ from these estimates under different assumptions or conditions.

Quarterly Statement of Operations Review

Financial Performance

	Three months ended		Nine months ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	($ In millions, except per share and ratio data)			
Net income	$ 95.2	$ 77.7	$ 274.3	$ 224.6
Basic earnings per common share	$ 1.43	$ 1.13	$ 4.10	$ 3.22
Diluted earnings per common share	$ 1.43	$ 1.13	$ 4.09	$ 3.21
Return on average assets	1.51%	1.29%	1.50%	1.28%
Return on average total stockholders' equity	12.28%	10.60%	12.13%	10.39%
Efficiency ratio	40.60%	41.84%	40.82%	44.18%

Net Income

Net income for the three months ended September 30, 2026, was $95.2 million, an increase of $17.5 million, or 22.5% compared to net income of $77.7 million for the same period in 2025. Diluted earnings per share for the three months ended September 30, 2026, was $1.43 per share compared to $1.13 per share for the same period in 2025.

Return on average stockholders' equity was 12.28% and return on average assets was 1.51% for the three months ended September 30, 2026, compared to a return on average stockholders' equity of 10.60% and a return on average assets of 1.29% for the same period in 2025.

Net Interest Income Before Provision for Credit Losses

Net interest income before provision for credit losses increased $22.3 million, or 11.8%, to $211.9 million during the third quarter of 2026, compared to $189.6 million during the same quarter in 2025. The increase was primarily due to higher interest income from loans and investment securities and lower interest expense on deposits and advances from the FHLB.

The net interest margin was 3.52% for the third quarter of 2026 compared to 3.31% for the third quarter of 2025.

For the third quarter of 2026, the yield on average interest-earning assets was 5.74%, the cost of funds on average interest-bearing liabilities was 2.93%, and the average cost of interest-bearing deposits was 2.91%. In comparison, for the third quarter of 2025, the yield on average interest-earning assets was 5.84%, the cost of funds on average interest-bearing liabilities was 3.32%, and the average cost of interest-bearing deposits was 3.28%. The decrease in the cost on average interest-bearing liabilities was primarily attributable to lower interest rates paid on deposits. The decrease in the yield on average interest-earning assets primarily reflected lower interest rates earned on loans, partially offset by higher interest rates earned on investment securities and higher dividend income from FHLB stock. The net interest spread, defined as the difference between the yield on average interest-earning assets and the cost of funds on average interest-bearing liabilities, was 2.81% for the quarter ended September 30, 2026, compared to 2.52% for the same quarter in 2025.

The following table sets forth information concerning average interest-earning assets, average interest-bearing liabilities, and the average yields earned on those assets and rates paid on those liabilities for the three months ended September 30, 2026, and 2025. The average outstanding amounts included in the table are daily averages.

	Interest-Earning Assets and Interest-Bearing Liabilities					
	Three Months Ended September 30,					
	2026			2025		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate [1][2]	Average Balance	Interest Income/ Expense	Average Yield/ Rate [1][2]
	($ In thousands)					
Interest-earning assets:						
Total loans [1]	$ 20,891,868	$ 317,189	6.02%	$ 19,951,853	$ 308,945	6.14%
Investment securities	1,651,113	15,086	3.62	1,634,248	12,690	3.08
Federal Home Loan Bank stock	17,250	658	15.13	17,250	376	8.65
Deposits with banks	1,310,565	12,219	3.70	1,113,274	12,184	4.34
Total interest-earning assets	23,870,796	345,152	5.74	22,716,625	334,195	5.84
Non-interest earning assets:						
Cash and due from banks	134,872			163,891		
Other non-earning assets	1,178,044			1,150,545		
Total non-interest earning assets	1,312,916			1,314,436		
Less: Allowance for loan losses	(223,148)			(172,958)		
Deferred loan fees	(15,320)			(14,723)		
Total assets	$ **24,945,244**			$ **23,843,380**		
Interest-bearing liabilities:						
Interest-bearing demand accounts	$ 2,608,725	$ 10,894	1.66%	$ 2,189,376	$ 9,369	1.70%
Money market accounts	4,065,916	31,517	3.08	3,556,374	30,792	3.44
Savings accounts	1,503,628	5,458	1.44	1,419,953	6,139	1.72
Time deposits	9,660,600	83,001	3.41	9,698,744	93,087	3.81
Total interest-bearing deposits	17,838,869	130,870	2.91	16,864,447	139,387	3.28
Other borrowings	71,414	596	3.32	295,892	3,178	4.26
Long-term debt	115,634	1,808	6.20	119,136	2,043	6.80
Total interest-bearing liabilities	18,025,917	133,274	2.93	17,279,475	144,608	3.32
Non-interest bearing liabilities:						
Demand deposits	3,569,978			3,384,141		
Other liabilities	275,086			272,168		
Total equity	3,074,263			2,907,596		
Total liabilities and equity	$ **24,945,244**			$ **23,843,380**		
Net interest spread			2.81%			2.52%
Net interest income		$ 211,878			$ 189,587	
Net interest margin			3.52%			3.31%

[1] Yields and amounts of interest earned include loan fees. Non-accrual loans are included in the average balance.
[2] Calculated by dividing net interest income by average outstanding interest-earning assets.

The following table summarizes the changes in interest income and interest expense attributable to changes in volume and changes in interest rates for the three months ended September 30, 2026 and 2025:

Taxable-Equivalent Net Interest Income — Changes Due to Volume and Rate[1]

	Three Months Ended September 30, 2026-2025 Increase/(Decrease) in Net Interest Income Due to		
	Changes in Volume	Changes in Rate	Total Change
	($ In thousands)		
Interest-earning assets:			
Loans	$ 14,285	$ (6,041)	$ 8,244
Investment securities	132	2,264	2,396
Federal Home Loan Bank stock	—	282	282
Deposits with other banks	1,969	(1,934)	35
Total changes in interest income	16,386	(5,429)	10,957
Interest-bearing liabilities:			
Interest-bearing demand accounts	1,754	(228)	1,526
Money market accounts	4,114	(3,390)	724
Savings accounts	342	(1,023)	(681)
Time deposits	(365)	(9,721)	(10,086)
Other borrowed funds	(1,999)	(583)	(2,582)
Long-term debt	(58)	(177)	(235)
Total changes in interest expense	3,788	(15,122)	(11,334)
Changes in net interest income	$ 12,598	$ 9,693	$ 22,291

[1] Changes in interest income and interest expense attributable to changes in both volume and rate have been allocated proportionately to changes due to volume and changes due to rate.

Provision for credit losses

The Company recorded a provision for credit losses of $28.6 million in the third quarter of 2026 compared to $28.7 million in the third quarter of 2025. As of September 30, 2026, the allowance for loan losses increased $28.3 million to $224.2 million, or 1.06% of total loans compared to $195.9 million, or 0.97% of total loans as of December 31, 2025.

