

EWBC Earnings Results

Third Quarter 2020

October 22, 2020



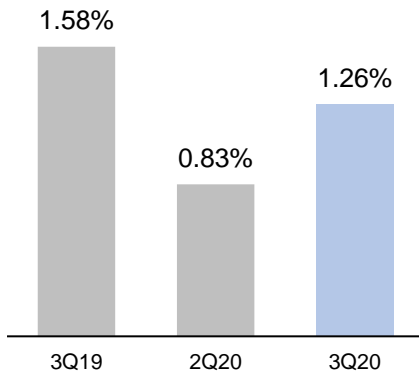
Forward-Looking Statements

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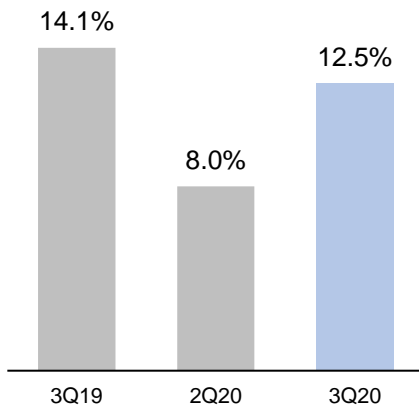
Certain matters set forth herein (including any exhibits hereto) constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to our current business plans and expectations regarding future operating results. Forward-looking statements may include, but are not limited to, the use of forward-looking language, such as “likely result in,” “expects,” “anticipates,” “estimates,” “forecasts,” “projects,” “intends to,” “assumes,” or may include other similar words or phrases, such as “believes,” “plans,” “trend,” “objective,” “continues,” “remains,” or similar expressions, or future or conditional verbs, such as “will,” “would,” “should,” “could,” “may,” “might,” “can,” or similar verbs, and the negative thereof. These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those projected. These risks and uncertainties, some of which are beyond our control, include, but are not limited to, the impact of disease pandemics, such as the worldwide spread and any resurgence of COVID-19, on the Company, its operations and its customers, employees and the markets in which the Company operates and in which its loans are concentrated; and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, which may precipitate or exacerbate one or more of the below-mentioned and/or other risks, and significantly disrupt or prevent the Company from operating its business in the ordinary course for an extended period; changes in governmental policy and regulation, including measures taken in response to economic, business, political and social conditions, such as the Small Business Administration’s Payment Protection Program, the CARES Act and any similar or related rules and regulations of the Federal Reserve efforts to provide liquidity to the U.S. financial system, including changes in government interest rate policies, and to provide credit to private commercial and municipal borrowers, and other programs designed to address the effects of the COVID-19 pandemic, as well as the resulting effect of all such items on the Company’s operations, liquidity and capital position, and on the financial condition of the Company’s borrowers and other customers; changes in the U.S. economy, including an economic slowdown or recession, inflation, deflation, housing prices, employment levels, rate of growth and general business conditions; the changes and effects thereof in trade, monetary and fiscal policies and laws, including the ongoing trade dispute between the United States (“U.S.”) and the People’s Republic of China; changes in the commercial and consumer real estate markets; fluctuations in the Company’s stock price; changes in income tax laws and regulations; the Company’s ability to compete effectively against other financial institutions in its banking markets; success and timing of our business strategies; our ability to retain key officers and employees; impact on our funding costs, net interest income and net interest margin from changes in key variable market interest rates, competition, regulatory requirements and our product mix; changes in our costs of operation, compliance and expansion; our ability to adopt and successfully integrate new technologies into our business in a strategic manner; impact of benchmark interest rate reform in the U.S. that resulted in the Secured Overnight Financing Rate selected as the preferred alternative reference rate to the London Interbank Offered Rate; impact of a communications or technology disruption, failure in, or breach of, the Company’s operational or security systems or infrastructure, or those of third parties with whom the Company does business, including as a result of cyber attacks; and other similar matters which could result in, among other things, confidential and/or proprietary information being disclosed or misused and materially impact the Company’s ability to provide services to its clients; adequacy of the Company’s risk management framework, disclosure controls and procedures and internal control over financial reporting; future credit quality and performance, including the Company’s expectations regarding future credit losses and allowance levels; impact of adverse changes to the Company’s credit ratings from major credit rating agencies; impact of adverse judgments or settlements in litigation; changes in consumer spending and savings habits; impact on the Company’s international operations due to political developments, disease pandemics, wars or other hostilities that may disrupt or increase volatility in securities or otherwise affect economic conditions; changes in laws or the regulatory environment including regulatory reform initiatives and policies of the U.S. Department of Treasury, the Federal Reserve, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the U.S. Securities and Exchange Commission, the Consumer Financial Protection Bureau, the California Department of Business Oversight — Division of Financial Institutions, and SBA; impact of the Dodd-Frank Act on the Company’s business, business practices, cost of operations and executive compensation; heightened regulatory and governmental oversight and scrutiny of our business practices, including dealings with consumers; impact of reputational risk from negative publicity, fines and penalties and other negative consequences from regulatory violations and legal actions and from the Company’s interactions with business partners, counterparties, service providers and other third parties; impact of regulatory enforcement actions; changes in accounting standards as may be required by the Financial Accounting Standards Board or other regulatory agencies and their impact on critical accounting policies and assumptions; impact of other potential federal tax changes and spending cuts; the Company’s capital requirements and its ability to generate capital internally or raise capital on favorable terms; impact on the Company’s liquidity due to changes in the Company’s ability to receive dividends from its subsidiaries; any future strategic acquisitions or divestitures; continuing consolidation in the financial services industry; changes in the equity and debt securities markets; fluctuations in foreign currency exchange rates; a recurrence of significant turbulence or disruption in the capital or financial markets, which could result in, among other things, a reduction in the availability of funding or increases in funding costs, a reduction in investor demand for mortgage loans and declines in asset values and/or recognition of other-than-temporary impairment on securities held in our available-for-sale debt securities portfolio; and impact of natural or man-made disasters or calamities, such as wildfires and earthquakes, which are particular to California, or conflicts or other events that may directly or indirectly result in a negative impact on the Company’s financial performance. In addition to the risk factors enumerated above, the economic impact of the COVID-19 pandemic could cause actual outcome to differ, possibly materially, from the Company’s forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond the Company’s control. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the full impact of the COVID-19 pandemic on the Company’s business. The extent to which the COVID-19 pandemic impacts the Company will depend on future developments that are uncertain and unpredictable, including the scope, severity and duration of the pandemic and its impact on the Company’s customers, the actions taken by governmental authorities in response to the pandemic as well as its impact on global and regional economies, and the pace of recovery when the COVID-19 pandemic subsides, among others. For a more detailed discussion of some of the factors that might cause such differences, see the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 under the heading Item 1A. Risk Factors and the information set forth under Item 1A. Risk Factors in the Company’s Quarterly Reports on Form 10-Q. The Company does not undertake, and specifically disclaims any obligation to update or revise any forward-looking statements to reflect the occurrence of events or circumstances after the date of such statements except as required by law.

Summary of Third Quarter 2020 Results

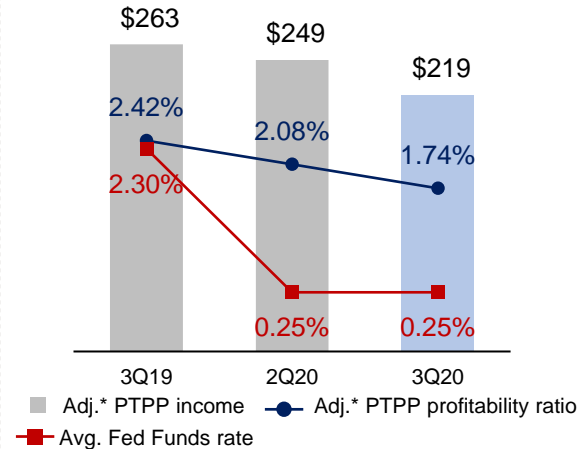
Return on Average Assets



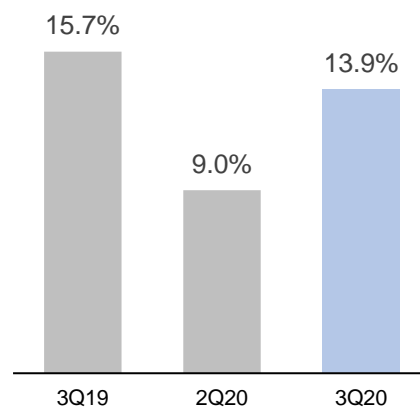
Return on Average Equity



Adjusted* Pre-Tax, Pre-Provision Income & Profitability Ratio



Return on Average Tangible Equity*



3Q20 Net Income
\$160 million

3Q20 Diluted EPS
\$1.12

Record Loans
\$37.4 billion

Record Deposits
\$41.7 billion

Record Demand Deposits
\$14.9 billion

3Q20 Total Revenue
\$374 million

3Q20 Adj.* Efficiency Ratio
41.3%

* See reconciliation of GAAP to non-GAAP financial measures in the appendix and in the Company's Earnings Press Releases.

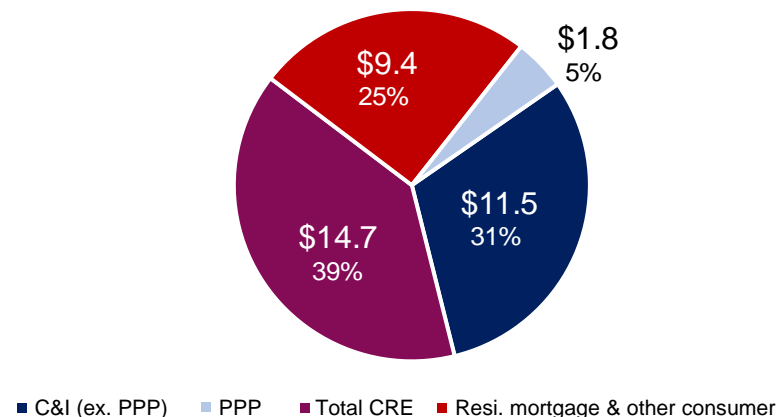
09.30.20: Strong, Well-Diversified Balance Sheet

