East West Bancorp, Inc.
Fourth Quarter and Full Year 2023 Earnings Presentation

January 23, 2024

EAST WEST BANK
Your financial bridge®

Equal Housing Lender Member FDIC

Forward-Looking Statements

Forward-Looking Statements

This presentation contains forward-looking statements that are intended to be covered by the safe harbor for such statements provided by the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of the management of East West Bancorp, Inc. (the "Company") and are subject to significant risks and uncertainties. You should not place undue reliance on these statements. There are various important factors that could cause the Company's future results to differ materially from historical performance and any forward-looking statements, including the factors described in the Company's fourth-quarter 2023 earnings release, as well as those factors contained in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2022 and in its subsequent Quarterly Reports on Form 10-Q. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements the Company may make. These statements speak only as of the date they are made and are based only on information then actually known to the Company. The Company does not undertake to update any forward-looking statements except as required by law.

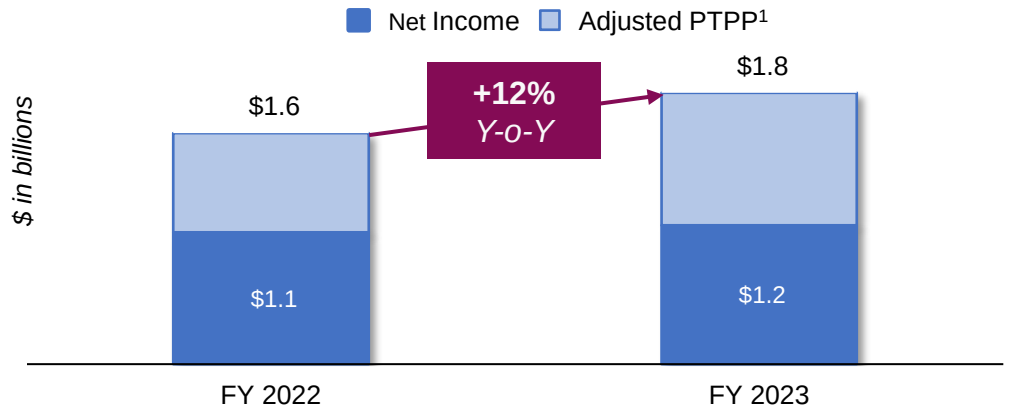
Non-GAAP Financial Measures

Certain financial information in this presentation has not been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and is presented on a non-GAAP basis. Investors should refer to the reconciliations included in this presentation and should consider the Company's non-GAAP measures in addition to, not as a substitute for or superior to, measures prepared in accordance with GAAP. These measures may not be comparable to similarly titled measures used by other companies.

Full Year 2023 Highlights

Key Metrics

Net Income & Adjusted Pre-tax Pre-Provision Income (PTPP)[1]



1.7%
Return on Average Assets

17.9%
Return on Average Common Equity

20.3%
Adjusted Return on Average Tangible Common Equity[1]

Highlights

- **Record full year revenue and earnings**
  - Revenue of $2.6 billion, up $263 million, 11% Y-o-Y
  - Net income of $1.2 billion, or $8.18 per diluted share ($8.56 adjusted earnings per share)[1]
- **Prudent balance sheet growth**
  - Increased deposit granularity
  - Diversified loan growth
- **Strong credit risk management**
  - 9bps annual NCOs to average loans
  - 16bps of NPAs to total assets
- **Continued industry-leading efficiency**
- **Increasing 1Q24 dividend by 15% to $0.55/share**

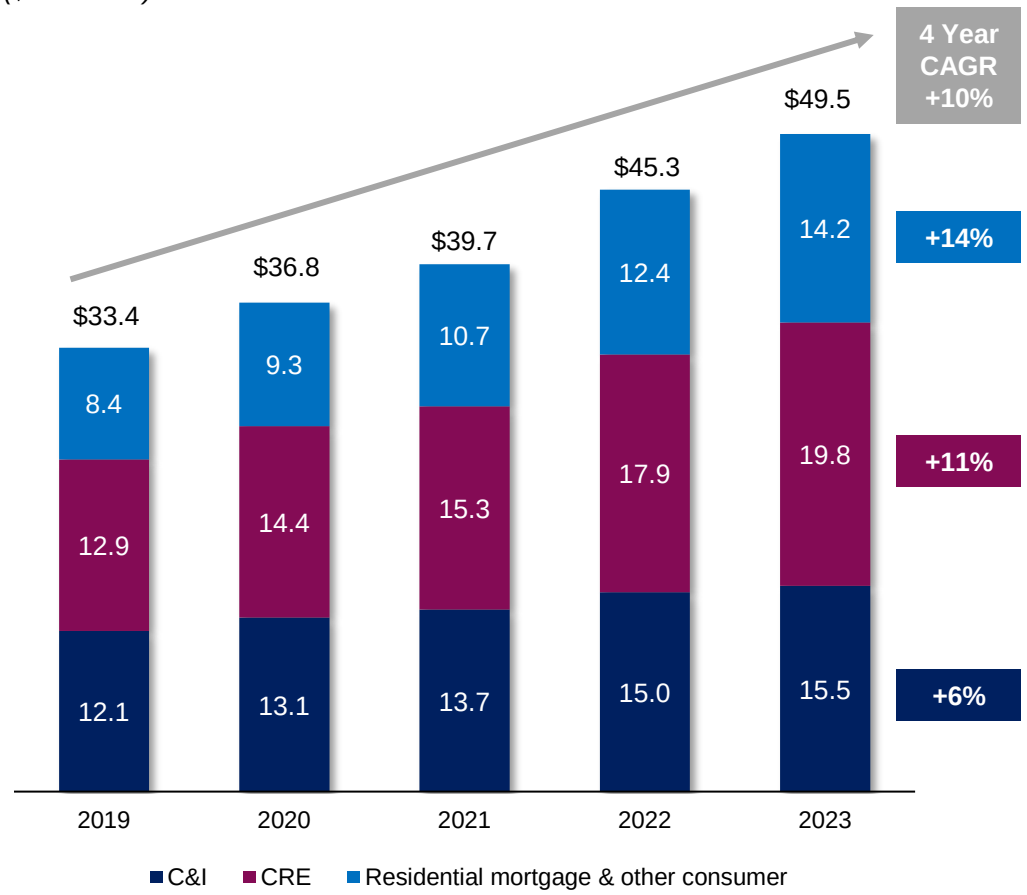
(1) See reconciliation of GAAP to non-GAAP financial measures in the appendix and in the Company's earnings press releases