The following table sets forth the charge-offs and recoveries for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	($ In thousands)			
Charge-offs:				
Commercial loans	$ 261	$ 16,173	$ 10,975	$ 27,634
Construction loans	8,810	—	8,810	—
Real estate loans [1]	17,876	314	19,261	4,227
Total charge-offs	26,947	16,487	39,046	31,861
Recoveries:				
Commercial loans	1,660	547	7,444	1,012
Construction loans	1	5	1	6
Real estate loans [1]	—	289	2,344	479
Total recoveries	1,661	841	9,789	1,497
Net charge-offs	**$ 25,286**	**$ 15,646**	**$ 29,257**	**$ 30,364**

[1] Real estate loans include commercial real estate loans, residential mortgage loans, and equity lines.

Non-Interest Income

Non-interest income, which includes revenues from depository service fees, letters of credit commissions, securities gains (losses), wealth management fees, and other sources of fee income, was $42.8 million for the third quarter of 2026, an increase of $21.8 million, or 103.8%, compared to $21.0 million for the third quarter of 2025. The increase was primarily driven by a $32.8 million increase in net gains from equity securities, a $3.1 million benefit from the redemption of TruPS and a $0.4 million increase in wealth management fees, partially offset by a $15.1 million net loss on the sale of available-for-sale investment securities related to investment securities repositioning activities.

Non-Interest Expense

Non-interest expense was $103.4 million for the third quarter of 2026, an increase of $15.3 million, or 17.4% compared to $88.1 million for the third quarter of 2025. The increase was primarily attributable to an $8.0 million charitable contribution to the Cathay Bank Foundation, a $5.4 million contract termination fee, a $4.8 million increase in salaries and employee benefits, a $1.5 million increase in computer and equipment expenses, and a $1.5 million increase in other real estate owned expense, partially offset by a $5.7 million decrease in amortization expense of investments in low-income housing. The efficiency ratio was 40.60% in the third quarter of 2026 compared to 41.84% for the same quarter in 2025.

Income Taxes

The effective tax rate for the third quarter of 2026 was 22.4% compared to 17.2% for the third quarter of 2025, primarily due to the higher pre-tax income in the third quarter of 2026. The effective tax rate for the third quarter of 2026 and 2025 includes the impact of low-income housing tax credits.

Year-to-Date Statement of Operations Review

Net Income

Net income for the nine months ended September 30, 2026, was $274.3 million, an increase of $49.7 million, or 22.1% compared to net income of $224.6 million for the same period in 2025. Diluted earnings per share for the nine months ended September 30, 2026, was $4.09 per share compared to $3.21 per share for the same period in 2025.

Return on average stockholders' equity was 12.13% and return on average assets was 1.50% for the nine months ended September 30, 2026, compared to a return on average stockholders' equity of 10.39% and a return on average assets of 1.28% for the same period in 2025.

The following table sets forth information concerning average interest-earning assets, average interest-bearing liabilities, and the average yields earned on those assets and rates paid on those liabilities for the nine months ended September 30, 2026, and 2025. The average outstanding amounts included in the table are daily averages.

	Interest-Earning Assets and Interest-Bearing Liabilities					
	Nine Months Ended September 30,					
	2026			2025		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate [1][2]	Average Balance	Interest Income/ Expense	Average Yield/ Rate [1][2]
	($ In thousands)					
Interest-earning assets:						
Total loans [1]	$ 20,453,313	$ 918,294	6.00%	$ 19,593,553	$ 899,786	6.14%
Investment securities	1,675,273	42,489	3.39	1,572,074	38,459	3.27
Federal Home Loan Bank stock	17,250	1,785	13.83	17,250	1,128	8.74
Interest-bearing deposits	1,202,938	32,947	3.66	1,139,060	37,135	4.36
Total interest-earning assets	23,348,774	995,515	5.70	22,321,937	976,508	5.85
Non-interest earning assets:						
Cash and due from banks	144,001			166,859		
Other non-earning assets	1,153,945			1,156,304		
Total non-interest earning assets	1,297,946			1,323,163		
Less: Allowance for loan losses	(210,269)			(169,464)		
Deferred loan fees	(14,809)			(12,837)		
Total assets	**$ 24,421,642**			**$ 23,462,799**		
Interest-bearing liabilities:						
Interest-bearing demand accounts	$ 2,482,097	$ 28,352	1.53%	$ 2,155,336	$ 27,321	1.69%
Money market accounts	3,825,022	86,767	3.03	3,468,421	89,062	3.43
Savings accounts	1,509,852	16,686	1.48	1,351,352	16,721	1.65
Time deposits	9,616,901	248,054	3.45	9,658,300	283,517	3.92
Total interest-bearing deposits	17,433,872	379,859	2.91	16,633,409	416,621	3.35
Other borrowings	124,401	3,235	3.48	204,953	6,348	4.14
Long-term debt	117,956	5,478	6.21	119,136	6,092	6.84
Total interest-bearing liabilities	17,676,229	388,572	2.94	16,957,498	429,061	3.38
Non-interest bearing liabilities:						
Demand deposits	3,459,809			3,340,530		
Other liabilities	261,996			274,190		
Total equity	3,023,608			2,890,581		
Total liabilities and equity	**$ 24,421,642**			**$ 23,462,799**		
Net interest spread			2.76%			2.47%
Net interest income		$ 606,943			$ 547,447	
Net interest margin			3.48%			3.28%

[1] Yields and amounts of interest earned include loan fees. Non-accrual loans are included in the average balance.
[2] Calculated by dividing net interest income by average outstanding interest-earning assets.

The following table summarizes the changes in interest income and interest expense attributable to changes in volume and changes in interest rates for the nine months ended September 30, 2026 and 2025:

Taxable-Equivalent Net Interest Income — Changes Due to Volume and Rate[1]

	Nine Months Ended September 30, 2026-2025 Increase/(Decrease) in Net Interest Income Due to		
	Changes in Volume	Changes in Rate	Total Change
	($ In thousands)		
Interest-earning assets:			
Loans	$ 38,971	$ (20,463)	$ 18,508
Investment securities	2,584	1,446	4,030
Federal Home Loan Bank stock	—	657	657
Deposits with other banks	2,005	(6,193)	(4,188)
Total changes in interest income	43,560	(24,553)	19,007
Interest-bearing liabilities:			
Interest-bearing demand accounts	3,904	(2,872)	1,032
Money market accounts	8,683	(10,979)	(2,296)
Savings accounts	1,857	(1,892)	(35)
Time deposits	(1,211)	(34,252)	(35,463)
Other borrowed funds	(2,212)	(901)	(3,113)
Long-term debt	(60)	(554)	(614)
Total changes in interest expense	10,961	(51,450)	(40,489)
Changes in net interest income	$ 32,599	$ 26,897	$ 59,496

[1] Changes in interest income and interest expense attributable to changes in both volume and rate have been allocated proportionately to changes due to volume and changes due to rate.

Balance Sheet Review

Assets

Total assets were $25.57 billion as of September 30, 2026, an increase of $1.34 billion, or 5.5%, from $24.23 billion as of December 31, 2025.

Securities Available-for-Sale

The carrying value of our securities available-for-sale ("AFS") portfolio was $1.59 billion as of September 30, 2026, a decrease of $69.2 million from $1.66 billion as of December 31, 2025. The decrease primarily reflected reductions of $122.0 million in corporate securities, $25.0 million in government sponsored entities securities and $18.5 million in collateralized mortgage obligations, partially offset by a $96.5 million increase in U.S. Treasury securities during the nine months ended September 30, 2026. AFS securities represented 6.2% and 6.8% of total assets as of September 30, 2026, and December 31, 2025, respectively.