\$ in millions, except per share data

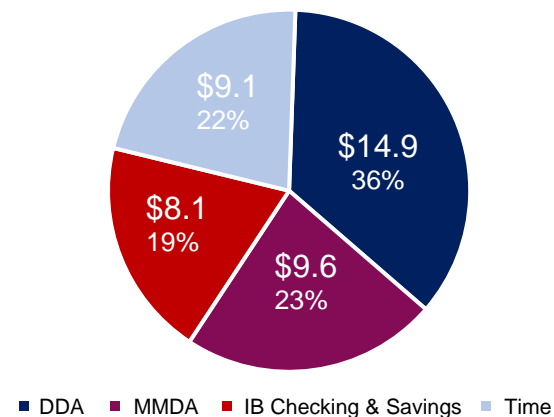
	09.30.20	06.30.20	\$ Change
Cash equivalents & ST investments	\$ 5,206	\$ 5,065	\$ 141
AFS debt securities & repo assets	5,749	5,145	604
Gross loans (ex. PPP)	\$ 35,669	\$ 35,487	\$ 182
PPP loans	1,772	1,747	25
Total loans, net of discounts	\$ 37,441	\$ 37,233	\$ 208
Allowance for loan losses (ALLL)	(618)	(632)	14
Net Loans	\$ 36,823	\$ 36,601	\$ 222
Other assets	2,593	2,597	(4)
Total Assets	\$ 50,371	\$ 49,408	\$ 963
Customer deposits	\$ 41,681	\$ 40,673	\$ 1,008
Short-term borrowings	60	253	(193)
FHLB advances & repo funding	1,005	957	48
PPP Liquidity Facility (PPPLF)	1,427	1,428	(1)
Other LT debt & finance lease liab.	152	152	-
Other liabilities	920	957	(37)
Total Liabilities	\$ 45,245	\$ 44,420	\$ 825
Total Stockholders' Equity	\$ 5,126	\$ 4,987	\$ 139
Book value per share	\$ 36.22	\$ 35.25	\$ 0.97
Tangible equity per share*	\$ 32.85	\$ 31.86	\$ 0.99
Gross loans / deposits	89.8%	91.5%	(171) bp
ALLL / gross loans	1.65%	1.70%	(5) bp
Tang. equity to tang. assets ratio*	9.32%	9.21%	\$ 11 bp

* See reconciliation of GAAP to non-GAAP financial measures in the appendix and in the Company's Earnings Press Releases.

Record Loans as of 09.30.20: \$37.4 billion
(\$ in billions)

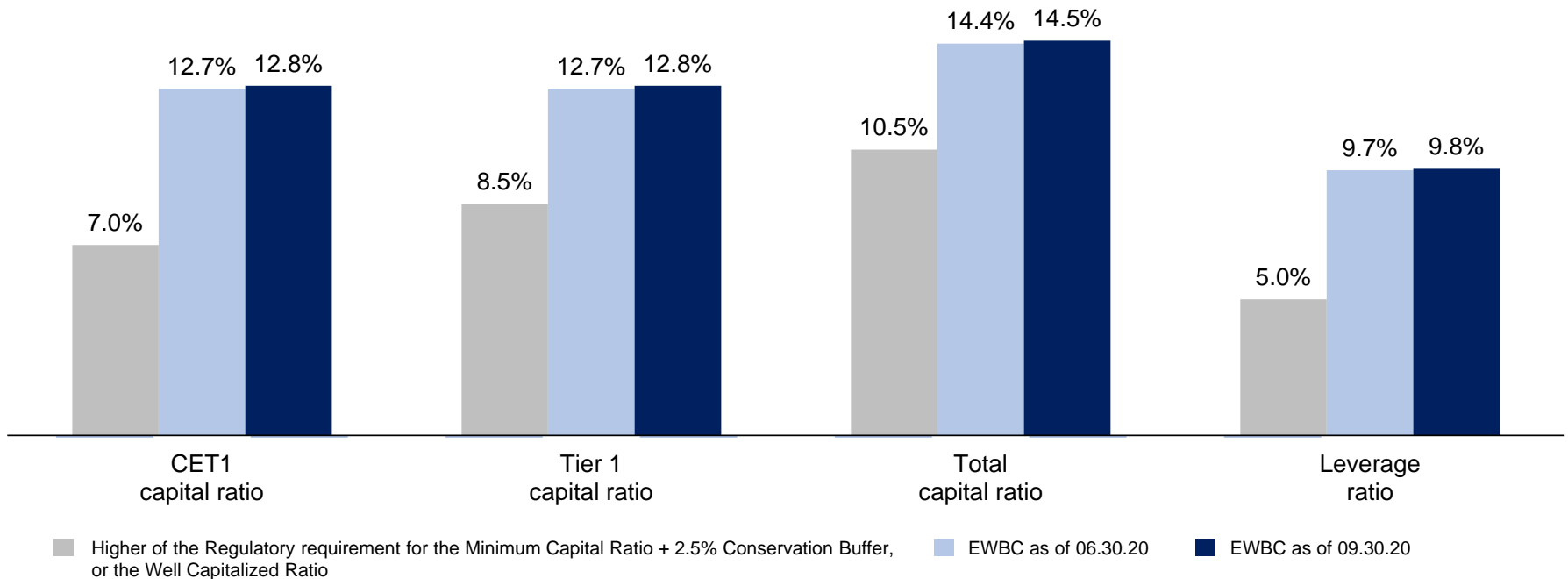


Record Deposits of 09.30.20: \$41.7 billion
(\$ in billions)



09.30.20: Strong Capital Ratios

- **Growing Equity:** Book value per share of \$36.22 as of 09.30.20: +3% Q-o-Q and +8% Y-o-Y.
 - Tangible equity* per share of \$32.85 as of 09.30.20: +3% Q-o-Q and +9% Y-o-Y.
- Tangible equity* to tangible assets ratio of 9.3% as of 09.30.20, increased from 9.2% as of 06.30.20.
- **Increasing risk-based capital ratios:** CET1 capital, Tier 1 capital & total capital ratios all increased Q-o-Q as of 09.30.20.
- Capital return to shareholders:
 - **Dividend:** Quarterly common stock dividend of 27.5 cents per share, or \$1.10 per share annualized.
 - No buybacks during 3Q20.

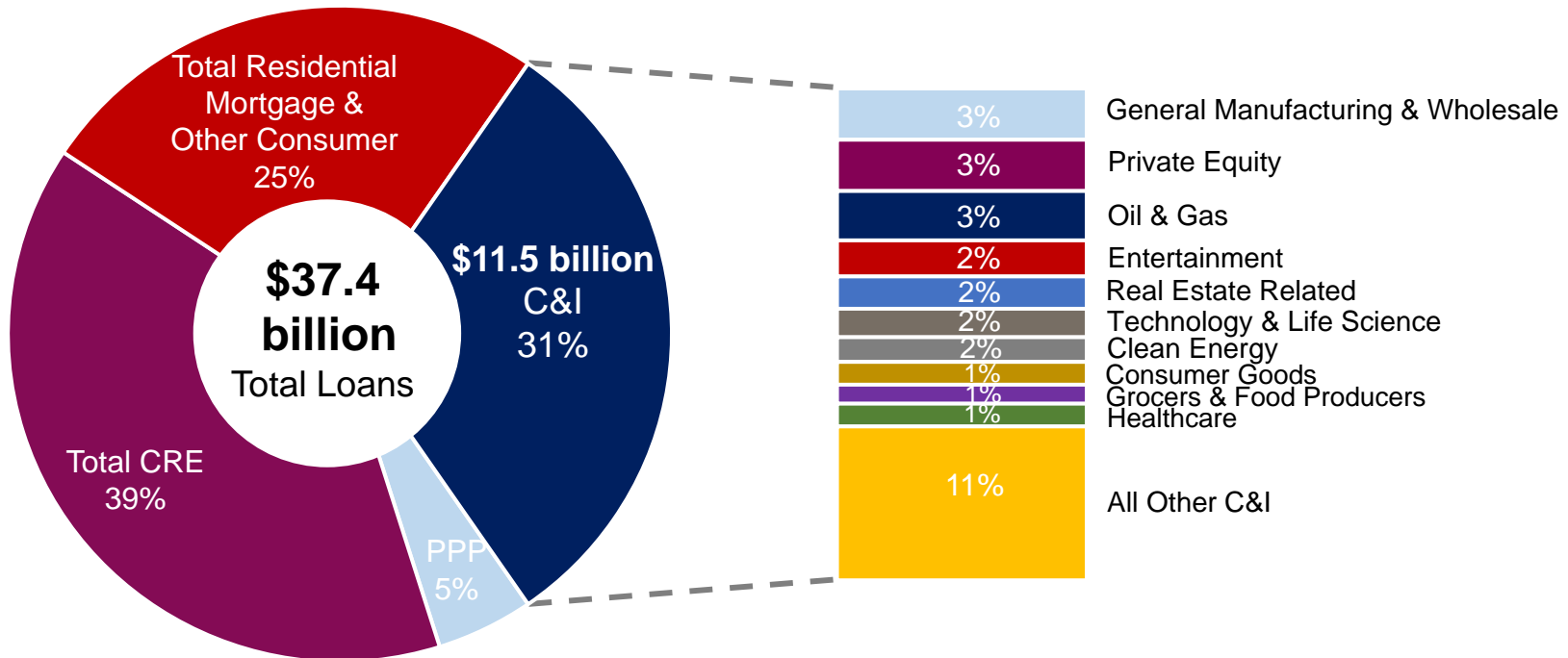


Note: regulatory capital ratios as of 09.30.20 are preliminary.

* See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's Earnings Press Releases.

09.30.20: Diversified Commercial Loan Portfolio

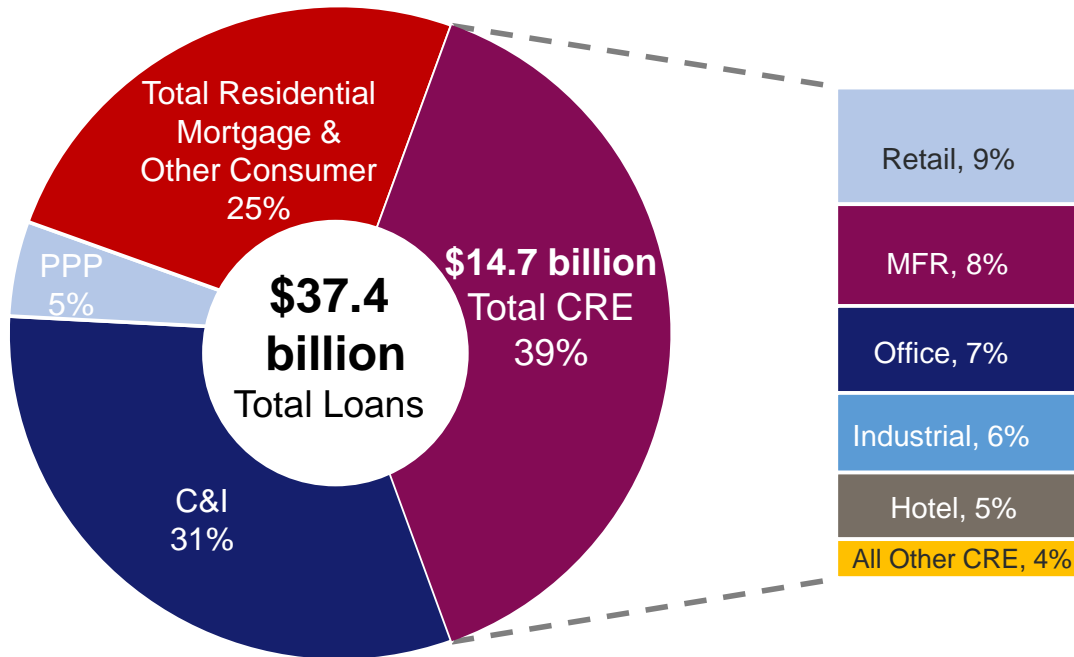
Total Loans: C&I Loans by Industry as % of Total Loans Outstanding