Loans

Prudent growth that bolsters diversification

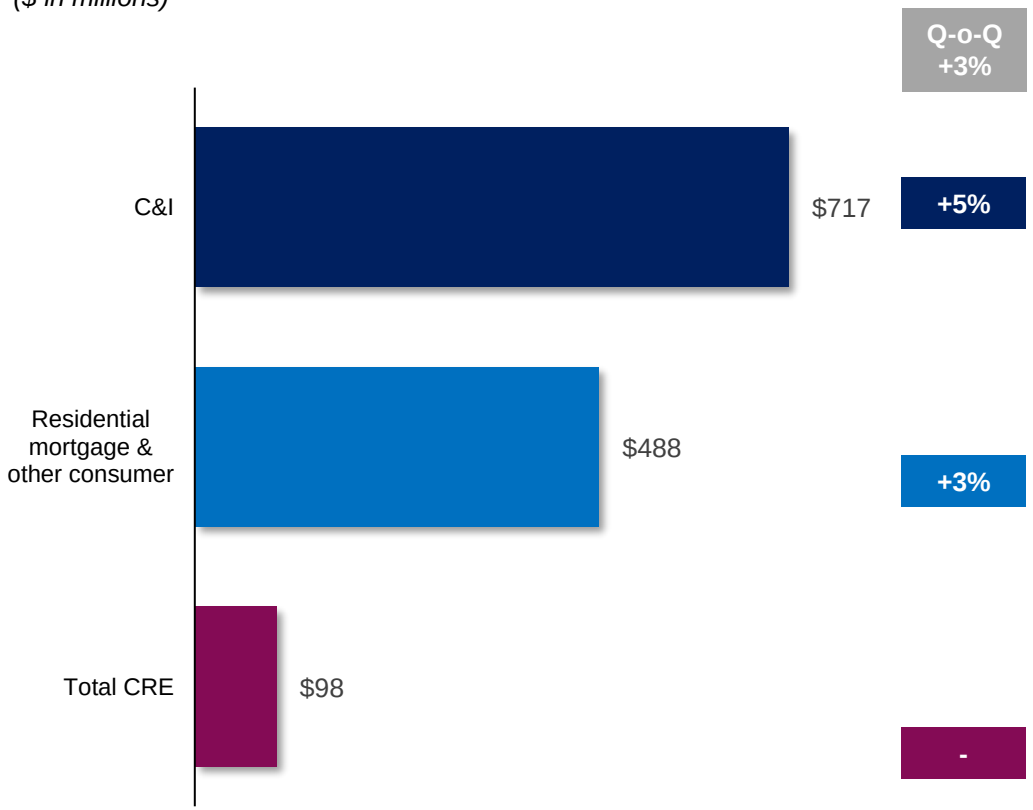
Average Loans

($ in billions)



End of Period Loan Growth (3Q23 to 4Q23)

($ in millions)



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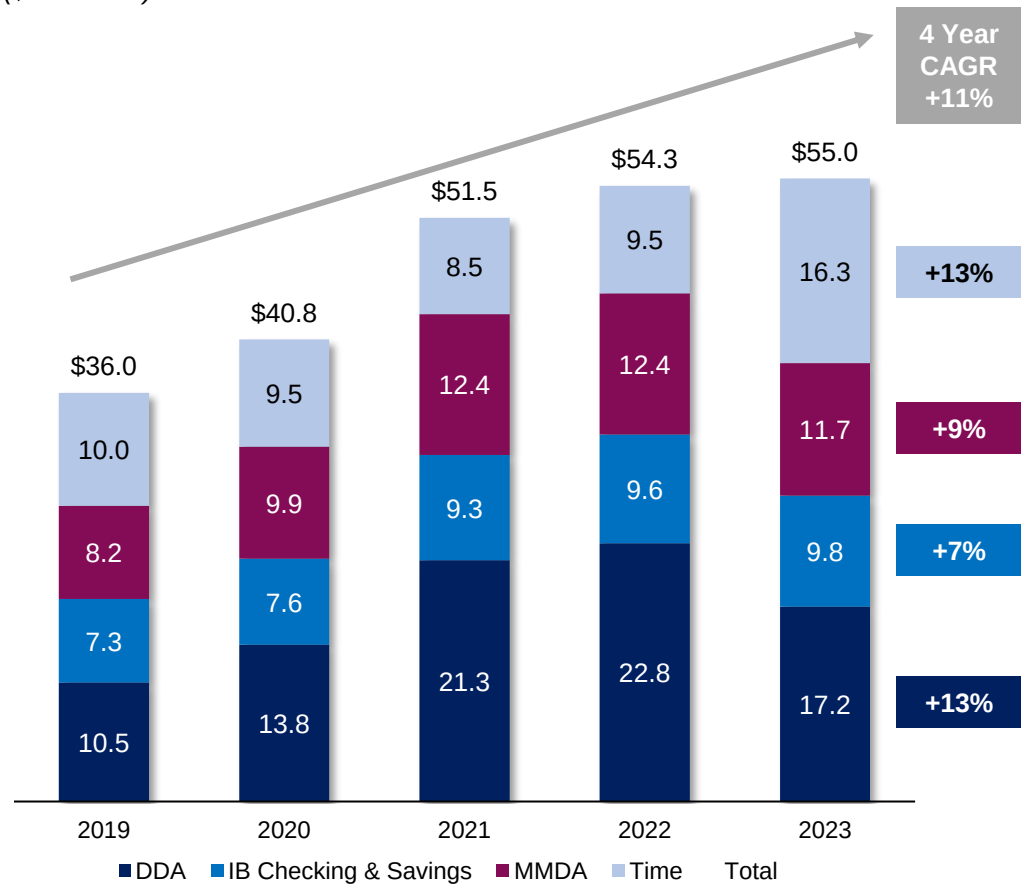
Deposits

Over $1 billion in customer deposit growth within the quarter

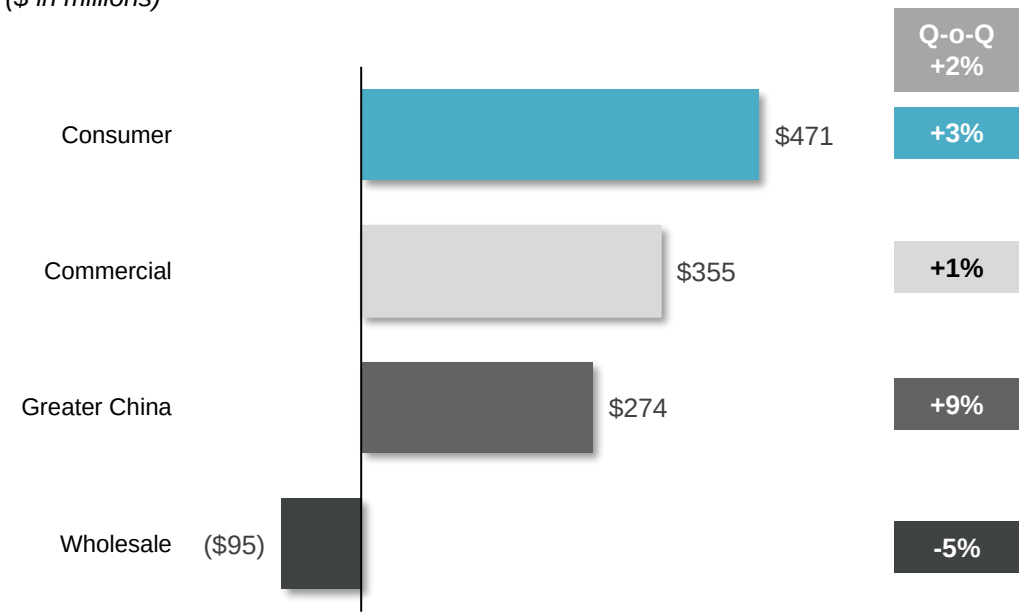
Average Deposits

($ in billions)



End of Period Deposit Growth (3Q23 to 4Q23)

($ in millions)



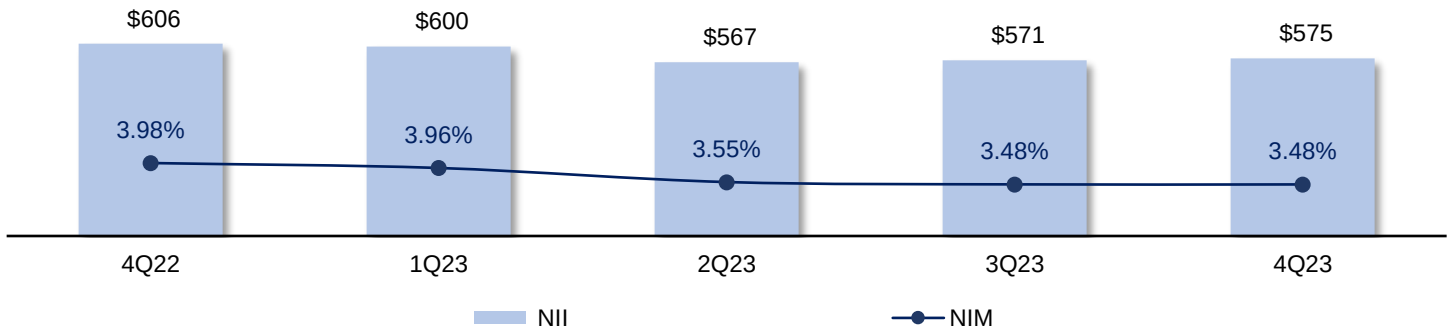
- **Portfolio Detail (as of 12.31.23)**
  - Over 590,000 accounts
  - Average commercial deposit account size: ~$310,000
  - Average consumer deposit account size: ~$40,000