The portfolio continues to be concentrated in U.S. government-backed securities, with more than 90% of the AFS investment portfolio invested in U.S. Treasuries and agency mortgage-backed securities issued by Fannie Mae and Freddie Mac with the remainder held in investment-grade securities. There was no allowance for credit losses provided against the AFS investment securities as of both September 30, 2026, and December 31, 2025. Additionally, there were no credit losses recognized in earnings during the nine months ended September 30, 2026, and 2025.

The Company actively manages the investment portfolio in the context of asset/liability objectives, interest rate risk, and market conditions. These evaluations may result in changes to portfolio size, composition, or hedging strategies, including adjustments to the mix of securities classified as AFS.

During the quarter, the Company recorded a $15.1 million loss related to its decision to sell certain AFS investment securities as part of a portfolio repositioning initiative designed to improve yield while maintaining the portfolio's overall duration and credit quality. These securities, with an amortized cost basis of $89.8 million, were sold in September 2026, resulting in a realized loss of $15.1 million. The AFS portfolio had an effective duration of 2.03 years at September 30, 2026, compared to 1.9 years at December 31, 2025.

Loans

Gross loans held for investment were $21.20 billion at September 30, 2026, an increase of $1.05 billion, or 5.2%, from $20.15 billion at December 31, 2025. The increase was primarily due to an increase of $760.8 million, or 23.9%, in commercial loans, an increase of $280.0 million, or 2.7%, in commercial real estate loans, an increase of $74.7 million, or 1.2% in residential mortgage loans and equity lines, and an increase of $4.7 million, or 261.1% in installment and other loans, partially offset by a decrease of $71.7 million, or 21.2% in construction loans.

The loan held for investment balances and composition at September 30, 2026, compared to December 31, 2025, are set forth below:

	September 30, 2026	% of Gross Loans	December 31, 2025	% of Gross Loans	% Change
			($ In thousands)		
Commercial loans	$ 3,945,390	18.6%	$ 3,184,556	15.8%	23.9%
Construction loans	265,880	1.3	337,550	1.7	(21.2)
Commercial real estate loans	10,844,794	51.2	10,564,744	52.4	2.7
Residential mortgage loans and equity lines	6,133,247	28.9	6,058,538	30.1	1.2
Installment and other loans	6,550	—	1,814	—	261.1
Gross loans held for investment	$ 21,195,861	100%	$ 20,147,202	100%	5.2%
Allowance for loan losses	(224,190)		(195,911)		14.4
Unamortized deferred loan fees	(15,523)		(14,903)		4.2
Total loans held for investment, net	**$ 20,956,148**		**$ 19,936,388**		**5.1%**

Non-performing Assets

Non-performing assets include loans past due 90 days or more and still accruing interest, non-accrual loans, and OREO. Our policy is to place loans on non-accrual status if interest and/or principal is past due 90 days or more, or in cases where management deems the full collection of principal and interest unlikely. After a loan is placed on non-accrual status, any previously accrued but unpaid interest is reversed and charged against current income and subsequent payments received are generally first applied towards the outstanding principal balance of the loan. Depending on the circumstances, management may elect to continue the accrual of interest on certain past due loans if partial payment is received and/or the loan is well collateralized and in the process of collection. The loan is generally returned to accrual status when the borrower has brought the past due principal and interest payments current and, in the opinion of management, the borrower has demonstrated the ability to make future payments of principal and interest as scheduled.

Management reviews the loan portfolio regularly to seek to identify problem loans. During the ordinary course of business, management may become aware of borrowers that may not be able to meet the contractual requirements of their loan agreements. Such loans generally are placed under closer supervision with consideration given to placing the loans on non-accrual status, the need for an additional allowance for loan losses, and (if appropriate) partial or full charge-off.

The ratio of non-performing assets to total assets was 0.47% and 0.59% as of September 30, 2026, and December 31, 2025, respectively. Total non-performing assets decreased $24.5 million, or 17.0%, to $119.2 million at September 30, 2026, compared to $143.7 million at December 31, 2025, primarily due to a decrease of $25.1 million, or 22.3%, in non-accrual loans, and a decrease of $3.4 million, or 11.3%, in other real estate owned, partially offset by an increase of $4.0 million, or 399.4%, in accruing loans past due 90 days or more.

As a percentage of gross loans, excluding loans held for sale, plus OREO, non-performing assets were 0.56% and 0.71% as of September 30, 2026 and December 31, 2025, respectively. The non-performing loan portfolio coverage ratio, defined as the allowance for credit losses to non-performing loans, increased to 256.99% as of September 30, 2026, from 183.79% as of December 31, 2025.

The following table sets forth the changes in non-performing assets as of September 30, 2026, compared to December 31, 2025, and to September 30, 2025:

	September 30, 2026	December 31, 2025	% Change	September 30, 2025	% Change
		($ In thousands)			
Non-performing assets					
Accruing loans past due 90 days or more	$ 4,994	$ 1,000	399	$ 110	4,440
Non-accrual loans:					
Commercial real estate loans	47,246	59,511	(21)	103,158	(54)
Commercial loans	7,188	21,498	(67)	33,690	(79)
Residential mortgage loans	32,844	31,354	5	28,784	14
Total non-accrual loans	$ 87,278	$ 112,363	(22)	$ 165,632	(47)
Total non-performing loans	92,272	113,363	(19)	165,742	(44)
Other real estate owned	26,910	30,336	(11)	32,983	(18)
Total non-performing assets	$ 119,182	$ 143,699	(17)	$ 198,725	(40)
Allowance for loan losses	$ 224,190	$ 195,911	14	$ 186,647	20
Total gross loans outstanding, excluding loans held for sale, at period-end	$ 21,195,861	$ 20,147,202	5	$ 20,104,716	5
Allowance for loan losses to non-performing loans, at period-end	242.97%	172.82%		112.61%	
Allowance for loan losses to gross loans, excluding loans held for sale, at period-end	1.06%	0.97%		0.93%	

Non-accrual Loans

As of September 30, 2026, total non-accrual loans were $87.3 million, a decrease of $25.1 million, or 22.3%, from $112.4 million at December 31, 2025, and a decrease of $78.3 million, or 47.3%, from $165.6 million at September 30, 2025. The allowance for the collateral-dependent loans is calculated based on the difference between the outstanding loan balance and the value of the collateral as determined by recent appraisals, sales contracts, or other available market price information, less cost to sell. The allowance for collateral-dependent loans varies from loan to loan based on the collateral coverage of the loan at the time of designation as non-performing. We continue to monitor the collateral coverage of these loans, based on recent appraisals, on a quarterly basis and adjust the allowance accordingly.

The following tables set forth the type of properties securing the non-accrual portfolio loans and the type of businesses the borrowers were engaged in as of the dates indicated:

	September 30, 2026		December 31, 2025	
	Real Estate [1]	Commercial	Real Estate [1]	Commercial
	($ In thousands)			
Type of Collateral				
Single/multi-family residence	$ 62,774	$ 516	$ 57,676	$ 516
Commercial real estate	17,316	4,765	33,189	3,514
Personal property (UCC)	—	1,907	—	17,468
Total	**$ 80,090**	**$ 7,188**	**$ 90,865**	**$ 21,498**

[1] Real estate includes commercial real estate loans, construction loans, residential mortgage loans, equity lines and installment & other loans.