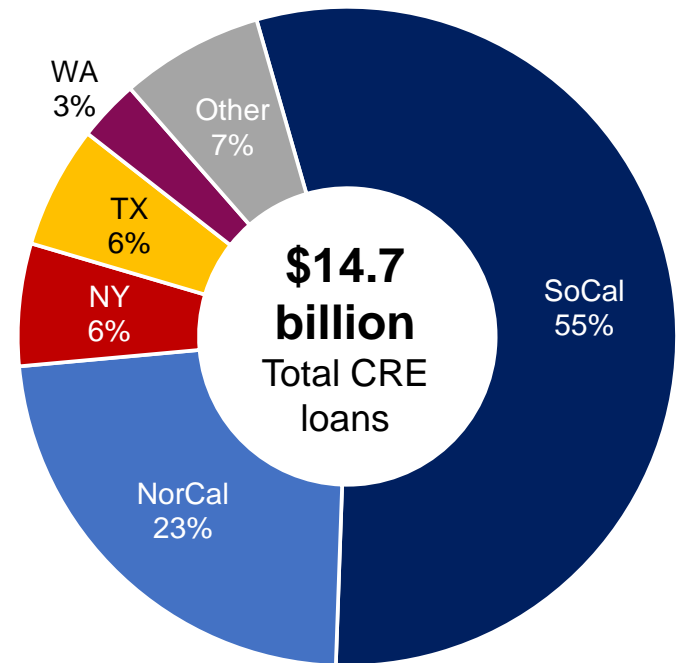
- C&I loans (ex. PPP):** \$11.5bn loans O/S plus \$4.8bn undisbursed commitments = \$16.3bn total commitments as of 09.30.20.
 - Growth in C&I total commitments:** \$16.3bn as of 09.30.20, up by 1% Q-o-Q (+5% ann.) from \$16.1bn as of 06.30.20.
 - C&I loan line utilization:** 71% as of 09.30.20, vs. 72% as of 06.30.20, 75% as of 03.31.20, 71% as of 12.31.19.
- C&I loans O/S (ex. PPP):** M-o-M growth turned positive in Sep., reversing trend of negative monthly growth since March.
 - Q-o-Q, C&I loans O/S (ex. PPP) decreased \$143mm, or -1% (-5% ann.) from 06.30.20. Rate of change an improvement relative to 2Q20 decrease of 7% (-29% ann.).
- PPP loans:** \$1.8bn as of 09.30.20, up by \$26mm Q-o-Q.

09.30.20: Diversified Commercial Real Estate Portfolio

Total Loans: Total CRE Loans by Property Type as % of Total Loans Outstanding



Total CRE: Distribution by Geography

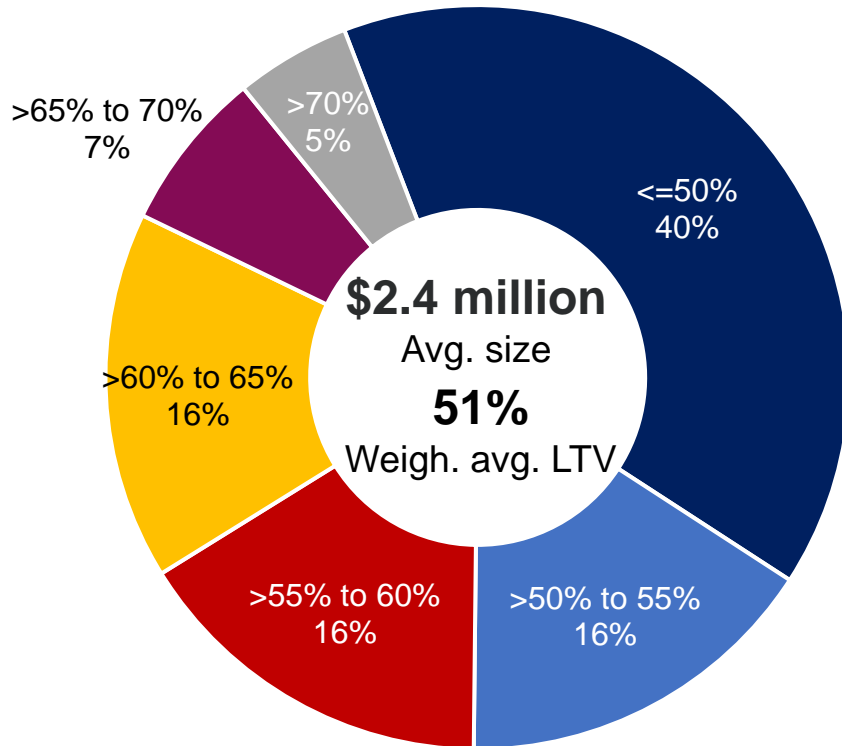


- **Total CRE loans:** \$14.7bn as of 09.30.20, Q-o-Q increase of \$171mm, up 1% Q-o-Q (+5% ann.).
- **Construction & land loans** (in All Other CRE): \$578mm, or 1.5% of total loans. Total construction & land exposure of \$906mm: loans O/S plus \$328mm in undisbursed commitments.

- Geographic distribution reflects EWBC's branch footprint.
- Owner-occupied CRE of \$2.2bn as of 09.30.20, equivalent to 6% of total loans.

09.30.20: Low LTV Commercial Real Estate Portfolio

Total CRE: Distribution by LTV



CRE LTV & Size by Property Type

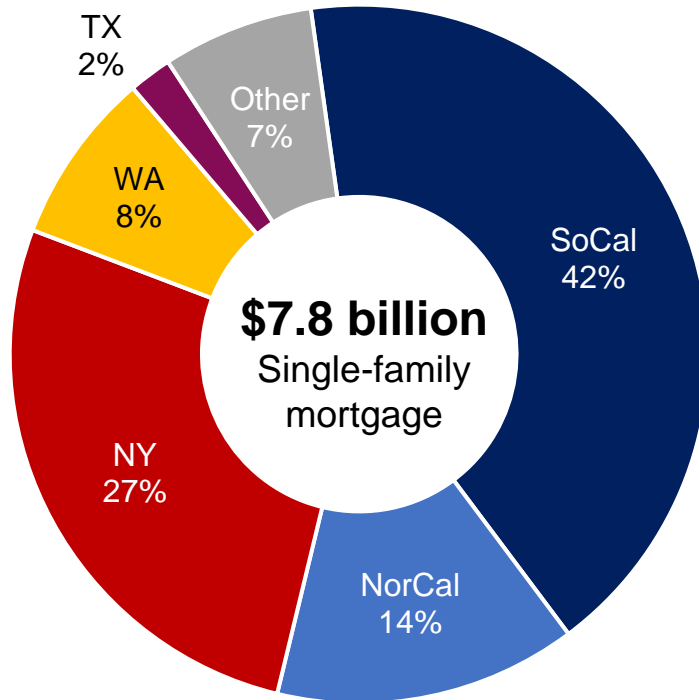
(\$ in mm)	Average Loan Size	Weight. Avg. LTV
Retail	\$ 2.2 mm	50%
Multifamily	1.2 mm	51%
Office	3.9 mm	53%
Industrial	2.4 mm	50%
Hotel	8.4 mm	53%
Construction & Land	10.0 mm*	53%
Other	2.1 mm	49%
Total CRE	\$ 2.4 mm	51%

* Construction & Land avg. size based on total commitment.

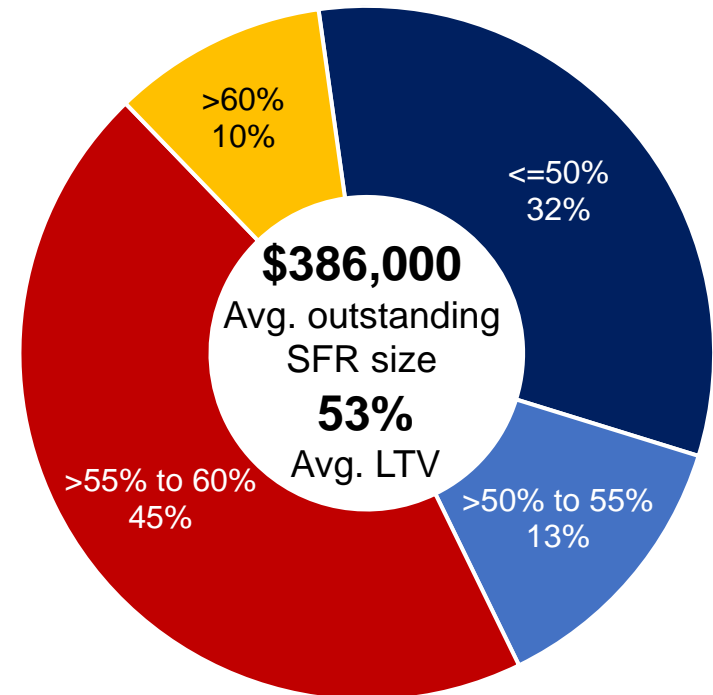
- High percentage of CRE loans have full recourse & personal guarantees from individuals or guarantors with substantial net worth.
- Many of our customers have long-term relationships with East West Bank.

09.30.20: Low LTV Single Family Mortgage Portfolio

SFR: Distribution by Geography



SFR: Distribution by LTV

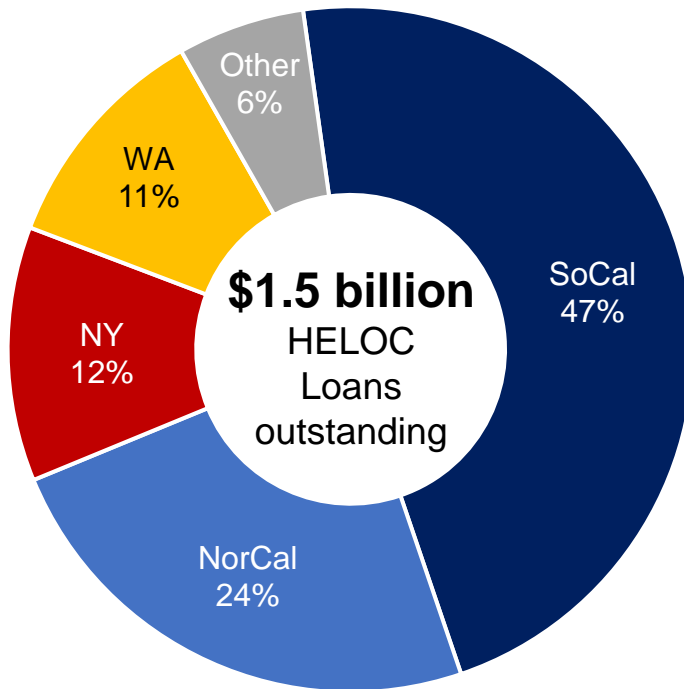


- **Single-family residential (SFR)** loans of \$7.8bn as of 09.30.20, Q-o-Q increase of \$126mm, up 2% Q-o-Q (+7% ann.).
- Primarily originated through East West Bank branches.