Net Interest Income & Net Interest Margin

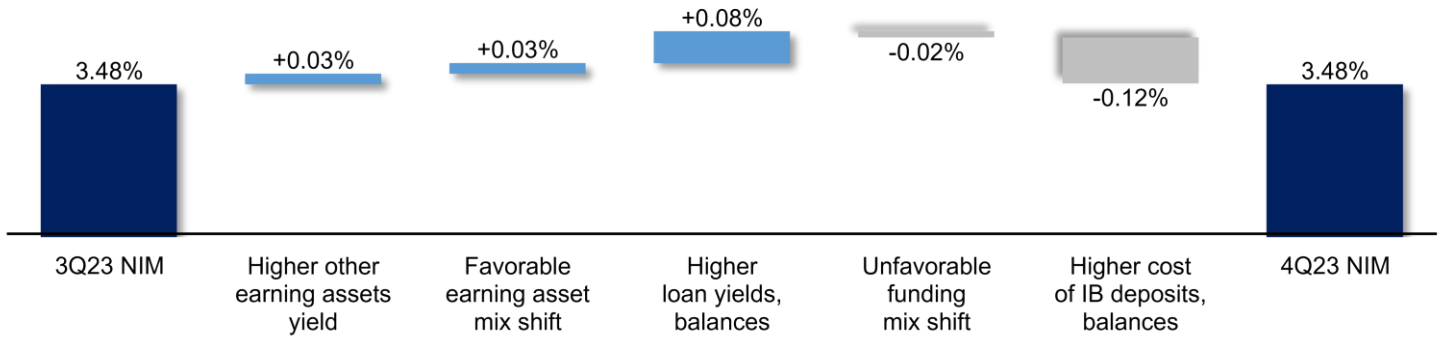
Grew NII as higher loan balances and yields offset rate pressure, driving stable NIM

Net Interest Income (NII) & Net Interest Margin (NIM)

($ in millions)



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

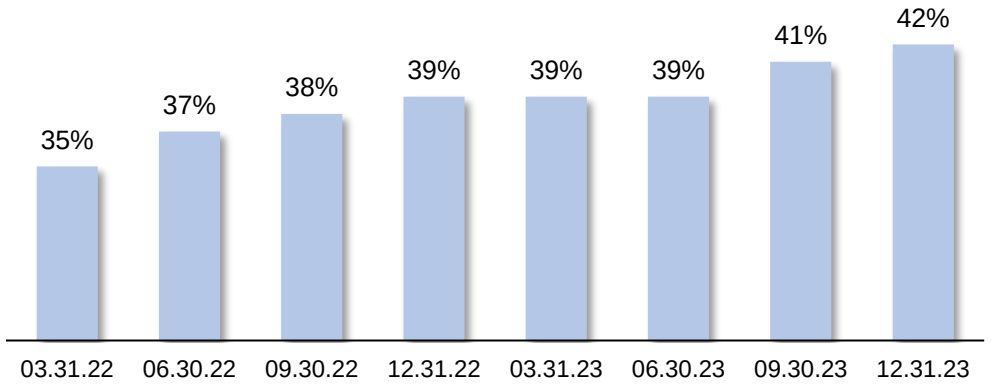


4Q23 Highlights

- **NII up 1% Q-o-Q**
- **NIM stable Q-o-Q**
- $4.25 billion of active cash flow hedges cost ~$25mm in 4Q23, or 15 bps to NIM, but provide incremental protection as SOFR falls
- NIM trough likely in 2H24, assuming the consensus economic outlook

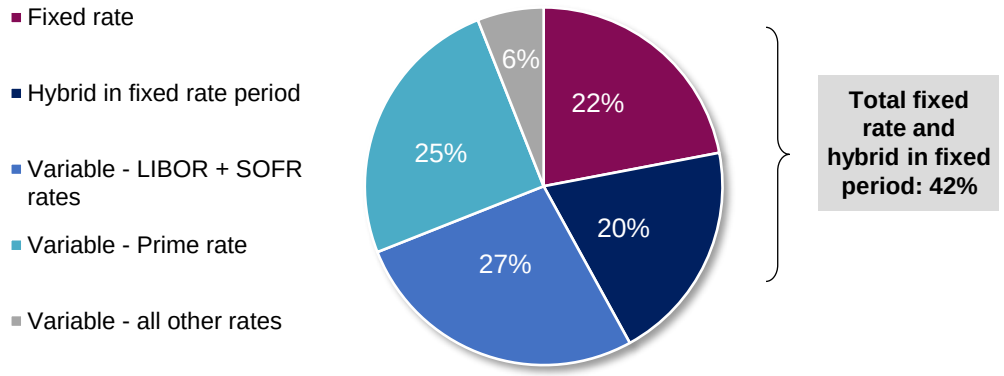
Loan Yields

Fixed Rate and Hybrid in Fixed Period Loans (% of Total)

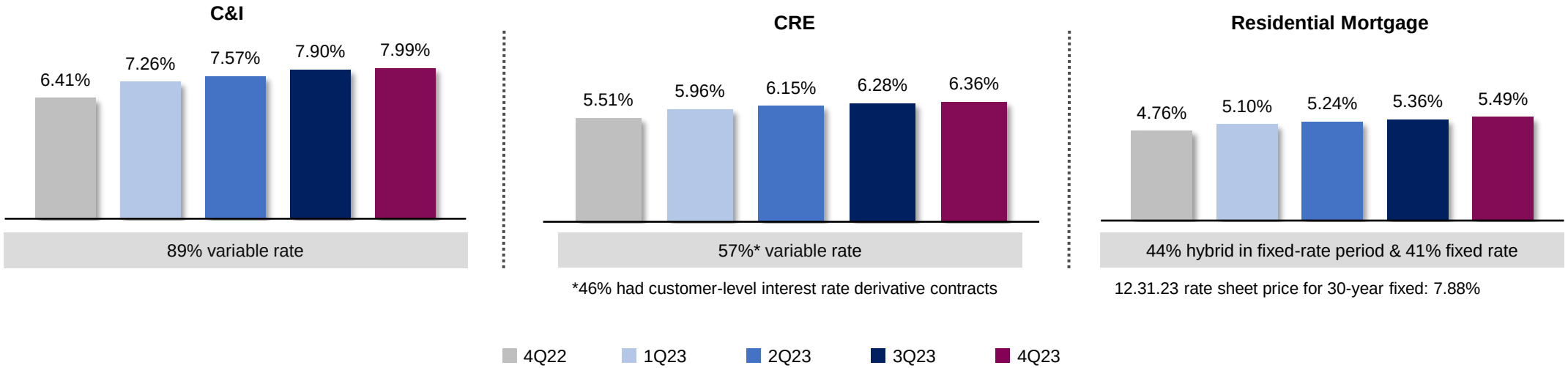


Loan Portfolio by Index Rate

(as of 12.31.23)