	September 30, 2026		December 31, 2025	
	Real Estate [1]	Commercial	Real Estate [1]	Commercial
	($ In thousands)			
Type of Business				
Real estate development	$ 46,855	$ —	$ 40,848	$ 4,873
Wholesale/Retail	391	5,397	18,662	15,812
Food/Restaurant	—	1,315	42	40
Import/Export	—	476	—	476
Other	32,844	—	31,313	297
Total	**$ 80,090**	**$ 7,188**	**$ 90,865**	**$ 21,498**

[1] Real estate includes commercial real estate loans, construction loans, residential mortgage loans, equity lines and installment & other loans.

For non-accrual loans, amounts previously charged-off represented 5.0% and 14.4% of the contractual balances of non-accrual loans as of September 30, 2026 and December 31, 2025, respectively. As of September 30, 2026, $80.1 million, or 91.8%, of the $87.3 million of non-accrual loans were secured by real estate compared to $90.9 million, or 80.8%, of the $112.4 million of non-accrual loans that were secured by real estate as of December 31, 2025. The Bank generally seeks to obtain current appraisals, sales contracts, or other available market price information to update the factors used in evaluating potential losses.

The allowance for loan losses to non-performing loans was 242.97% as of September 30, 2026, compared to 172.82% as of December 31, 2025. The increase was primarily due to an increase in the allowance for loan losses and a decrease in non-accrual loans.

Loan Interest Reserves

In accordance with customary banking practice, construction loans and land development loans generally are originated with interest disbursed from pre-established interest reserves included in the total original loan commitment. Our construction loans and land development loans generally include optional renewal terms after the maturity of the initial loan term. New appraisals are obtained before extension or renewal of these loans in part to determine the appropriate interest reserve to be established for the new loan term. Loans with interest reserves are generally underwritten to the same criteria, including loan to value and, if applicable, pro forma debt service coverage ratios, as loans without interest reserves. Construction loans with interest reserves are monitored on a periodic basis to gauge progress toward completion. Interest reserves are frozen if it is determined that additional draws would result in a loan to value ratio that exceeds policy maximums based on collateral property type. Our policy limits in this regard are consistent with supervisory limits and range from 50% in the case of land to 85% in the case of one to four family residential construction projects.

As of September 30, 2026, construction loans of $252.9 million were disbursed with pre-established interest reserves of $43.5 million, compared to $225.9 million with pre-established interest reserves of $34.0 million at December 31, 2025. The balance for construction loans with interest reserves which have been extended was $8.1 million with pre-established interest reserves of $0.6 million at September 30, 2026, compared to a balance of $3.3 million of such loans with pre-established interest reserves of $95 thousand at December 31, 2025. Land loans of $21.6 million were disbursed with pre-established interest reserves of $1.0 million at September 30, 2026, compared to land loans of $15.3 million with pre-established interest reserves of $1.3 million at December 31, 2025. There were no land loans with interest reserves that had been extended as of September 30, 2026, and December 31, 2025.

At September 30, 2026, and December 31, 2025, the Bank had no loans on non-accrual status with available interest reserves. There were no non-accrual residential construction loans, non-accrual non-residential construction loans, or non-accrual land loans that were originated with pre-established interest reserves as of September 30, 2026, and December 31, 2025. While we typically expect loans with interest reserves to be repaid in full according to the original contractual terms, some loans may require one or more extensions beyond the original maturity before full repayment. Typically, these extensions are required due to construction delays, delays in the sale or lease of the property, or some combination of these factors.

Loan Concentration

Most of the Company’s business activities are with clients located in areas with significant Asian populations in Southern and Northern California; New York City, New York; Dallas and Houston, Texas; Seattle, Washington; Boston, Massachusetts; Chicago, Illinois; Edison, New Jersey; Rockville, Maryland; and Las Vegas, Nevada. The Company also has loan clients in Hong Kong. The Company does not have a significant concentration in any single commercial industry sector, and our loans generally are collateralized with real property or other pledged collateral of the borrowers. The Company generally expects loans to be paid off from the operating profits of the borrowers, through refinancing by another lender, or through the borrowers' sales of collateral.

The federal banking regulatory agencies issued final guidance on December 6, 2006, regarding risk management practices for financial institutions with high or increasing concentrations of commercial real estate (“CRE”) loans on their balance sheets. The regulatory guidance reiterates the need for sound internal risk management practices for those institutions that have experienced rapid growth in CRE lending, have notable exposure to specific types of CRE, or are approaching or exceeding the supervisory criteria used to evaluate the CRE concentration risk, but the guidance is not to be construed as a limit for CRE exposure. The supervisory criteria are: (1) total reported loans for construction, land development, and other land represent 100% of the institution’s total risk-based capital, and (2) total CRE loans represent 300% or more of the institution’s total risk-based capital, and the institution’s CRE loan portfolio has increased 50% or more within the last thirty-six months. The Bank’s loans for construction, land development, and other land represented 11% of the Bank’s total risk-based capital as of September 30, 2026, and 14% as of December 31, 2025. Total CRE loans represented 284% of total risk-based capital as of September 30, 2026, and 287% as of December 31, 2025, which were within the Bank’s internal limit of 400% of total capital.

CRE and Construction Loans ("CREC")

The Company's total CREC loan portfolio is diversified by property type with an average CREC loan size of $2.0 million as of September 30, 2026, and December 31, 2025. The following table summarizes the Company's total CREC loans by property type as of September 30, 2026, and December 31, 2025:

	As of September 30, 2026		As of December 31, 2025	
($ In thousands)	Amount	%	Amount	%
Property type:				
Retail	$ 2,728,951	25%	$ 2,545,446	24%
Multifamily	2,918,668	26%	2,887,642	27%
Office	1,375,596	12%	1,439,568	13%
Warehouse	1,515,072	14%	1,359,887	12%
Industrial	709,324	6%	692,280	6%
Hospitality	355,405	3%	360,692	3%
Construction & Land	331,392	3%	407,957	4%
Other	1,176,267	11%	1,208,822	11%
Total CREC loans	**$ 11,110,675**	**100%**	**$ 10,902,294**	**100%**

The weighted-average loan-to-value ("LTV") ratio of the total CREC loan portfolio was 49% as of September 30, 2026, and December 31, 2025. Approximately 86% of total CREC loans had an LTV ratio of 60% or lower as of September 30, 2026, and December 31, 2025.