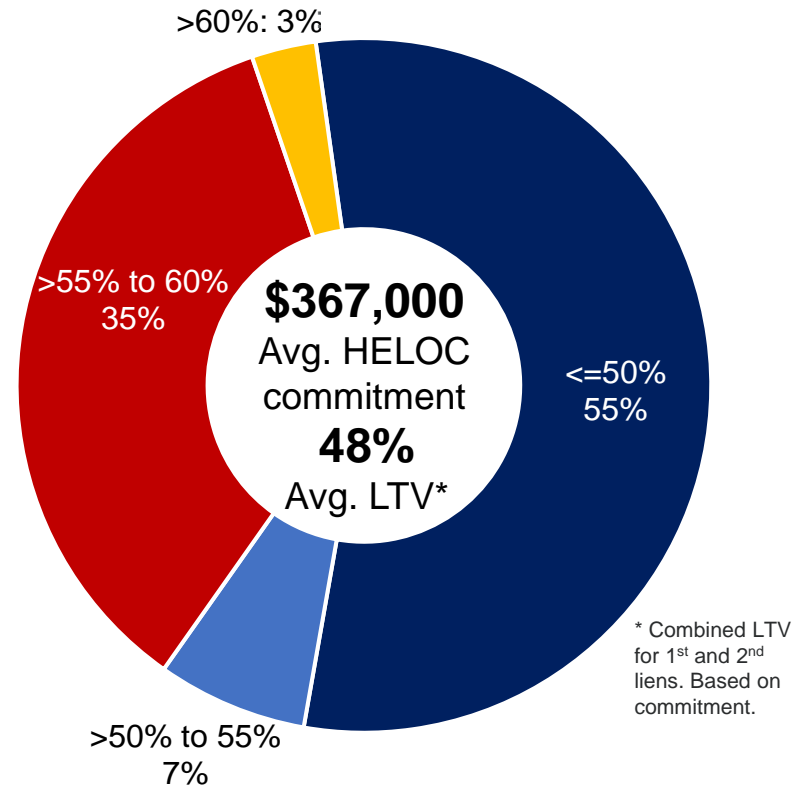
- **Residential mortgage origination volume:** strong origination volume continued in 3Q20, consistent with pace from 1H2020.
- 3Q20 origination volume of \$768mm (\$519mm SFR & \$250mm HELOC), up by 19% Y-o-Y from \$644mm in 3Q19.

09.30.20: Low LTV Home Equity Line of Credit Portfolio

HELOC: Distribution by Geography



HELOC: Distribution by LTV*



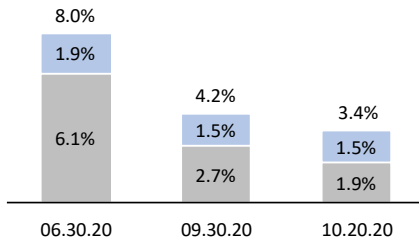
- **HELOC:** \$1.5bn loans O/S plus \$1.6bn in undisbursed commitments = \$3.1bn total commitments as of 09.30.20.
- **3Q20 growth:** loans O/S increased \$52mm, up 4% Q-o-Q (+14% ann.). Total commitment up 3% Q-o-Q (+11% ann.).

- **Utilization rate** of 48% as of 09.30.20, unchanged Q-o-Q.
- As of 09.30.20, 86% of HELOC commitments were in first lien position. HELOCs primarily originated through East West Bank branches.

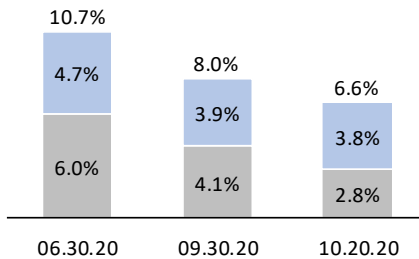
3Q20: COVID-19 Loan Deferral Statistics

Loans on Deferral: Full vs. Partial Payment

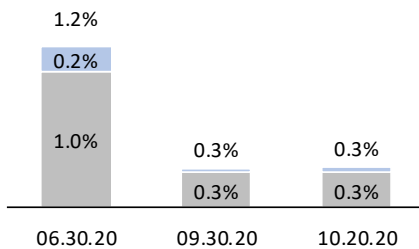
Total Loans



Total CRE Loans



C&I Loans (ex. PPP)



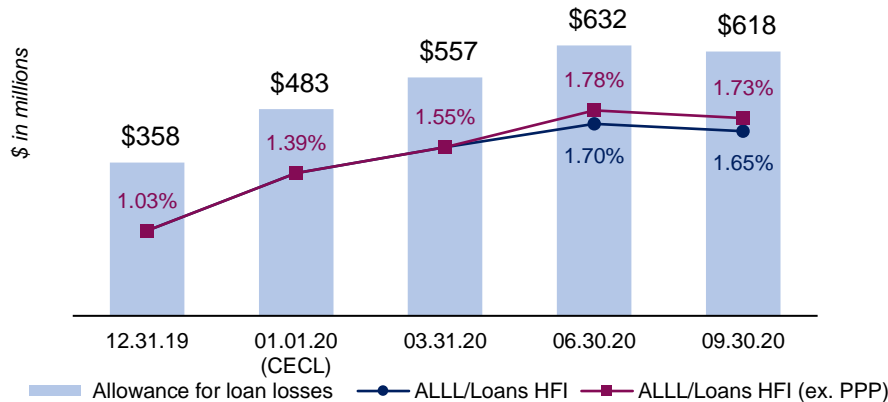
■ Full payment deferral ■ Partial payment deferral

	Deferrals 06.30.20		Deferrals 09.30.20		9.30 vs. 6.30		Deferrals 10.20.20		10.20 vs. 09.30	
	\$ Deferral Balance	% of Loan Portfolio	\$ Deferral Balance	% of Loan Portfolio	\$	%	\$ Deferral Balance	% of Loan Portfolio	\$	%
CRE - Hotel	\$ 731	37.6%	\$ 661	33.6%	\$ (70)	-10%	\$ 543	27.6%	\$ (118)	-18%
CRE - Retail	441	12.8%	252	7.4%	(189)	-43%	186	5.4%	(66)	-26%
CRE - All Other	374	4.1%	255	2.7%	(119)	-32%	236	2.5%	(19)	-7%
Total CRE	\$ 1,546	10.7%	\$ 1,168	8.0%	\$ (378)	-24%	\$ 966	6.6%	\$ (203)	-17%
Resi. Mortgage	1,303	14.3%	382	4.1%	(921)	-71%	272	3.0%	(110)	-29%
C&I (ex. PPP)	135	1.2%	33	0.3%	(103)	-76%	33	0.3%	1	2%
Total Loans	\$ 2,979	8.0%	\$ 1,582	4.2%	\$ (1,396)	-47%	\$ 1,271	3.4%	\$ (312)	-20%

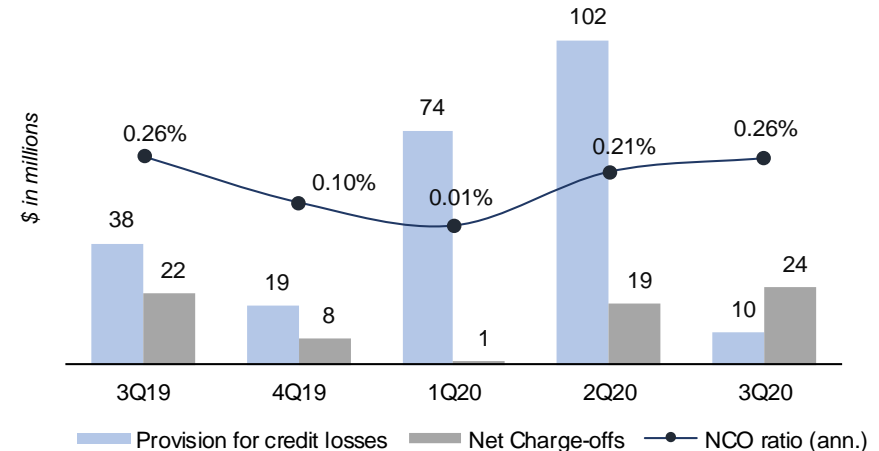
- As of 10.20.20, \$1.3bn loans on COVID-19 related deferral*, or 3.4% of total loans, down QTD from 4.2% as of 09.30.20, and down from 8.0% as of 06.30.20.
 - Only 1.9% of total loans are on full payment deferral as of 10.20.20.
 - 55% of commercial loans on deferral are making partial payments (generally, modifying principal & interest to interest-only payments).
- 4Q QTD & 3Q Q-o-Q decrease in deferrals:** As of 10.20.20, loans on deferral decreased 20% from 09.30.20, after decreasing 47% from 06.30.20.
 - Residential mortgage loans on deferral decreased 79% since 06.30.20; reflects resiliency of East West's customer base. Residential mortgage loans on deferral: 3.0% as of 10.20.20.
 - Continued very low rate of C&I loans on deferral.
- Tenor:** most deferrals granted in 3-month increments.