Average Loan Rate by Portfolio

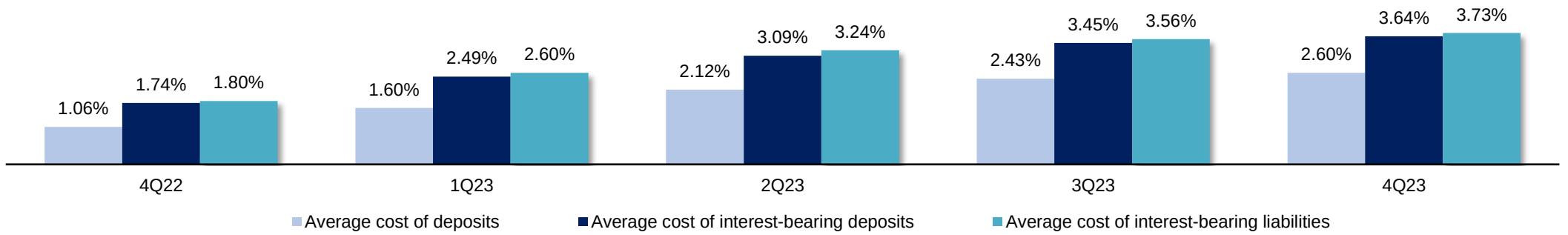


*46% had customer-level interest rate derivative contracts

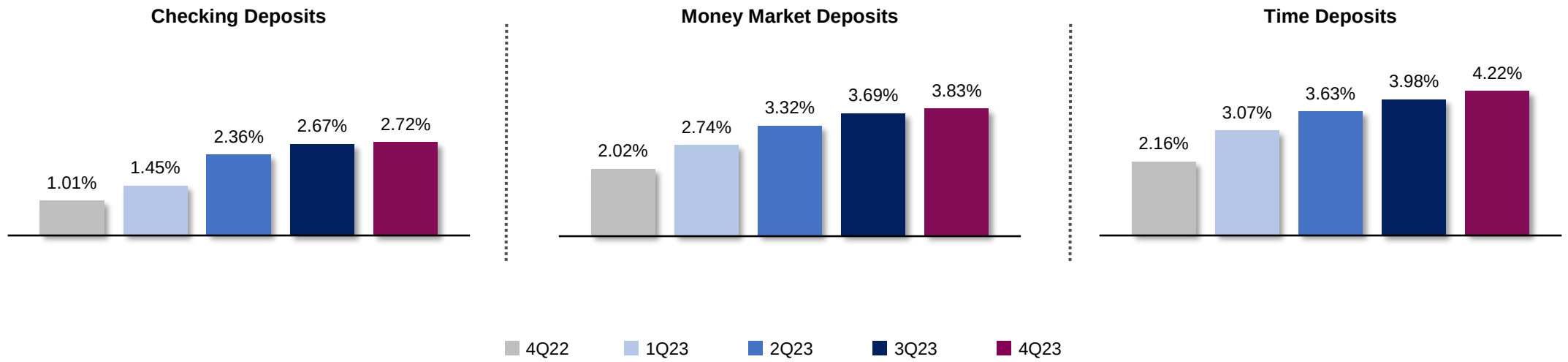
12.31.23 rate sheet price for 30-year fixed: 7.88%

Deposit and Funding Cost

Average Deposit and Liability Cost



Average Deposit Rate by Portfolio

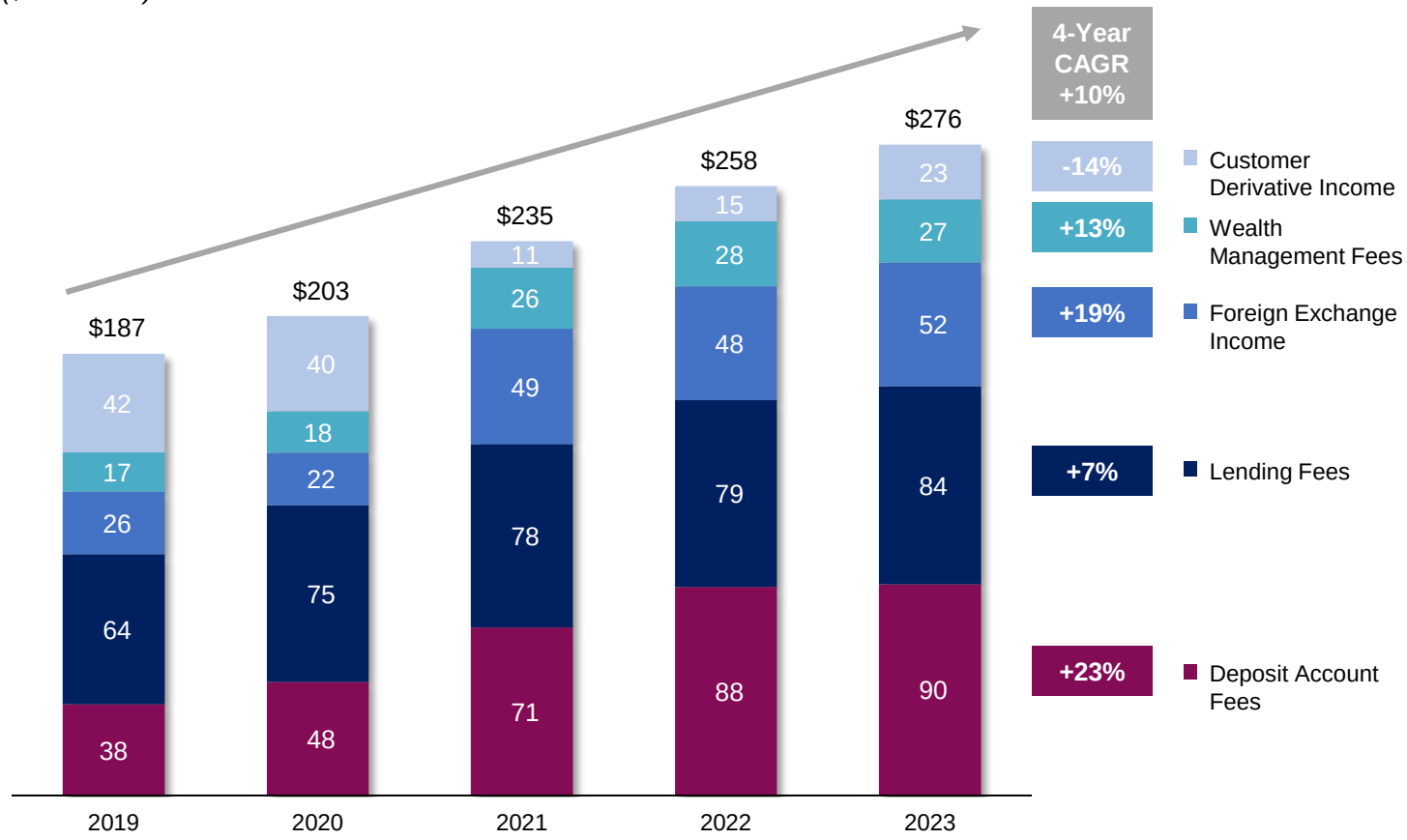


Fees and Noninterest Income

Greater customer activity drove an increase in fee income within the quarter

Fee Income[1]

($ in millions)



4Q23 Highlights

- **Fee income[1]** of $73mm in 4Q23, up $6mm, or 9% from $67mm in 3Q23
- **Foreign exchange income, wealth management fees, and lending fees** each increased $2mm, reflecting higher customer activity
- **Total noninterest income** of $80mm in 4Q23 also included a net gain on sale of loans of $4mm; net gain on AFS debt security of $3mm

Customer and Other Derivative Income Detail

($mm)	4Q22	3Q23	4Q23
Revenue	$ 4.0	$ 5.9	$ 6.3
MTM	(4.6)	5.3	(7.2)
Total	**$ (0.6)**	**$ 11.2**	**$ (1.0)**