The following tables provide a summary of the Company's CREC, multifamily residential, and construction and land loans by geography as of September 30, 2026, and December 31, 2025. The distribution of the total CREC loan portfolio reflects the Company's geographical footprint, which is primarily concentrated in California:

	As of September 30, 2026							
($ In thousands)	CRE	%	Multifamily Residential	%	Construction and Land	%	Total	%
Geographic markets:								
California	$ 3,820,758	49%	$ 1,094,851	38%	$ 159,935	48%	$ 5,075,544	46%
New York	2,429,836	31%	1,382,768	47%	89,883	27%	3,902,487	35%
Texas	411,659	5%	183,788	6%	5,948	2%	601,395	5%
Illinois	258,936	3%	41,683	1%	4,136	1%	304,755	3%
New Jersey	181,691	2%	24,117	1%	5,110	2%	210,918	2%
Nevada	227,327	3%	28,020	1%	12,288	4%	267,635	3%
Washington	67,426	1%	145,382	5%	45,762	14%	258,570	2%
Other markets	462,982	6%	18,059	1%	8,330	2%	489,371	4%
Total CREC loans	**$ 7,860,615**	**100%**	**$ 2,918,668**	**100%**	**$ 331,392**	**100%**	**$11,110,675**	**100%**

	As of December 31, 2025							
($ In thousands)	CRE	%	Multifamily Residential	%	Construction and Land	%	Total	%
Geographic markets:								
California	$ 3,649,273	48%	$ 1,130,859	39%	$ 272,251	67%	$ 5,052,383	46%
New York	2,373,202	31%	1,291,064	45%	102,685	25%	3,766,951	35%
Texas	388,334	5%	202,313	7%	—	0%	590,647	5%
Illinois	251,271	3%	44,961	1%	1,895	1%	298,127	3%
New Jersey	170,358	2%	19,153	1%	1,603	0%	191,114	2%
Nevada	209,928	3%	27,523	1%	5,259	1%	242,710	2%
Washington	66,130	1%	143,135	5%	15,934	4%	225,199	2%
Other markets	498,199	7%	28,634	1%	8,330	2%	535,163	5%
Total CREC loans	**$ 7,606,695**	**100%**	**$ 2,887,642**	**100%**	**$ 407,957**	**100%**	**$ 10,902,294**	**100%**

California represented 46% of total CREC loans as of both September 30, 2026, and December 31, 2025. Changes in California's economy and real estate values could have a significant impact on the collectability of these loans and the required level of allowance for loan losses.

Commercial Real Estate Loans

The Company focuses on providing financing to experienced real estate investors and developers who have moderate levels of leverage, many of whom are long-time customers of the Bank. CRE loans totaled $7.86 billion as of September 30, 2026, compared to $7.61 billion as of December 31, 2025, and accounted for 37% of total loans held-for-investment, not including loans held for sale, as of September 30, 2026, and December 31, 2025. Interest rates on CRE loans may be fixed or variable. As of September 30, 2026, 24% and 37% of our CRE portfolio were variable rate and hybrid loans in their fixed period, respectively. In comparison, as of December 31, 2025, 21% and 40% of our CRE portfolio were variable rate and hybrid loans in their fixed period, respectively. Loans are underwritten with conservative standards for cash flows, debt service coverage and LTV.

Owner-occupied properties comprised 26% and 25% of the CRE loans as of September 30, 2026, and December 31, 2025, respectively. The remainder were non-owner-occupied properties, where 50% or more of the debt service for the loan is typically provided by rental income from an unaffiliated third party.

Commercial-Multifamily Residential Loans

The multifamily residential loan portfolio is largely comprised of loans secured by residential properties with five or more units. Multifamily residential loans totaled $2.92 billion as of September 30, 2026, compared to $2.89 billion as of December 31, 2025, and accounted for 14% of total loans held-for-investment, not including loans held for sale, as of September 30, 2026, and December 31, 2025. The Company offers a variety of first lien mortgages, including fixed and variable-rate loans. As of September 30, 2026, 28% and 35% of our multifamily residential loan portfolio were variable rate and hybrid loans in their fixed period, respectively. In comparison, as of December 31, 2025, 24% and 36% of our multifamily residential loan portfolio were variable rate and hybrid loans in their fixed period, respectively.

Commercial-Construction and Land Loans

Construction and land loans provide financing for diversified projects by real estate property type. Construction and land loans totaled $331.4 million as of September 30, 2026, compared to $408.0 million as of December 31, 2025, and accounted for 2% of total loans held-for-investment, not including loans held for sale, as of September 30, 2026, and December 31, 2025. Construction loan exposure was made up of $265.9 million in outstanding loans, plus $289.8 million in unfunded commitments as of September 30, 2026, compared to $337.6 million in outstanding loans, plus $235.3 million in unfunded commitments as of December 31, 2025. Land loans totaled $65.5 million as of September 30, 2026, compared to $70.4 million as of December 31, 2025.

Allowance for Credit Losses

The following table sets forth information relating to the allowance for loan losses, charge-offs, recoveries, and the reserve for off-balance sheet credit commitments for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	($ In thousands)			
Allowance for loan losses				
Balance at beginning of period	$ 218,896	$ 173,531	$ 195,911	$ 161,765
Provision for expected credit losses on loans	30,580	28,762	57,536	55,246
Charge-offs:				
Commercial loans	(261)	(16,173)	(10,975)	(27,634)
Construction loans	(8,810)	—	(8,810)	—
Real estate loans [1]	(17,876)	(314)	(19,261)	(4,227)
Total charge-offs	(26,947)	(16,487)	(39,046)	(31,861)
Recoveries:				
Commercial loans	1,660	547	7,444	1,012
Construction loans	1	5	1	6
Real estate loans [1]	—	289	2,344	479
Total recoveries	1,661	841	9,789	1,497
Balance at the end of period	$ **224,190**	$ **186,647**	$ **224,190**	$ **186,647**
Reserve for off-balance sheet credit commitments				
Balance at beginning of period	$ 14,918	$ 9,892	$ 12,441	$ 9,676
Provision for expected credit losses on unfunded credit commitments	(1,980)	(31)	497	$ 185
Balance at the end of period	$ **12,938**	$ **9,861**	$ **12,938**	$ **9,861**
Average loans outstanding during the period	$20,891,868	$19,951,853	$20,453,313	$19,593,553
Total gross loans outstanding, excluding loans held for sale, at period-end	$21,195,861	$20,104,716	$21,195,861	$20,104,716
Total non-performing loans, at period-end	$ 92,272	$ 165,742	$ 92,272	$ 165,742
Ratio of net charge-offs to average loans outstanding during the period[2]	0.48%	0.31%	0.19%	0.21%
Provision for expected credit losses to average loans outstanding during the period[2]	0.54%	0.57%	0.38%	0.38%
Allowance for loan losses to non-performing loans, at period-end	242.97%	112.61%	242.97%	112.61%
Allowance for loan losses to gross loans, excluding loans held for sale, at period-end	1.06%	0.93%	1.06%	0.93%

[1] Real estate loans include commercial real estate loans, residential mortgage loans, and equity lines.

[2] Annualized.

The table set forth below reflects management's allocation of the allowance for loan losses by loan category and the ratio of each loan category to the average gross loans as of the dates indicated:

	September 30, 2026		December 31, 2025	
	Amount	Percentage of Loans in Each Category to Average Gross Loans	Amount	Percentage of Loans in Each Category to Average Gross Loans
	($ In thousands)			
Type of Loan:				
Commercial loans	$ 39,674	17.4%	$ 39,123	15.9%
Construction loans	11,373	1.3	6,475	1.7
Commercial real estate loans	142,977	52.2	125,665	52.3
Residential mortgage loans and equity lines	30,143	29.1	24,641	30.1
Installment and other loans	23	0.0	7	0.0
Total allowance	**$ 224,190**	**100%**	**$ 195,911**	**100%**

The increase in the ACL was driven primarily by strong quarterly loan growth and updated loss assumptions incorporating recent loan and charge-off data. This was largely offset by a decrease in individually evaluated reserves from three isolated credits – one construction loan which was fully reserved for last quarter, and two movie theater CRE loans inherited from the Far East National Bank acquisition.