3Q20: Allowance for Loan Losses & Credit Costs

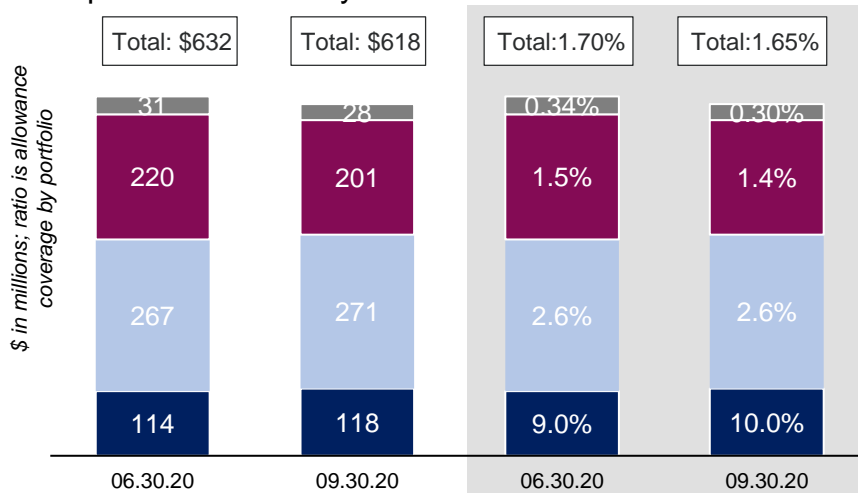
Allowance for Loan Losses Coverage Ratio



Provision for Credit Losses & Net Charge-offs



Composition of ALLL by Portfolio:

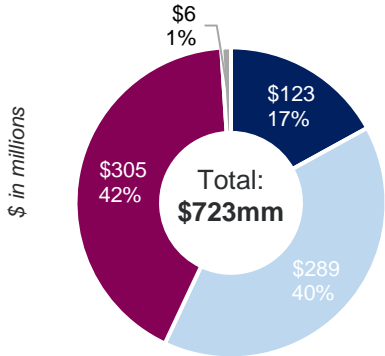


- Allowance coverage of loans HFI:** 1.65% as of 09.30.20, or 1.73% excluding PPP loans. Q-o-Q, the ALLL decreased \$14mm.
- Macroeconomic forecast as of 09.30.20** improved relative to forecast as of 06.30.20; was the primarily driver for the Q-o-Q reduction in the ALLL.
- Updated forecast as of 09.30.20** projects less severe economic conditions: unemployment rate, GDP growth.
- The forecast-driven ALLL reduction** was partially offset by increased reserves for oil & gas loans, which increased from 9% to 10%.
- 3Q20 provision for credit losses:** \$10mm, compared to \$102mm in 2Q20 or \$74mm in 1Q20.
- 3Q20 charge-offs:** primarily from oil & gas: \$22mm or 91% of net charge-offs in 3Q20.

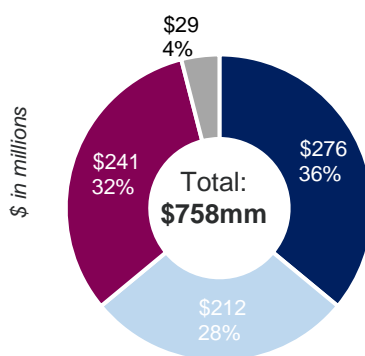
ALLL by Loan Type: ■ C&I: oil & gas ■ All other C&I (ex. PPP) ■ Total CRE ■ Resi. mortgage & consumer

09.30.20: Asset Quality Metrics by Portfolio

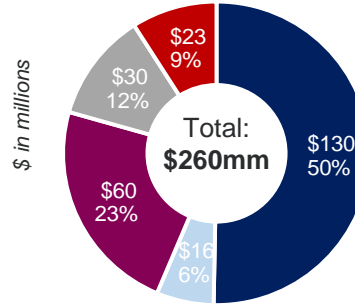
Special Mention Loans
Mix by Portfolio



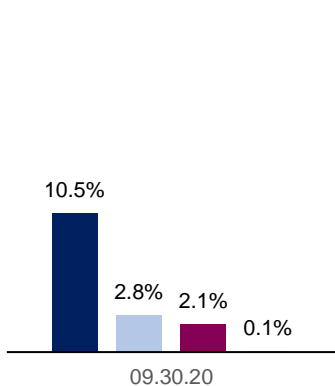
Classified Loans
Mix by Portfolio



Nonperforming Assets
Mix by Portfolio
(subset of Classified)

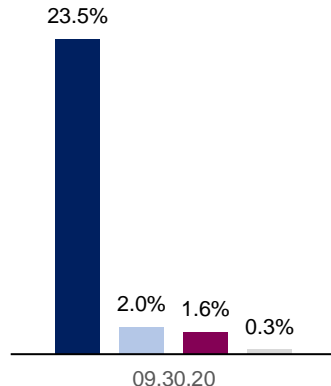


Special Mention Loans
Ratio by Portfolio



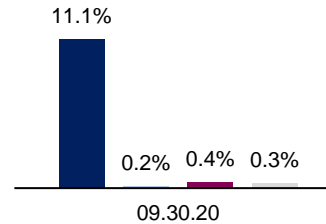
Special Mention / Total Loans: 1.9%

Classified Loans
Ratio by Portfolio



Classified Loans/Total Loans: 2.0%

Nonaccrual Loans
Ratio by Portfolio
(subset of Classified)



Nonaccrual Loans/Total Loans: 0.6%

- Criticized loans:** 3.9% of total loans as of 09.30.20, or \$1,481mm, +18% Q-o-Q.
 - Special Mention:** 1.9% of total loans, or \$723mm, +26% Q-o-Q, largely due to inflows from CRE.
 - Classified:** 2.0% of total loans, or \$758mm, +11% Q-o-Q, largely due to inflows from oil & gas, followed by inflows from other C&I.
- Nonperforming Assets:** 0.52% of total assets as of 09.30.20, or \$260mm, +29% Q-o-Q, primarily from net inflow of O&G loans to nonaccrual status.
- Accruing loans 30-89 days past due:** 0.23% of total loans as of 09.30.20, or \$85mm, Q-o-Q decrease of 25%.
- Oil & Gas Loan Portfolio as of 09.30.20:**
 - Reducing oil & gas exposure through exits, charge-offs and workouts.
 - O&G Loans O/S: \$1.2bn, down 8% Q-o-Q, total commitments: \$1.5bn, down 8% Q-o-Q.
 - YTD, O&G loans O/S down 12% and total commitments down 17%.
 - Portfolio: 60% E&P; 33% midstream & downstream; 7% oilfield services & other.
 - Oil & Gas E&P production mix by volume: 29% oil, 53% gas & 18% NGL for 2021. Production hedged: 52% oil and 59% gas hedged for 2021.

■ C&I: oil & gas
 ■ All other C&I (ex. PPP)
 ■ CRE
 ■ Resi. mortgage & consumer
 ■ OREO & other NPA

3Q20: Summary Income Statement

\$ in millions, except per share data			3Q20 vs. 2Q20	
	3Q20	2Q20	\$ Change	% Change
Net Interest Income	\$ 324.1	\$ 343.8	\$ (19.6)	-6%
Fee income & net gains on sales of loans*	48.0	52.2	(4.2)	-8%
Gains on sales of AFS debt securities	0.7	9.6	(8.9)	-93%
Other	0.9	(3.2)	4.1	NM
Total Noninterest Income*	\$ 49.6	\$ 58.6	\$ (9.1)	-15%
Adjusted** noninterest expense	\$ 154.4	\$ 153.3	\$ 1.2	1%
Debt extinguishment costs	-	8.7	(8.7)	NM
Amortization of tax credit & other investments + core deposit intangibles	13.2	25.7	(12.5)	-49%
Total Noninterest Expense	\$ 167.6	\$ 187.7	\$ (20.1)	-11%
Provision for credit losses on loans	\$ 9.9	\$ 94.3	(84.4)	-90%
Provision for credit losses on unfunded commitments	0.1	8.1	(8.0)	NM
Provision for credit losses	\$ 10.0	\$ 102.4	\$ (92.4)	-90%
Income tax expense	36.6	12.9	23.7	183%
Effective tax rate	19%	12%		7%
Net Income	\$ 159.5	\$ 99.4	\$ 60.1	61%
Diluted EPS	\$ 1.12	\$ 0.70	\$ 0.42	60%
Weigh. avg. diluted shares (in mm)	142.0	141.8	0.2	0%

* See slide 19 for noninterest income detail by category.

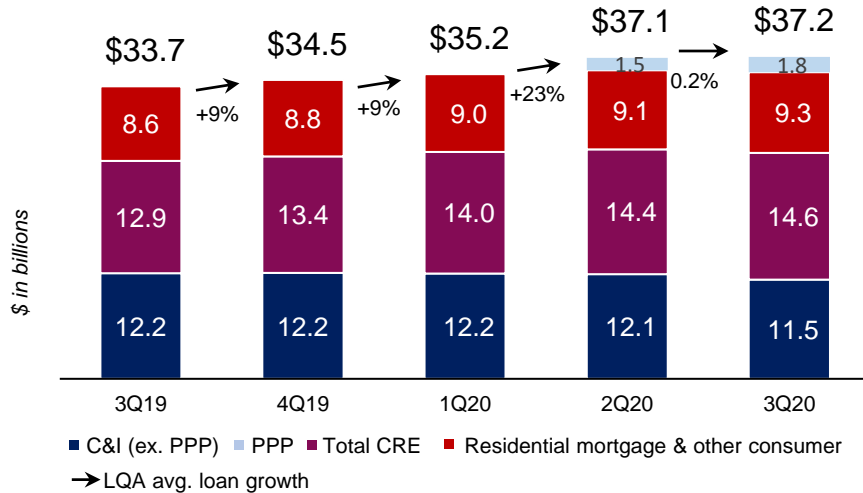
** See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's Earnings Press Releases.

Notable Items

- 2Q20 included gains on sales of AFS debt securities of \$10mm, driven by \$132mm in sales of municipal bonds in 2Q20.
- 2Q20 included debt extinguishment costs of \$9mm. Prepaid \$150mm of repurchase agreements in 2Q20.
- Amortization of tax credit & other investments: \$12mm in 3Q20 vs. \$25mm in 2Q20.
 - Q-o-Q change reflects timing of tax credit investment.
 - 3Q20 effective tax rate: 19%, up from 12% in 2Q20 and 12% in 1Q20.
 - As of 09.30.20, expect full-year effective tax rate will be 15%.
 - The Q-o-Q change in the 2Q effective tax rate reflects the updated full-year effective tax rate estimate.