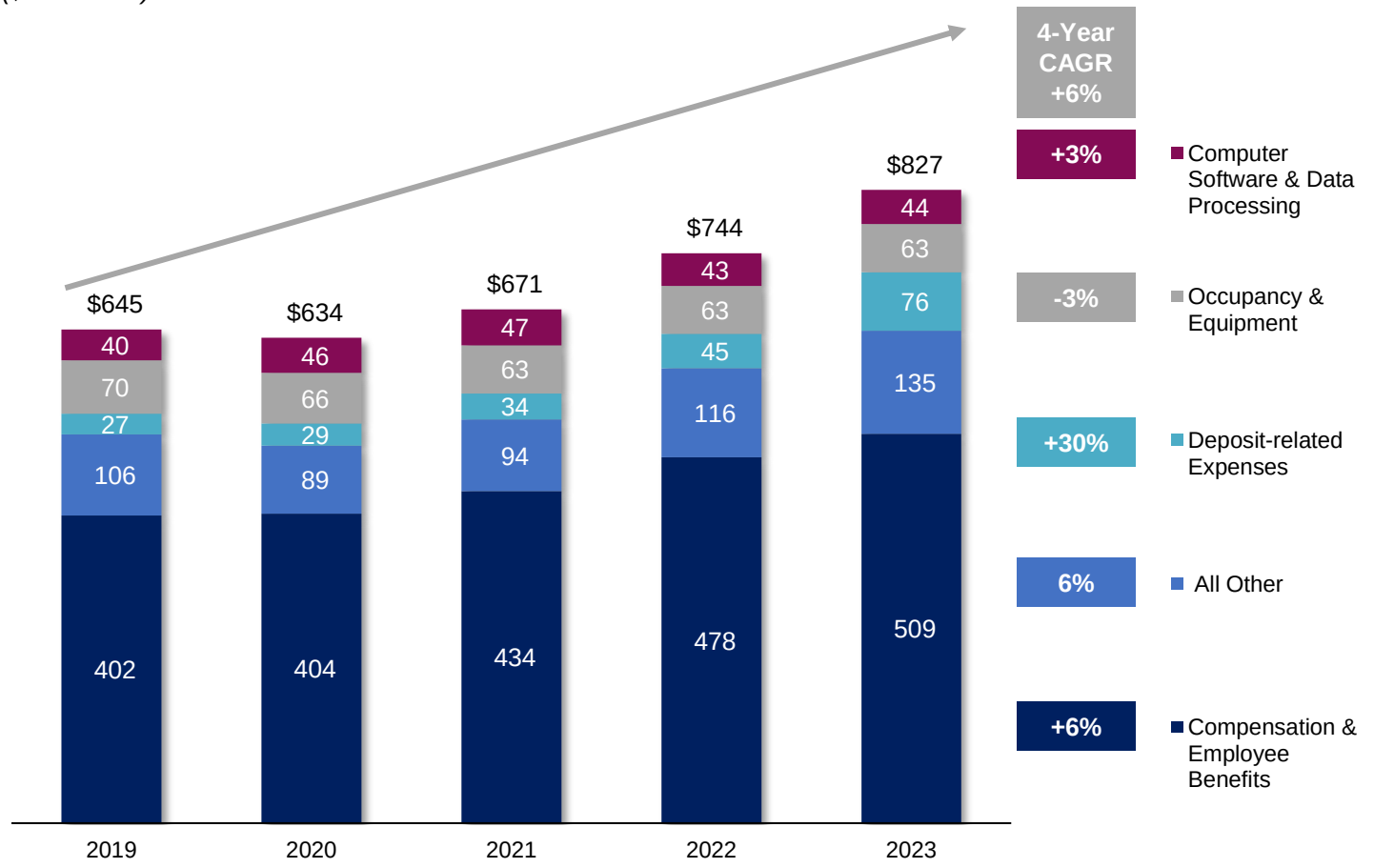
(1) Fee income excludes mark-to-market adjustments related to customer and other derivatives; net gains on sales of loans; net gains on sales of securities; other investment income and other income

Operating Expense & Efficiency

Best-in-class efficiency

Adjusted Noninterest Expense[1]

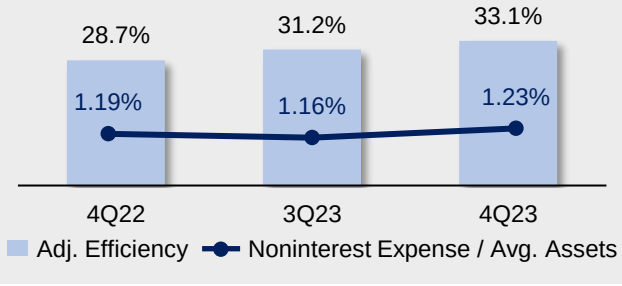
($ in millions)



4Q23 Highlights

- **Total noninterest expense of $290mm**
  - Impacted by $70mm of FDIC Special Assessment-related expense
- **Adjusted noninterest expense[1] up Q-o-Q**
  - Compensation and employee benefits rose $8mm, reflecting higher commissions and incentive accruals
  - Other operating expenses were up $6mm, reflecting increases in legal expense, realized credit card fraud losses, and advertising

Adjusted Efficiency Ratio and Noninterest Expense/Average Assets Ratio[1]

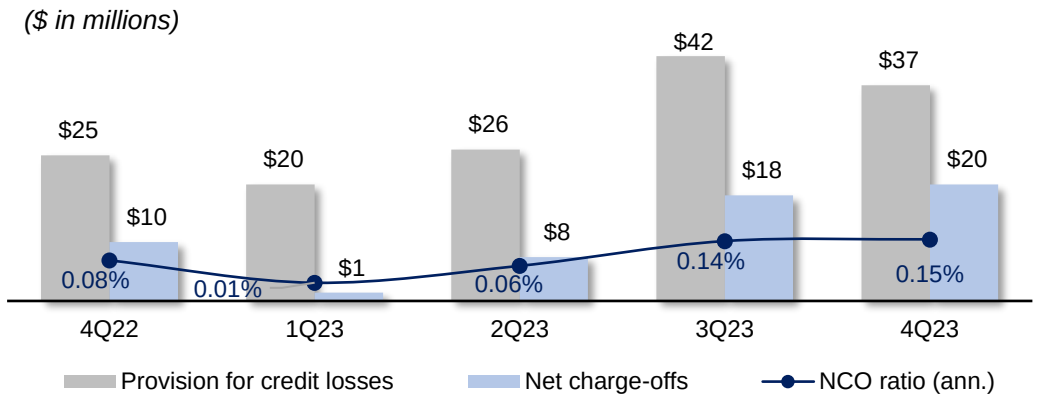


(1) See reconciliation of GAAP to non-GAAP financial measures in the appendix and in the Company's earnings press releases

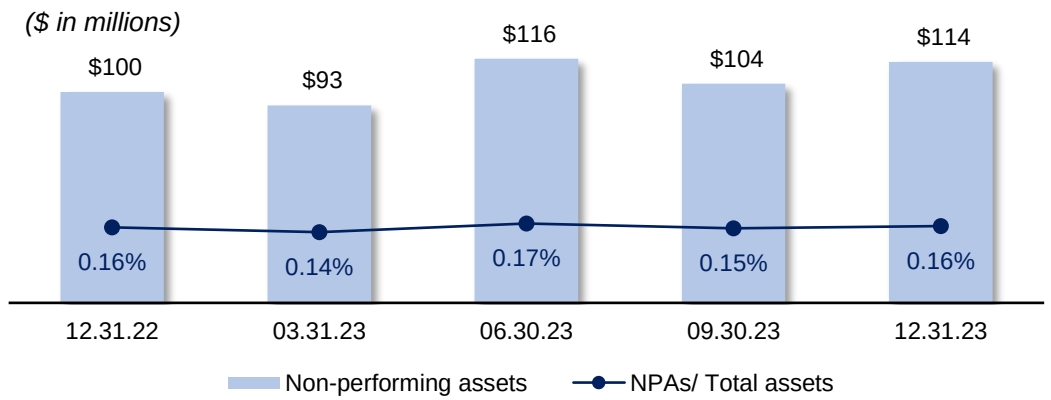
Asset Quality Metrics

A solid foundation, with 2023 annual net charge-offs of 9bps

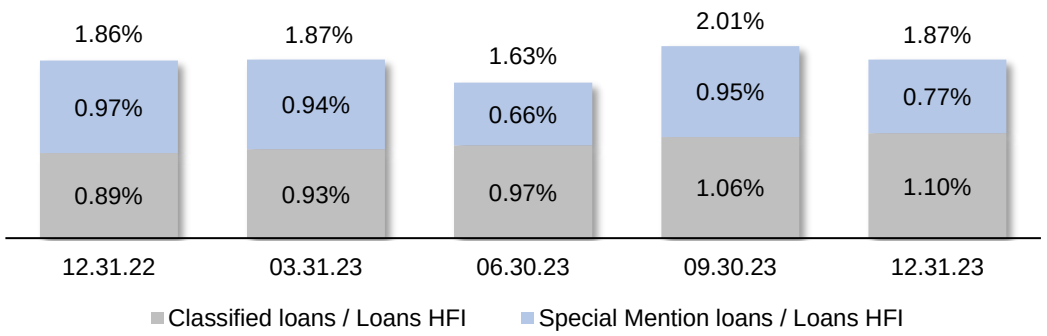
Provision for Credit Losses & Net Charge-offs