The qualitative component of the allowance decreased modestly during the quarter, inversely impacted by enhancements to the quantitative model's updated loss assumptions. No new emerging qualitative risks were identified this quarter.

The ACL is also influenced by the macroeconomic forecasts used in the Company's CECL model. The September 30, 2026 estimate incorporated multiple forward-looking economic scenarios obtained from a reputable third-party forecaster. These scenarios reflect a range of potential economic outcomes and include a baseline view of expected conditions, along with more optimistic and more adverse alternatives. Management applies judgment in determining how these scenarios are incorporated into the allowance estimate, taking into account prevailing economic uncertainty and risks.

To illustrate the sensitivity of the allowance to changes in economic assumptions, management estimates that applying a 100% weighting to the downside scenario would have increased the ACL by approximately $105.6 million as of September 30, 2026. This analysis is intended to demonstrate the directional impact of more adverse economic conditions and should not be interpreted as a forecast of future allowance levels.

Our methodology, policies and estimates on allowance for credit losses for loans are described in *Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations* included in the 2025 Form 10-K. For more information, please also see Note 5 to the Company's unaudited Consolidated Financial Statements.

Deposits

Total deposits were $21.83 billion as of September 30, 2026, an increase of $940.8 million, or 4.5% from $20.89 billion as of December 31, 2025.

The Company calculates its uninsured deposits based on the methodologies and assumptions used for regulatory reporting. Total uninsured deposits were $10.26 billion as of September 30, 2026, an increase of approximately $63.2 million, from $10.19 billion as of December 31, 2025. Excluding $797.4 million in collateralized deposits, the uninsured and uncollateralized deposits of $9.46 billion were 43.3% of total deposits as of September 30, 2026. As of September 30, 2026, our unused borrowing capacity from the Federal Home Loan Bank was $7.02 billion, and our unpledged securities were $1.57 billion. These sources of available liquidity, including cash and short-term investments, were more than 100% of uninsured and uncollateralized deposits as of September 30, 2026.

The following table sets forth the deposit mix as of the dates indicated:

	September 30, 2026		December 31, 2025	
	Amount	Percentage	Amount	Percentage
	($ In thousands)			
Deposits				
Non-interest-bearing demand deposits	$ 3,950,436	18.1%	$ 3,505,606	16.8%
NOW deposits	2,634,247	12.1	2,370,047	11.3
Money market deposits	4,284,484	19.6	3,800,471	18.2
Savings deposits	1,517,383	6.9	1,500,890	7.2
Time deposits	9,448,438	43.3	9,717,153	46.5
Total deposits	**$ 21,834,988**	**100.0%**	**$ 20,894,167**	**100.0%**

The following table sets forth the maturity distribution of time deposits as of September 30, 2026:

	As of September 30, 2026		
	Time Deposits - under $250,000	Time Deposits - $250,000 and over	Total Time Deposits
		($ In thousands)	
Three months or less	$ 1,346,493	$ 2,465,243	$ 3,811,736
Over three to six months	1,340,625	1,747,140	3,087,765
Over six to twelve months	916,303	1,501,625	2,417,928
Over twelve months	51,268	79,741	131,009
Total	**$ 3,654,689**	**$ 5,793,749**	**$ 9,448,438**
Percent of total deposits	16.7%	26.5%	43.3%

FDIC Special Assessment

In November 2023, the FDIC adopted a final rule implementing a special assessment to recover losses to the Deposit Insurance Fund ("DIF") arising from the systemic risk determination related to the failures of Silicon Valley Bank and Signature Bank in March 2023. The Company was subject to the special assessment and paid its eighth and final scheduled quarterly assessment during the quarter ended March 31, 2026. As of September 30, 2026, the Company had no remaining accrued liability related to the FDIC special assessment.

In December 2025, the FDIC adopted an interim final rule establishing a process under which institutions subject to the special assessment may receive an offset against future regular deposit insurance assessments if total special assessment collections ultimately exceed losses required to be recovered by the FDIC. The interim final rule also provides for the possibility of an additional one-time shortfall special assessment if ultimate losses exceed amounts collected. As of September 30, 2026, the Company had not recognized any asset related to a potential future offset because the amount and timing of any such offset, if any, are not currently determinable. The Company will continue to monitor future FDIC communications and guidance regarding any additional assessments or offsets.

Off-Balance-Sheet Arrangements and Contractual Obligations

The following table summarizes the Company's contractual obligations to make future payments as of September 30, 2026. Payments for deposits and borrowings do not include interest. Payments related to leases are based on actual payments specified in the underlying contracts:

	Payment Due by Period				
	1 year or less	More than 1 year but less than 3 years	3 years or more but less than 5 years	5 years or more	Total
			($ In thousands)		
Contractual obligations:					
Deposits with stated maturity dates	$ 9,317,429	$ 130,982	$ 24	$ 3	$ 9,448,438
Advances from the Federal Home Loan Bank	200,000	—	$ —	$ —	200,000
Long-term debt	—	—	—	65,011	65,011
Operating leases	11,313	17,794	7,850	5,225	42,182
Total contractual obligations and other commitments	**$ 9,528,742**	**$ 148,776**	**$ 7,874**	**$ 70,239**	**$ 9,755,631**

In the normal course of business, we enter into various transactions, which, in accordance with GAAP, are not included in our Consolidated Balance Sheets. We enter into these transactions to meet the financing needs of our clients. These transactions include commitments to extend credit and standby letters of credit, which involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amounts recognized in the Consolidated Balance Sheets.

Loan Commitments - We enter into contractual commitments to extend credit, normally with fixed expiration dates or termination clauses, at specified rates and for specific purposes. Substantially all of our commitments to extend credit are contingent upon clients maintaining specific credit standards at the time of loan funding. We minimize our exposure to loss under these commitments by subjecting them to credit approval and monitoring procedures. Management assesses the credit risk associated with certain commitments to extend credit in determining the level of the allowance for credit losses.

Standby Letters of Credit - Standby letters of credit are written conditional commitments issued by us to secure the obligations of a client to a third party. In the event the client does not perform in accordance with the terms of an agreement with the third party, we would be required to fund the commitment. The maximum potential amount of future payments we could be required to make is represented by the contractual amount of the commitment. If the commitment is funded, we would be entitled to seek reimbursement from the client. Our policies generally require that standby letter of credit arrangements contain security and debt covenants similar to those contained in loan agreements.

Capital Resources

Total stockholders' equity was $3.06 billion as of September 30, 2026, an increase of $131.4 million, from $2.93 billion as of December 31, 2025, primarily due to net income of $274.3 million, other comprehensive income of $5.9 million, stock-based compensation of $5.8 million, proceeds from dividend reinvestment of $2.0 million, and stock issued to directors of $0.9 million, offset by purchase of treasury stock of $77.5 million, common stock cash dividends of $76.1 million, and shares withheld related to net share settlement of RSUs of $3.9 million.