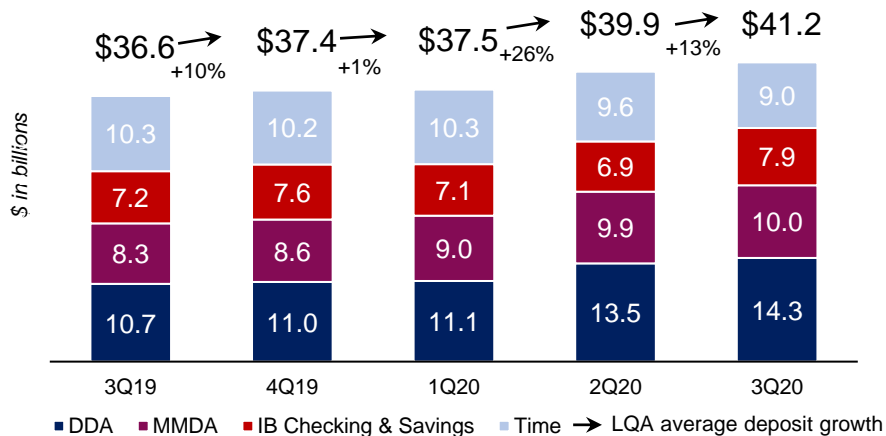
3Q20: Average Balance Sheet: Growth & Mix

Average Loans & Growth

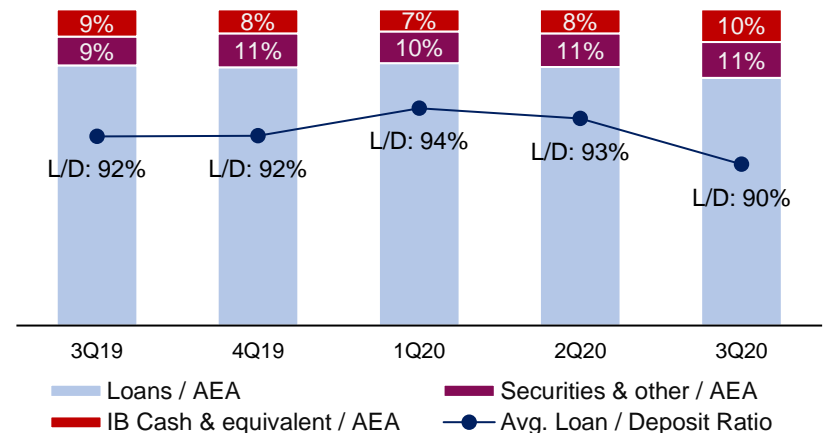


- **3Q20 avg. loans** grew \$19mm Q-o-Q. Growth in CRE and resi. mortgage offset by decrease in C&I and other consumer.
- **3Q20 avg. deposit** growth of 3% Q-o-Q (+13% LQA). Strong growth in demand & checking accounts, partially offset by reduction in higher-cost CDs.
 - Avg. Non-IB DDA: 35% of total deposits in 3Q20, up from 34% in 2Q20, and up from 29% in 3Q19.
- **Deposit growth in excess of loan growth:** redeployed into lower yielding assets, largely IB cash & deposits with banks.
 - Avg. loan-to-deposit ratio: 90% in 3Q20, down from 93% in 2Q20. Ex. PPP loans, avg. L/D ratio of 86% in 3Q.
 - IB cash & deposits with banks made up 10% of average earning assets (“AEA”) in 3Q20, vs. 8% in 2Q20.

Average Deposits & Growth

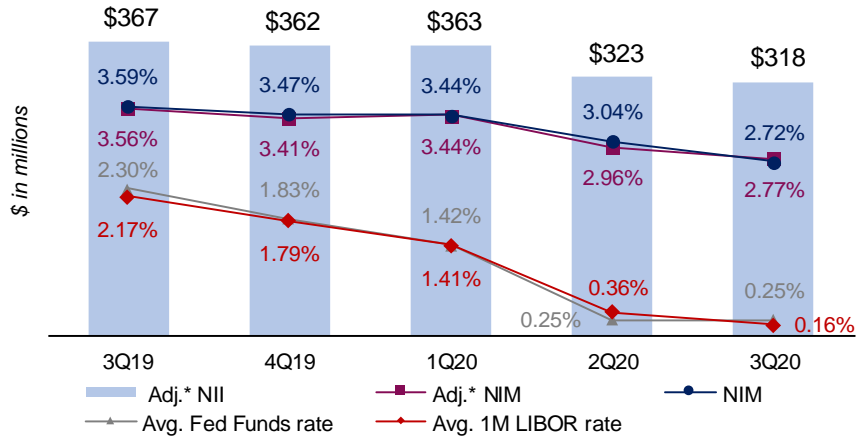


Avg. Earning Asset (AEA) Mix & Loan-to-Deposit Ratio



3Q20: Net Interest Income & Net Interest Margin

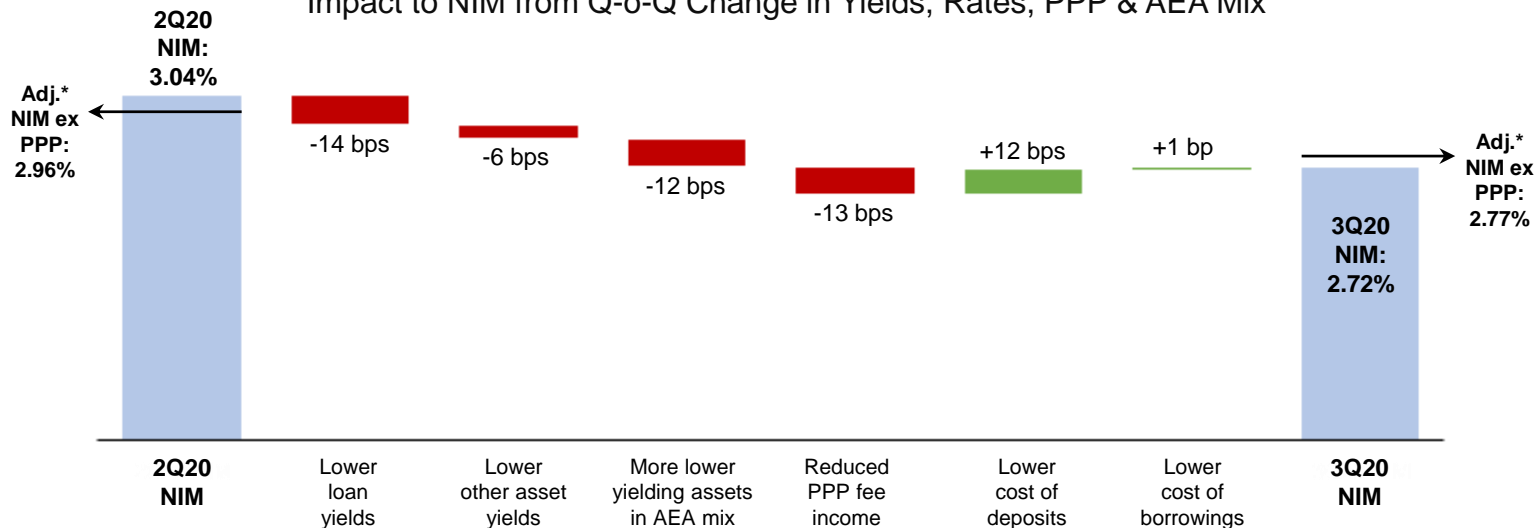
Adj.* Net Interest Income & Adj.* Net Interest Margin



* Adj. NII & adj. NIM: ex. PPP in 3Q20 & 2Q20; ex SOP-03 in 3Q19 and 4Q19.

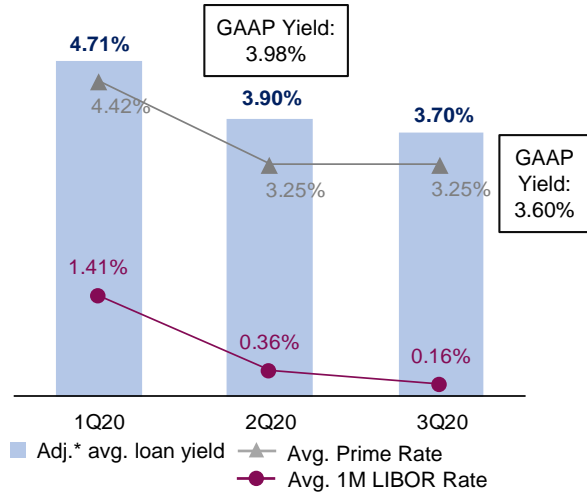
- **3Q20 NII:** \$324mm, -6% Q-o-Q from \$344mm in 2Q20.
 - 3Q20 adj.* NII: \$318mm, -2% Q-o-Q from \$323mm in 2Q20.
- **3Q20 NIM:** 2.72%, down 32 bps Q/Q. Adj.* NIM: 2.77%, down 19 bps Q/Q.
 - Adjusted NII & NIM exclude impact of PPP loans & PPPLF.
- **PPP loan interest & deferred fee income**, net of interest expense on PPPLF: \$6.5mm in 3Q20 (vs. \$21mm in 2Q20).
 - Slower than expected forgiveness of loans reduced PPP fee income accretion in 3Q20. Expecting 4Q20 PPP income (including interest) of \$15mm.
 - 3Q20 avg. PPP loans: \$1.8bn; avg. PPPLF: \$1.4bn.
- **4Q20 Outlook:** NII: up 3%-5%; GAAP NIM: 2.75% - 2.85% (with PPP).
 - Repricing of maturing CDs to lower rates.
 - Repayment of PPPLF ahead of PPP loan forgiveness.
 - Future stability in loan yields as variable-rate loans have largely been repriced down.