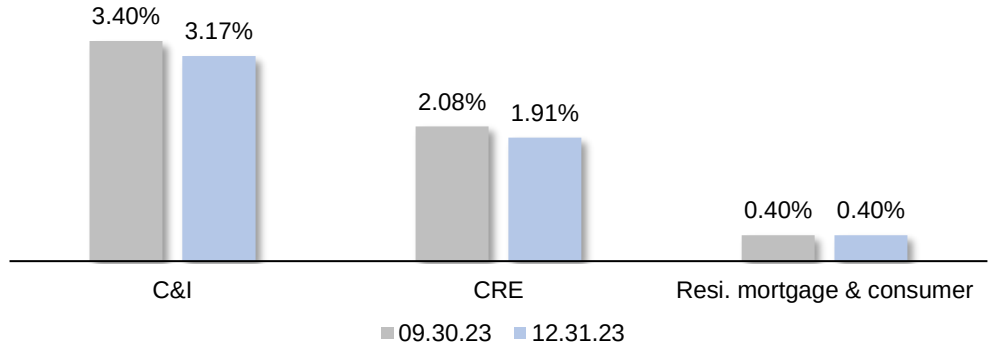
Non-Performing Assets



Criticized Loans / Loans HFI



Criticized Ratio by Loans HFI Portfolio

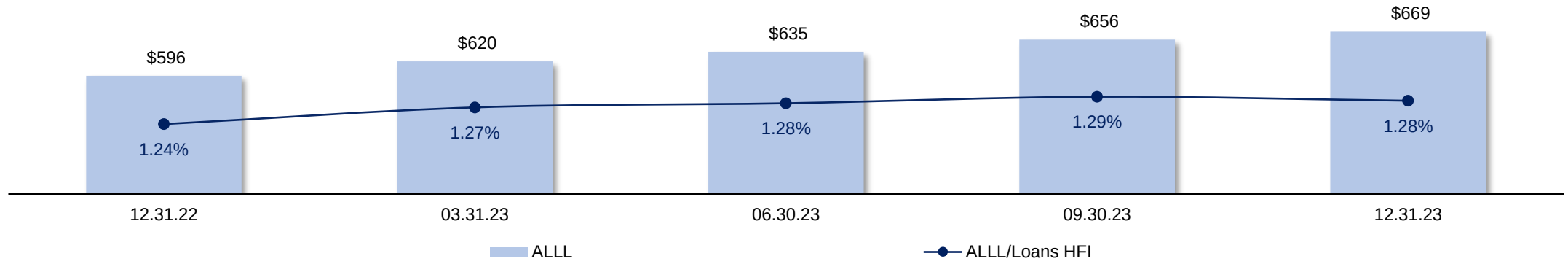


Allowance for Loan Losses

Adequate reserves across portfolios

Allowance for Loan Losses (ALLL)

($ in millions)



Composition of ALLL by Portfolio

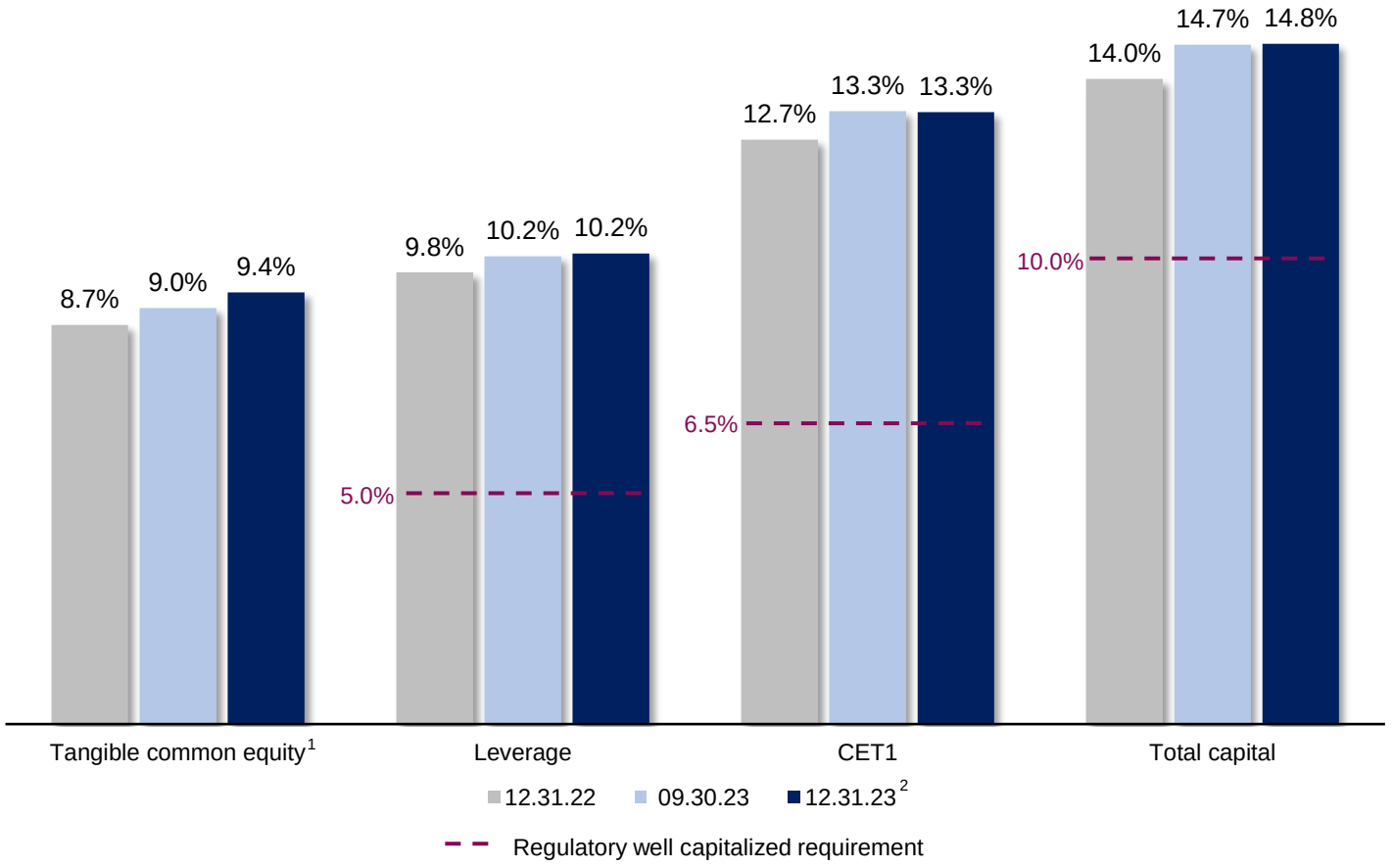
($ in millions)

	12.31.22		09.30.23		12.31.23	
Loan Category	**ALLL**	**ALLL/Loans HFI**	**ALLL**	**ALLL/Loans HFI**	**ALLL**	**ALLL/Loans HFI**
C&I	$ 372	2.37%	$ 384	2.42%	$ 393	2.37%
Total CRE	182	0.96	211	1.04	215	1.05
Office	*36*	*1.42*	*53*	*2.30*	*55*	*2.43*
Resi. mortgage & consumer	42	0.31	61	0.41	61	0.40
Total Loans	$ 596	1.24%	$ 656	1.29%	$ 669	1.28%

Capital

Healthy capital position: 1.5 million shares repurchased in 4Q23, 15% increase to 1Q24 dividend

Key Ratios



Highlights

- **Very strong capital**
  - We operate from a position of capital strength
- **15% dividend increase**
  - Declared 1Q24 dividend of $0.55/share, up $0.07/share from $0.48/share in 4Q23
  - Increased 2024 annual dividend equivalent to $2.20/share
- **Opportunistic stock repurchase activity**
  - Repurchased 1.5mm shares in 4Q23
  - Remaining share authorization of $172mm available for future repurchases
- **Retiring $117 million of Trust Preferred Securities in 1Q24**

(1) See reconciliation of GAAP to non-GAAP financial measures in the appendix and in the Company's earnings press releases
(2) The Company has elected to use the 2020 CECL transition provision in the calculation of its December 31, 2022, September 30, 2023 and December 31, 2023 regulatory capital ratios. The Company's December 31, 2023 regulatory capital ratios are preliminary.