The following table summarizes changes in total equity for the nine months ended September 30, 2026:

	Nine Months Ended September 30, 2026
	($ In thousands)
Net income	$ 274,269
Proceeds from shares issued through the Dividend Reinvestment Plan	1,988
Shares withheld related to net share settlement of RSUs	(3,878)
Restricted stock units vested	1
Stock issued to directors	864
Purchase of treasury stock	(77,505)
Stock-based compensation	5,807
Cash dividends paid to common stockholders	(76,093)
Other comprehensive income	5,904
Net increase in total equity	$ **131,357**

Capital Adequacy Review

Management seeks to maintain capital at a level sufficient to support future growth, protect depositors and stockholders, and comply with applicable regulatory requirements.

The following tables set forth actual and required capital ratios as of September 30, 2026, and December 31, 2025, for Bancorp and the Bank under the Basel III Capital Rules. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the Basel III Capital Rules. See the 2025 Form 10-K for a more detailed discussion of the Basel III Capital Rules.

	Actual		For Capital Adequacy Purposes		To Be Well-Capitalized Under Prompt Corrective Action provisions	
	Capital Amount	Ratio	Capital Amount	Ratio	Capital Amount	Ratio
	($ In thousands)					
September 30, 2026						
Cathay General Bancorp:						
Common Equity Tier 1 to Risk-Weighted Assets	$ 2,717,846	13.50	$ 905,966	4.50		
Tier 1 Capital to Risk-Weighted Assets	2,717,846	13.50	1,207,955	6.00		
Total Capital to Risk-Weighted Assets	3,017,974	14.99	1,610,606	8.00		
Leverage Ratio	2,717,846	11.05	984,008	4.00		
Cathay Bank:						
Common Equity Tier 1 to Risk-Weighted Assets	$ 2,717,037	13.50	$ 905,544	4.50	$ 1,308,008	6.50
Tier 1 Capital to Risk-Weighted Assets	2,717,037	13.50	1,207,392	6.00	1,609,856	8.00
Total Capital to Risk-Weighted Assets	2,954,165	14.68	1,609,856	8.00	2,012,320	10.00
Leverage Ratio	2,717,037	11.05	983,640	4.00	1,229,550	5.00

	Actual		For Capital Adequacy Purposes		To Be Well-Capitalized Under Prompt Corrective Action provisions	
	Capital Amount	Ratio	Capital Amount	Ratio	Capital Amount	Ratio
	($ In thousands)					
December 31, 2025						
Cathay General Bancorp:						
Common Equity Tier 1 to Risk-Weighted Assets	$ 2,590,921	13.27	$ 878,810	4.50		
Tier 1 Capital to Risk-Weighted Assets	2,590,921	13.27	1,171,746	6.00		
Total Capital to Risk-Weighted Assets	2,914,774	14.93	1,562,328	8.00		
Leverage Ratio	2,590,921	10.91	950,270	4.00		
Cathay Bank:						
Common Equity Tier 1 to Risk-Weighted Assets	$ 2,678,692	13.73	$ 878,257	4.50	$ 1,268,593	6.50
Tier 1 Capital to Risk-Weighted Assets	2,678,692	13.73	1,171,009	6.00	1,561,345	8.00
Total Capital to Risk-Weighted Assets	2,887,045	14.79	1,561,345	8.00	1,951,682	10.00
Leverage Ratio	2,678,692	11.28	949,627	4.00	1,187,034	5.00

As of September 30, 2026, capital levels at Bancorp and the Bank exceed all capital adequacy requirements under the fully phased-in Basel III Capital Rules.

Dividend Policy

Holders of common stock are entitled to dividends as and when declared by our Board of Directors out of funds legally available for the payment of dividends. Although we have historically paid cash dividends on our common stock, we are not required to do so. The Company increased cash dividends per common share from $0.34 to $0.38 during the three months ended March 31, 2026. The amount of future dividends, if any, will depend on our earnings, financial condition, capital requirements and other factors, and will be determined by our Board of Directors. The terms of our Junior Subordinated Notes also limit our ability to pay dividends. If we are not current in our payment of dividends on our Junior Subordinated Notes, we may not pay dividends on our common stock.

The Company declared a cash dividend of $0.38 per share on 66,334,489 shares outstanding on August 28, 2026, for distribution to holders of our common stock on September 8, 2026. The Company paid total cash dividends of $25.2 million in the third quarter of 2026.

Liquidity

Liquidity is our ability to maintain sufficient cash flow to meet maturing financial obligations and client credit needs, and to take advantage of investment opportunities as they are presented in the marketplace. Our principal sources of liquidity are growth in deposits, proceeds from the maturity or sale of securities and other financial instruments, repayments from securities and loans, Federal funds purchased, securities sold under agreements to repurchase, and advances from the FHLB. As of September 30, 2026, our average monthly liquidity ratio (defined as net cash plus short-term and marketable securities to net deposits and short-term liabilities) was 15.1% compared to 14.7% as of December 31, 2025.

The Bank is a shareholder of the FHLB, which enables the Bank to have access to lower-cost FHLB financing when necessary. At September 30, 2026, the Bank had an approved credit line with the FHLB of San Francisco totaling $8.62 billion. There were $200.0 million in outstanding advances from the FHLB of San Francisco and there were $842.9 million in standby letters of credit issued by the FHLB on the Company's behalf as of September 30, 2026. FHLB advances, if any, bear fixed rates and are secured by the Bank's loans. See Note 8 to the Consolidated Financial Statements. At September 30, 2026, the Bank pledged $1.27 billion of its commercial loans and no securities to the Federal Reserve Bank's Discount Window under the Borrower-in-Custody program. The Bank had borrowing capacity of $1.17 billion from the Federal Reserve Bank Discount Window at September 30, 2026.

Liquidity can also be provided through the sale of liquid assets, which may consist of federal funds sold, securities purchased under agreements to resell, and securities available-for-sale. At September 30, 2026, investment securities totaled $1.59 billion, with $19.7 million pledged as collateral for borrowings and other commitments. The remaining balance was available as additional liquidity or to be pledged as collateral for additional borrowings.

Approximately 98.6% of our time deposits mature within one year or less as of September 30, 2026. Given the current competitive environment for certificates of deposit and the rising interest rate environment, management anticipates that certain maturing time deposits may reprice at higher rates. Management also anticipates that a portion of these deposits may run off at maturity due to competitive pressures in the market where the Bank operates. However, based on our historical runoff experience, we expect such outflows will not be significant and can be replenished through normal deposit growth. As of September 30, 2026, management believes that the liquidity sources described above will provide adequate liquidity for the Bank to meet its operating needs over the next twelve months.

The business activities of Bancorp consist primarily of the operation of the Bank and limited activities in other investments. The Bank paid dividends to Bancorp totaling $250.0 million and $175.0 million during the third quarter of 2026 and 2025, respectively.

Critical Accounting Policies

Our most significant accounting policies are described in Note 1 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025. Certain of these accounting policies require management to use significant judgment and estimates, which can have a material impact on the carrying value of certain assets and liabilities. We consider these policies to be our critical accounting estimates. The judgment and assumptions are based on historical experience, future forecasts, or other factors that management believes to be reasonable under the circumstances. Because of the nature of the judgment and assumptions, actual results could differ from estimates, which could have a material effect on our financial condition and results of operations.