Impact to NIM from Q-o-Q Change in Yields, Rates, PPP & AEA Mix

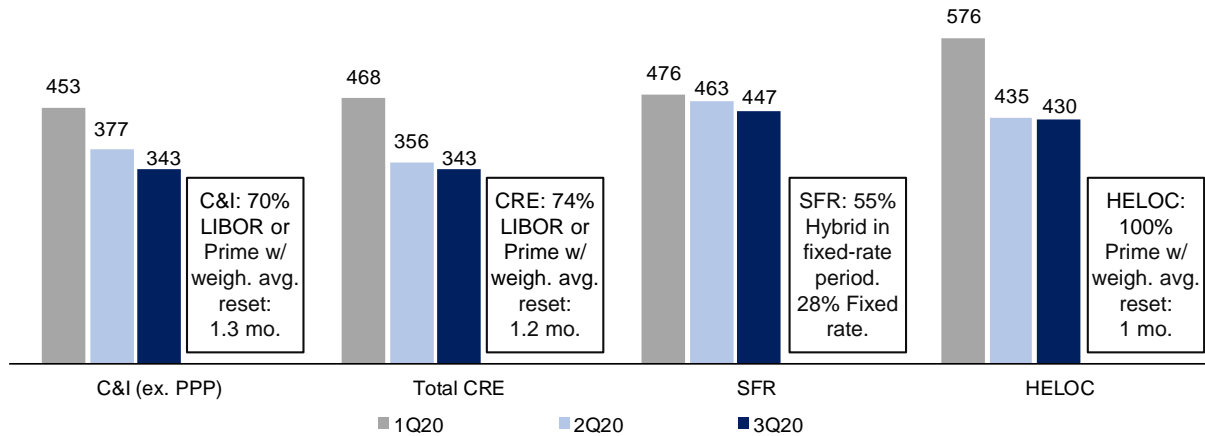


3Q20: Average Loan Yields

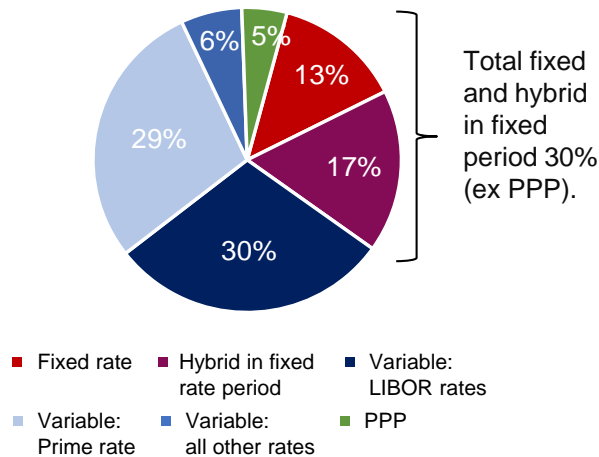
Adj.* Avg. Loan Yield vs. Prime & LIBOR



Average Loan Yield (in bps) by Portfolio in 2020



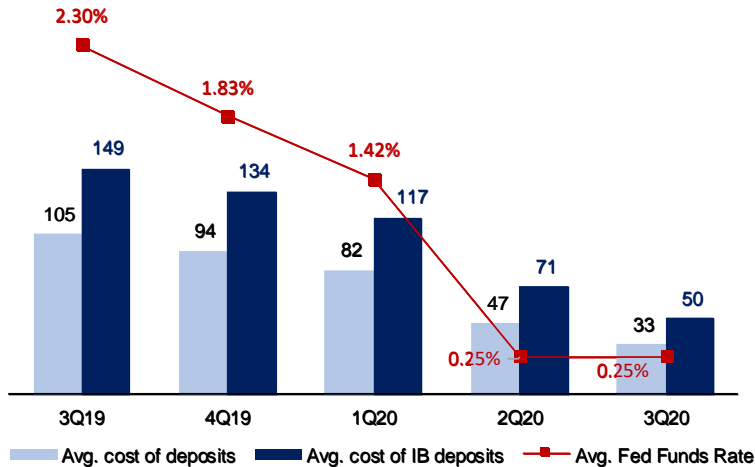
Loan Portfolio by Index Rate (09.30.20)



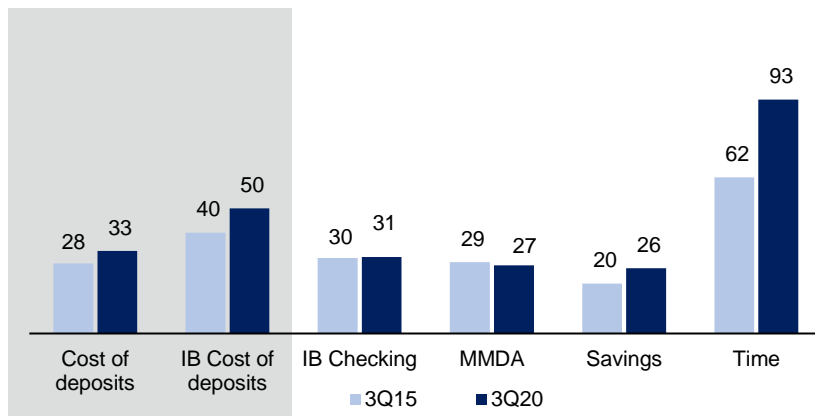
- **3Q20 avg. loan yield:** 3.60% (vs. 3.98% in 2Q20). Ex. PPP, adj.* avg. loan yield: 3.70% in 3Q20 (vs. 3.90% in 2Q20).
- **Variable-rate portfolio repriced:** nearly 90% of variable rate loans linked to benchmark interest rates with duration of 3M or less, primarily Prime or 1-month LIBOR.
- **Relatively stable SFR yield:** lower rate sensitivity for EWBC's core low-doc SFR product. Between 3Q20 and 1Q20, the rate on this portfolio declined by only 29 bps.
- **Loan Yields:** growing fixed-rate loans to organically reduce asset sensitivity. Year-over-year, fixed rate loans (ex. PPP) increased 30%.

3Q20: Average Cost of Deposits

Avg. Cost of Deposits (in bps) Relative to Fed Funds Rate



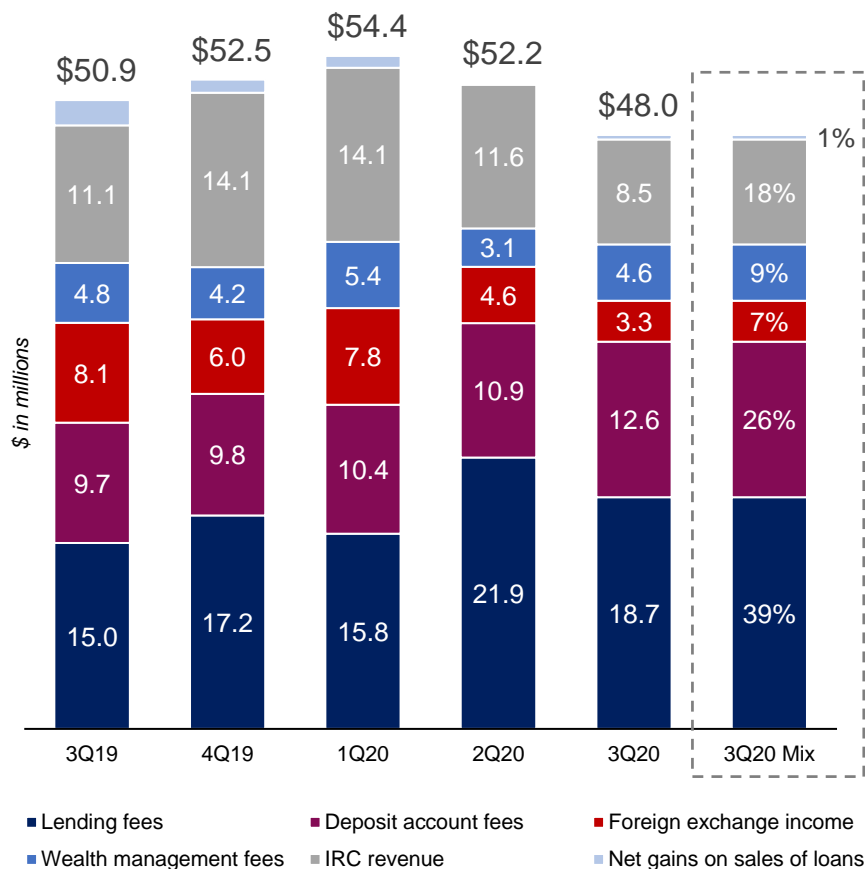
Avg. Cost of Deposits (in bps):
3Q15 (last full quarter in a ZIRP) vs. 3Q20



- **Spot rate of total deposits:** 0.29% as of 09.30.20 (vs. 0.33% avg. in 3Q20).
- **Spot rate of IB deposits:** 0.46% as of 09.30.20 (vs. 0.50% avg. in 3Q20).
- **For historical context 3Q15 vs. 3Q20:** in 3Q15 – last full quarter under zero interest rate policy – avg. cost of deposits was 28 bps and avg. cost of IB deposits was 40 bps. Largest difference comes from the avg. cost of CDs. Currently, CD book still in process of maturing and repricing to lower rates.
- **Continued decrease in deposit costs:** repricing of maturing CDs to lower rates.
 - Domestic CD spot rate as of 09.30.20: 0.81% (down from 1.08% as of 06.30.20).
 - Originations & renewals of CDs in 3Q20: \$5.1bn @ blended rate of 0.43%. High rate of retention on maturing domestic branch CDs.
 - Retention rate of domestic branch CDs: 92% in 3Q20 (up from 86% in 2Q20).
 - Future maturities of CDs with interest rate >1.00%:
 - 4Q20: \$1.4bn @ blended rate of 1.45%.
 - 1Q21: \$1.3bn @ blended rate of 1.26%.

3Q20: Noninterest Income Detail

Fee Income & Net Gains on Sales of Loans *



* Fee income excludes: credit valuation adjustment (“CVA”) related to interest rate contracts (“IRC”) and other derivatives; net gains on sales of securities; gains on sale of fixed assets, and other income.

Total noninterest income: \$50mm in 3Q20 vs. \$59mm in 2Q20.

- **Fee income and net gains on sales of loans:** \$48mm in 3Q20, down \$4mm or -8% Q-o-Q.
- **Lending fees:** \$19mm in 3Q20, down \$3mm Q-o-Q.
 - 3Q lending fees included \$4mm from increase in the valuation of warrants received as part of lending relationships, vs. \$8mm included in 2Q.
 - Customer-driven letters of credit fees (\$10mm in 3Q) increased by \$1mm Q-o-Q.
- **Increase in customer-driven transactions:** deposit account fees: up \$2mm Q-o-Q; wealth mgmt. fees: up \$1.5mm Q-o-Q.
- **FX fees:** \$3mm in 3Q20, down \$1mm Q-o-Q due to downward revaluations of FX-denominated balance sheet items, partially offset by increase in customer-driven transactions.

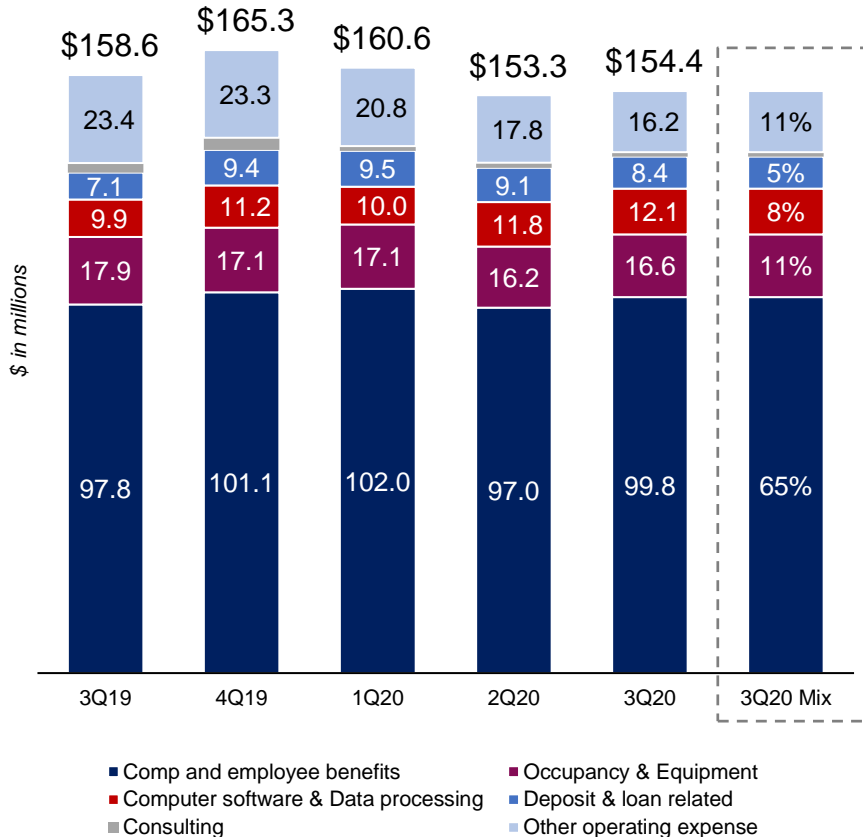
Interest Rate Contracts and Other Derivative Income Detail