Management Outlook: Full Year 2024

Earnings Drivers	FY 2024 Expectations vs. FY 2023 Results
Economic and Interest Rate Outlook	▪ Softening economy with modest growth ▪ Assuming a year-end forward curve with cuts beginning in Q2
End of Period Loans	▪ Growing in the range of 3% to 5% Y-o-Y
Net Interest Income	▪ Declining in the range of 4% to 6% Y-o-Y, driven by rate cuts
Adjusted Noninterest Expense[1]	▪ Increasing in the range of 6% to 8% Y-o-Y, driven primarily by compensation and benefits expense, offset partly by lower deposit-account expense
Net Charge-offs	▪ 1Q24 in line with 4Q23, with subsequent quarters increasing modestly ▪ Subsequent quarters in the range of 15 to 25 bps
Effective Tax Rate	▪ To increase modestly

FY 2024 Expectation

Top Quartile Returns

Best-in-Class Efficiency

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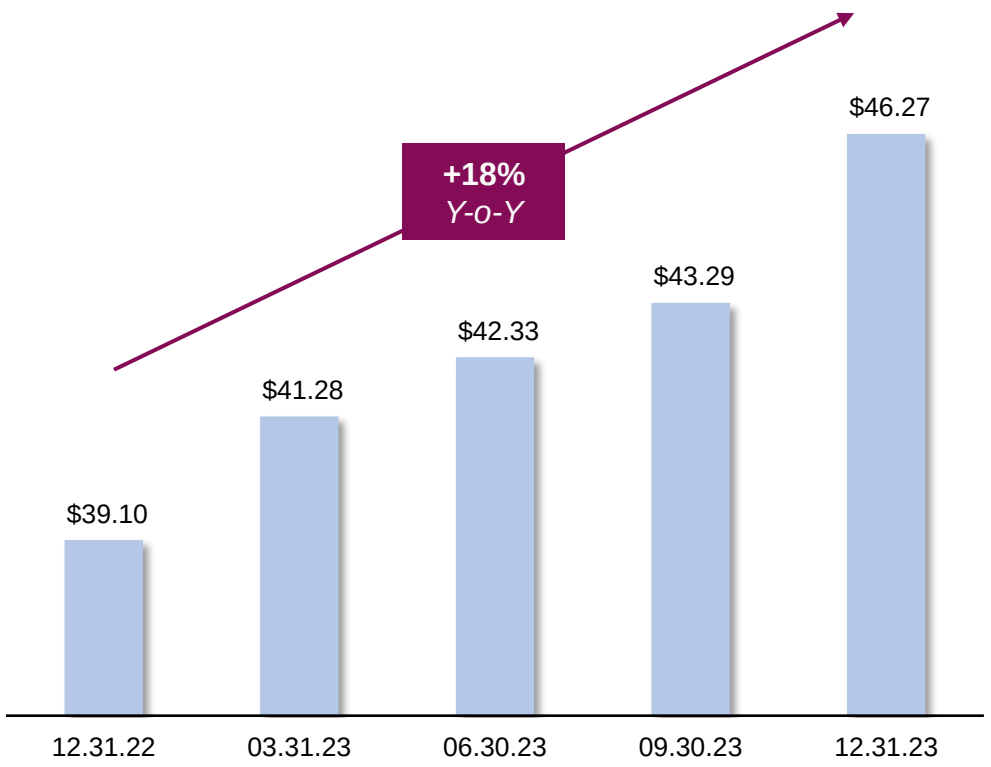
(1) See reconciliation of GAAP to non-GAAP financial measures in the appendix and in the Company's earnings press releases

Full Year 2023 Highlights (Continued)

Key Metrics

Tangible Book Value/Share[(1)]



Designations and Awards

#1 TOP PERFORMING BANK $50 BILLION AND ABOVE — Bank Director

#1 PERFORMING BANK in the U.S. — S&P Global Market Intelligence

AMERICA's BEST BANKS — Forbes

(1) See reconciliation of GAAP to non-GAAP financial measures in the appendix and in the Company's earnings press releases

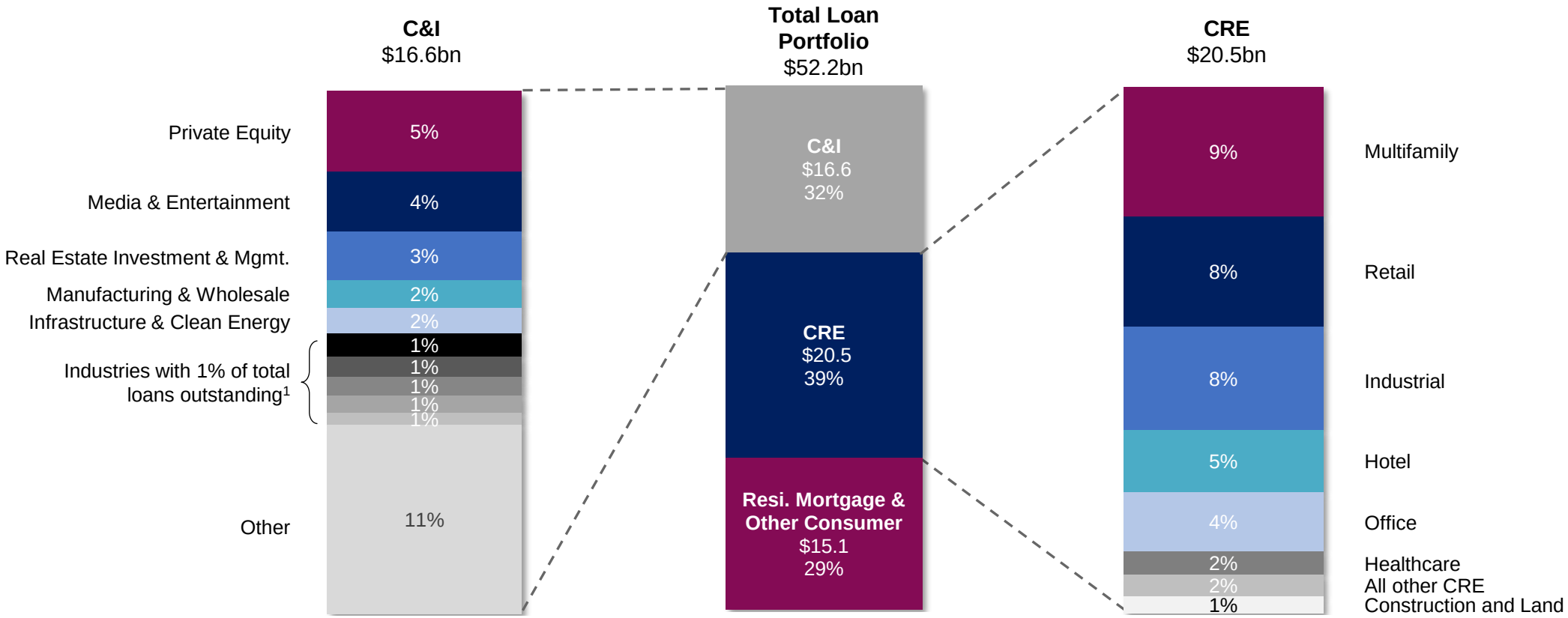
Appendix

Commercial Loan Portfolio

Over 70% of EWBC's loans support commercial customers and are well-diversified

Commercial Loans by Type

(as % of Total Portfolio Loans, 12.31.23)