For additional information regarding critical accounting estimates, see the section titled "Critical Accounting Policies" included in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes in the Company's application of critical accounting estimates since December 31, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We use a net interest income simulation model to measure the extent of the differences in the behavior of the lending and funding rates to changing interest rates, to project future earnings or market values under alternative interest rate scenarios. Interest rate risk arises primarily through the Company's traditional business activities of extending loans and accepting deposits. Many factors, including but not limited to economic, market and financial conditions, movements in interest rates, and consumer preferences, affect the spread between interest earned on assets and interest paid on liabilities. The net interest income simulation model is designed to measure the volatility of net interest income and net portfolio value, defined as net present value of assets and liabilities, under immediate rising or falling interest rate scenarios in 25 basis points increments.

Although the modeling can be helpful in managing interest rate risk, it requires significant assumptions for the projection of loan prepayment rates on mortgage related assets, loan volumes and pricing, and deposit and borrowing volume and pricing, that might prove inaccurate. Because these assumptions are inherently uncertain, the model cannot precisely estimate net interest income, or precisely predict the effect of higher or lower interest rates on net interest income. Actual results may differ from simulated results due to the timing, magnitude, and frequency of interest rate changes, the differences between actual experience and modeled assumptions changes in market conditions, and management strategies, among other factors. The Company monitors its interest rate sensitivity and seeks to manage the risk of adverse changes in net interest income and economic value.

We have established threshold and policy limits for NII and EVE sensitivity under various interest rate shock scenarios,. If interest rate risk exposure exceeds established policy limits, we seek corrective action taking into account factors including market conditions, the impact on earnings, and other interest rate risk measures. The table below shows the estimated impact of changes in interest rates on net interest income and economic value of equity as of September 30, 2026:

Change in Interest Rate (Basis Points)	Net Interest Income Volatility [1]	Economic Value of Equity Volatility [2]
+200	9.7	-10.0
+100	4.9	-4.8
-100	-4.3	3.6
-200	-8.0	4.9

[1] The projected percentage change in Net Interest Income (NII) under parallel interest rate shifts reflects our asset-sensitive balance sheet positioning, where interest-earning assets reprice more rapidly than interest-bearing liabilities.
[2] The projected percentage change reflects the sensitivity of our Economic Value of Equity (EVE) to parallel interest rate shifts relative to the base interest rate scenario.

ITEM 4. CONTROLS AND PROCEDURES.

The Company's principal executive officer and principal financial officer have evaluated the effectiveness of the Company's "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this quarterly report. Based upon their evaluation, the principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports filed or submitted by it under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There has not been any change in our internal control over financial reporting that occurred during the third quarter of 2026 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, Bancorp and its subsidiaries are parties to litigation that arises in the ordinary course of business or otherwise is incidental to various aspects of its operations. Based upon information available to the Company and its review of any such litigation with counsel, management presently believes that the liability relating to such litigation, if any, would not be expected to have a material adverse impact on the Company's consolidated financial condition, results of operations or liquidity taken as a whole. The outcome of litigation and other legal and regulatory matters is inherently uncertain, however, and it is possible that one or more of the legal matters currently pending or threatened against the Company could have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity taken as a whole.

ITEM 1A. RISK FACTORS.

The Company is not aware of any material change to the risk factors as previously disclosed in Part I, Item 1A, of the Company's 2025 Form 10-K for the year ended December 31, 2025. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors disclosed in Part I, Item 1A, of the Company's 2025 Form 10-K for the year ended December 31, 2025, which could materially and adversely affect the Company's business, financial condition, results of operations and stock price. The risk factors disclosed in the 2025 Form 10-K are not the only risks facing the Company. Additional risks and uncertainties, including those not presently known to the Company or that the Company presently believes not to be material, could also materially and adversely affect the Company's business, financial condition, and results of operations and stock price.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	(d) Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
(July 1, 2026 - July 31, 2026)	155,594	$ 63.12	155,594	$ 126,133,364
(August 1, 2026 - August 31, 2026)	420,000	$ 63.33	420,000	$ 99,535,748
(September 1, 2026 - September 30, 2026)	225,000	$ 61.62	225,000	$ 85,671,258
Total	800,594	$ 62.81	800,594	$ 85,671,258

[1] On April 23, 2026, the Company announced the current $150.0 million share repurchase program. On July 22, 2026, the Company announced a proposed increase in the program of $50.0 million, to a total of $200.0 million, which is currently pending regulatory approval. The current stock repurchase program expires on April 23, 2027.

For a discussion of limitations on the payment of dividends, see "*Dividend Policy*" and "*Liquidity*" under Part I—Item 2—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

During the quarter ended September 30, 2026, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements, as defined under Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS.

Exhibit 3.1	Restated Certificate of Incorporation. Previously filed with the Securities and Exchange Commission on February 29, 2016, as an exhibit to Bancorp's Annual Report on Form 10-K for the year ended December 31, 2015, and incorporated herein by reference.
Exhibit 3.1.1	Amendment to Restated Certificate of Incorporation. Previously filed with the Securities and Exchange Commission on February 29, 2016, as an exhibit to Bancorp's Annual Report on Form 10-K for the year ended December 31, 2015, and incorporated herein by reference.
Exhibit 3.2	Amended and Restated Bylaws, effective February 16, 2017. Previously filed with the Securities and Exchange Commission on February 17, 2017, as an exhibit to the Bancorp's Current Report on Form 8-K and incorporated herein by reference.
Exhibit 3.3	Certificate of Designation of Series A Junior Participating Preferred Stock. Previously filed with the Securities and Exchange Commission on February 28, 2012, as an exhibit to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2011, and incorporated herein by reference.
Exhibit 3.4	Certificate of Designation of Fixed Rate Cumulative Perpetual Preferred Stock, Series B. Previously filed with the Securities and Exchange Commission on March 3, 2014, as an exhibit to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2013 and incorporated herein by reference.
Exhibit 31.1+	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2+	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1++	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2++	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document*
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document*
Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
Exhibit 104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document*

\+ Filed herewith.
++ Furnished herewith.
* Filed electronically herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cathay General Bancorp
(Registrant)

Date: November 6, 2026

/s/ Chang M. Liu
Chang M. Liu
President and Chief Executive Officer

Date: November 6, 2026

/s/ Albert J. Wang
Albert J. Wang
Executive Vice President and
Chief Financial Officer

Exhibit 31.1

I, Chang M. Liu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cathay General Bancorp;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Chang M. Liu
Chang M. Liu
President and Chief Executive Officer

Date: November 6, 2026

Exhibit 31.2

I, Albert J. Wang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cathay General Bancorp;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Albert J. Wang
Albert J. Wang
Executive Vice President and
Chief Financial Officer

Date: November 6, 2026

Exhibit 32.1

CEO CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cathay General Bancorp (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chang M. Liu, chief executive officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Chang M. Liu
Chang M. Liu
President and Chief Executive Officer

Date: November 6, 2026

Exhibit 32.2

CFO CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cathay General Bancorp (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Albert J. Wang, chief financial officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Albert J. Wang
Albert J. Wang
Executive Vice President and
Chief Financial Officer

Date: November 6, 2026