(\$ in millions)	3Q19	4Q19	1Q20	2Q20	3Q20
Revenue	\$ 11.1	\$ 14.1	\$ 14.1	\$ 11.6	\$ 8.5
CVA	(2.7)	3.7	(7.0)	(5.5)	(3.0)
Total	\$ 8.4	\$ 17.8	\$ 7.1	\$ 6.1	\$ 5.5

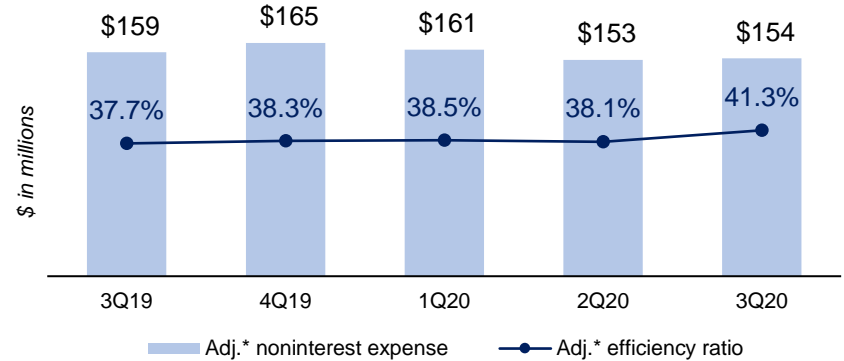
- Revenue – interest rate contracts and other derivatives transaction fees.
- CVA – related to interest rate contracts and other derivatives.

3Q20: Operating Expense & Efficiency

Adjusted* Noninterest Expense



Adj.* Noninterest Expense & Adj.* Efficiency Ratio



- 3Q20 total noninterest expense: \$168mm, decrease of 11% Q-o-Q.
- 3Q20 adj.* noninterest expense: \$154mm, increase of 1% Q-o-Q and decrease of 3% Y-o-Y.
- Excluding the impact of PPP loan origination costs deferred in 2Q20, 3Q20 compensation expense of \$100mm decreased 4% Q-o-Q from \$104mm in 2Q20. In 2Q20, \$7mm of comp. expense associated with PPP loan origination was deferred.
- Q-o-Q increase in computer software expense reflects amortization of previously capitalized investment spend.

*See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's Earnings Press Releases.

APPENDIX

Appendix: GAAP to Non-GAAP Reconciliation

EAST WEST BANCORP, INC. AND SUBSIDIARIES

GAAP TO NON-GAAP RECONCILIATION

(\$ in thousands)

(unaudited)

Adjusted efficiency ratio represents adjusted noninterest expense divided by revenue. Adjusted pre-tax, pre-provision profitability ratio represents revenue less adjusted noninterest expense, divided by average total assets. Adjusted noninterest expense excludes the amortization of tax credit and other investments, the amortization of core deposit intangibles, and the extinguishment cost on repurchase agreements. Management believes that the measures and ratios presented below provide clarity to financial statement users regarding the ongoing performance of the Company and allow comparability to prior periods.

		Three Months Ended		
		September 30, 2020	June 30, 2020	September 30, 2019
Net interest income before provision for credit losses	(a)	\$ 324,130	\$ 343,775	\$ 369,807
Total noninterest income		49,580	58,637	51,474
Total revenue	(b)	\$ 373,710	\$ 402,412	\$ 421,281
Total noninterest expense	(c)	\$ 167,650	\$ 187,696	\$ 176,630
Less: Amortization of tax credit and other investments		(12,286)	(24,759)	(16,833)
Amortization of core deposit intangibles		(927)	(931)	(1,148)
Repurchase agreements' extinguishment cost		—	(8,740)	—
Adjusted noninterest expense	(d)	\$ 154,437	\$ 153,266	\$ 158,649
Efficiency ratio	(c)/(b)	44.86 %	46.64 %	41.93 %
Adjusted efficiency ratio	(d)/(b)	41.33 %	38.09 %	37.66 %
Adjusted pre-tax, pre-provision income	(b)-(d) = (e)	\$ 219,273	\$ 249,146	\$ 262,632
Average total assets	(f)	\$ 50,247,259	\$ 48,228,914	\$ 43,136,273
Adjusted pre-tax, pre-provision profitability ratio ⁽¹⁾	(e)/(f)	1.74 %	2.08 %	2.42 %
Adjusted noninterest expense/average assets ⁽¹⁾	(d)/(f)	1.22 %	1.28 %	1.46 %

(1) Annualized.

Appendix: GAAP to Non-GAAP Reconciliation

EAST WEST BANCORP, INC. AND SUBSIDIARIES

GAAP TO NON-GAAP RECONCILIATION

(\$ in thousands)

(unaudited)

The Company uses certain non-GAAP financial measures to provide supplemental information regarding the Company's performance. Tangible equity and tangible equity to tangible assets ratio are non-GAAP financial measures. Tangible equity and tangible assets represent stockholders' equity and total assets, respectively, which have been reduced by goodwill and other intangible assets. Given that the use of such measures and ratios is more prevalent in the banking industry, and such measures and ratios are used by banking regulators and analysts, the Company has included them below for discussion.

		September 30, 2020	June 30, 2020	September 30, 2019
Stockholders' equity	(a)	\$ 5,126,106	\$ 4,987,243	\$ 4,882,664
Less: Goodwill		(465,697)	(465,697)	(465,697)
Other intangible assets ⁽¹⁾		(12,369)	(13,490)	(17,435)
Tangible equity	(b)	\$ 4,648,040	\$ 4,508,056	\$ 4,399,532
Total assets	(c)	\$ 50,371,477	\$ 49,407,593	\$ 43,274,659
Less: Goodwill		(465,697)	(465,697)	(465,697)
Other intangible assets ⁽¹⁾		(12,369)	(13,490)	(17,435)
Tangible assets	(d)	\$ 49,893,411	\$ 48,928,406	\$ 42,791,527
Total stockholders' equity to total assets ratio	(a)/(c)	10.18 %	10.09 %	11.28 %
Tangible equity to tangible assets ratio	(b)/(d)	9.32 %	9.21 %	10.28 %

(1) Includes core deposit intangibles and mortgage servicing assets.

Appendix: GAAP to Non-GAAP Reconciliation (cont'd)

EAST WEST BANCORP, INC. AND SUBSIDIARIES

GAAP TO NON-GAAP RECONCILIATION

(\$ in thousands)

(unaudited)

In April 2020, the Company started accepting applications under the PPP administered by the Small Business Administration ("SBA") under the Coronavirus Aid, Relief, and Economic Security Act and began to originate loans to qualified small businesses. These loans are included in the Company's C&I portfolio, have an interest rate of one percent, and are 100% guaranteed by the SBA. As of September 30, 2020, the majority of the Company's PPP loans have a contractual term of two years. The SBA pays the Company fees for processing PPP loans in the following amounts: (i) five percent for loans of not more than \$350,000; (ii) three percent for loans of more than \$350,000 and less than \$2,000,000; and (iii) one percent for loans of at least \$2,000,000. Loan processing fees paid to the Company from the SBA are accounted for as loan origination fees, where net deferred fees are recognized on a straight line basis over the estimated life of the loan as a yield adjustment on the loans. If a loan is paid off or forgiven by the SBA prior to its projected estimated life, the remaining unamortized deferred fees will be recognized as interest income in that period. As of September 30, 2020, the Company has drawn down \$1.43 billion from the PPPLF and pledged the same amount in PPP loans as collateral.

Adjusted loan yield for the three months ended September 30, 2020 and June 30, 2020, and nine months ended September 30, 2020 excludes the impact of PPP loans. Adjusted net interest margin for the three months ended September 30, 2020 and June 30, 2020, and nine months ended September 30, 2020 excludes the impact of PPP loans and advances from the PPPLF. Management believes that presenting the adjusted average loan yield and adjusted net interest margin provides comparability to prior periods and these non-GAAP financial measures provide supplemental information regarding the Company's performance.

		Three Months Ended			Nine Months Ended	
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Yield on Average Loans						
Interest income on loans	(a)	\$ 336,542	\$ 367,393	\$ 433,658	\$ 1,115,804	\$ 1,291,642
Less: Interest income on PPP loans		(7,778)	(21,289)	—	(29,067)	—
Adjusted interest income on loans	(b)	\$ 328,764	\$ 346,104	\$ 433,658	\$ 1,086,737	\$ 1,291,642
Average loans	(c)	\$ 37,160,445	\$ 37,141,773	\$ 33,661,282	\$ 36,487,859	\$ 33,023,713
Less: Average PPP loans		(1,764,411)	(1,465,013)	—	(1,078,985)	—
Adjusted average loans	(d)	\$ 35,396,034	\$ 35,676,760	\$ 33,661,282	\$ 35,408,874	\$ 33,023,713
Average loan yield ⁽¹⁾	(a)/(c)	3.60 %	3.98 %	5.11 %	4.08 %	5.23 %
Adjusted average loan yield ⁽¹⁾	(b)/(d)	3.70 %	3.90 %	5.11 %	4.10 %	5.23 %
Net Interest Margin						
Net interest income	(e)	\$ 324,130	\$ 343,775	\$ 369,807	\$ 1,030,612	\$ 1,099,594
Less: Interest income on PPP loans		(7,778)	(21,289)	—	(29,067)	—
Add: Interest expense on advances from the PPPLF		1,259	463	—	1,722	—
Adjusted net interest income	(f)	\$ 317,611	\$ 322,949	\$ 369,807	\$ 1,003,267	\$ 1,099,594
Average interest-earning assets	(g)	\$ 47,428,586	\$ 45,413,242	\$ 40,919,386	\$ 45,076,734	\$ 39,716,462
Less: Average PPP loans		(1,764,411)	(1,465,013)	—	(1,078,985)	—
Adjusted average interest-earning assets	(h)	\$ 45,664,175	\$ 43,948,229	\$ 40,919,386	\$ 43,997,749	\$ 39,716,462
Net interest margin ⁽¹⁾	(e)/(g)	2.72 %	3.04 %	3.59 %	3.05 %	3.70 %
Adjusted net interest margin ⁽¹⁾	(f)/(h)	2.77 %	2.96 %	3.59 %	3.05 %	3.70 %

(1) Annualized.