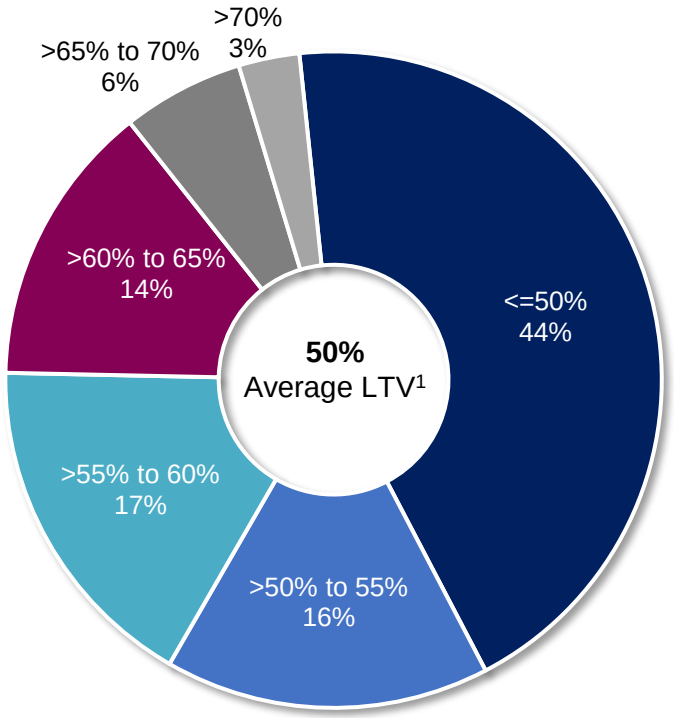
(1) Industries with 1% of total loans outstanding: Tech & Telecom; Food Production & Distribution; Hospitality & Leisure; Oil & Gas; Healthcare Services

Commercial Real Estate Portfolio Detail

Low LTVs and granular, many loans have full recourse and personal guarantees

Distribution by LTV[1]

(as of 12.31.23)



- Fewer than 25% of CRE loans have an LTV over 60%

Size and LTV by Property Type

(as of 12.31.23)

	Total Portfolio Size ($bn)	Weighted Avg. LTV[1] (%)	Average Loan Size ($mm)
Multifamily	$5.0	52%	$2
Retail	4.3	48	3
Industrial	4.0	47	3
Hotel	2.4	53	9
Office	2.3	52	4
Healthcare	0.9	55	4
Other	0.9	49	3
Construction & Land[2]	0.7	52	13
Total CRE	**$20.5**	**50%**	**$3**

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(1) Weighted average LTV is based on most recent LTV, using most recent available appraisal and current loan commitment
(2) Construction & Land average size based on total commitment

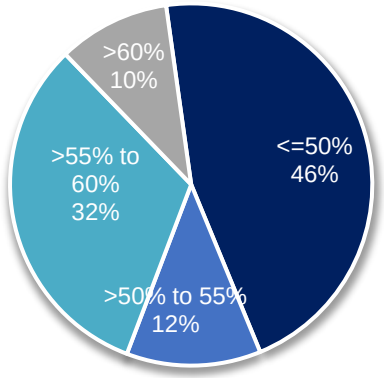
Residential Mortgage Portfolio

Well-diversified by geography, with low LTVs and average loan size

Resi. Mortgage Distribution by LTV[1]

(as of 12.31.23)

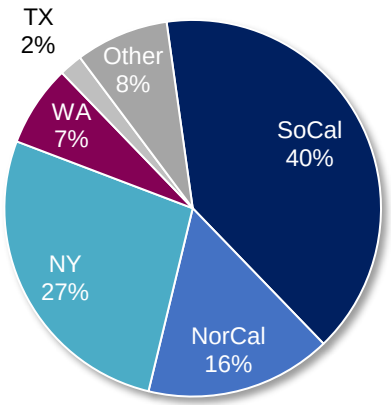
51%
Average
LTV[1]



$436,000
Average
loan size[2]

Resi. Mortgage Distribution by Geography[3]

(as of 12.31.23)



Portfolio Highlights as of 12.31.23

Outstandings
- $15.1bn loans outstanding
- +3% Q-o-Q and +13% Y-o-Y

Originations
- $0.9bn in 4Q23
- Primarily originated through East West Bank branches

Single-family Residential
- $13.4bn loans outstanding
- +4% Q-o-Q and +19% Y-o-Y

HELOC
- $1.7bn loans outstanding
- $3.5bn in undisbursed commitments
- 33% utilization, unchanged from 09.30.23
- 80% of commitments in first lien position

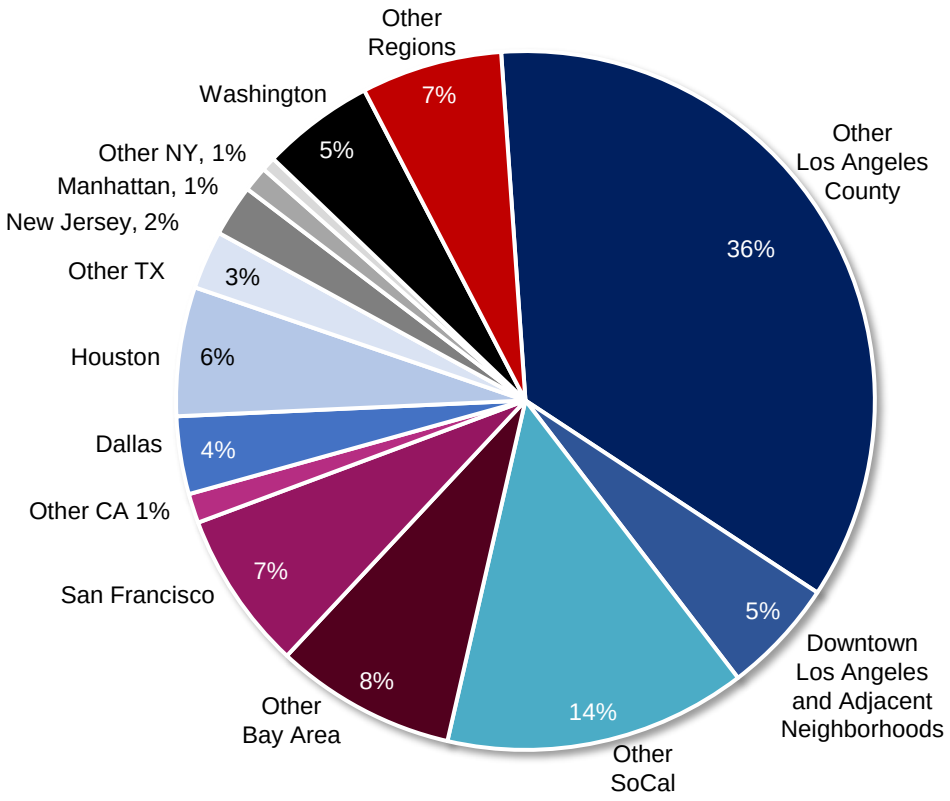
(1) Combined LTV for 1st and 2nd liens; based on commitment
(2) Average loan size based on loan outstanding for single-family residential and commitment for HELOC
(3) Geographic distribution based on commitment size of residential mortgage

CRE Office – Additional Information

Low LTVs across different size segments, low average loan size

CRE Office: Geographic Mix by Metro Area

(as of 12.31.23)



CRE Office by Size Segment

(as of 12.31.23)

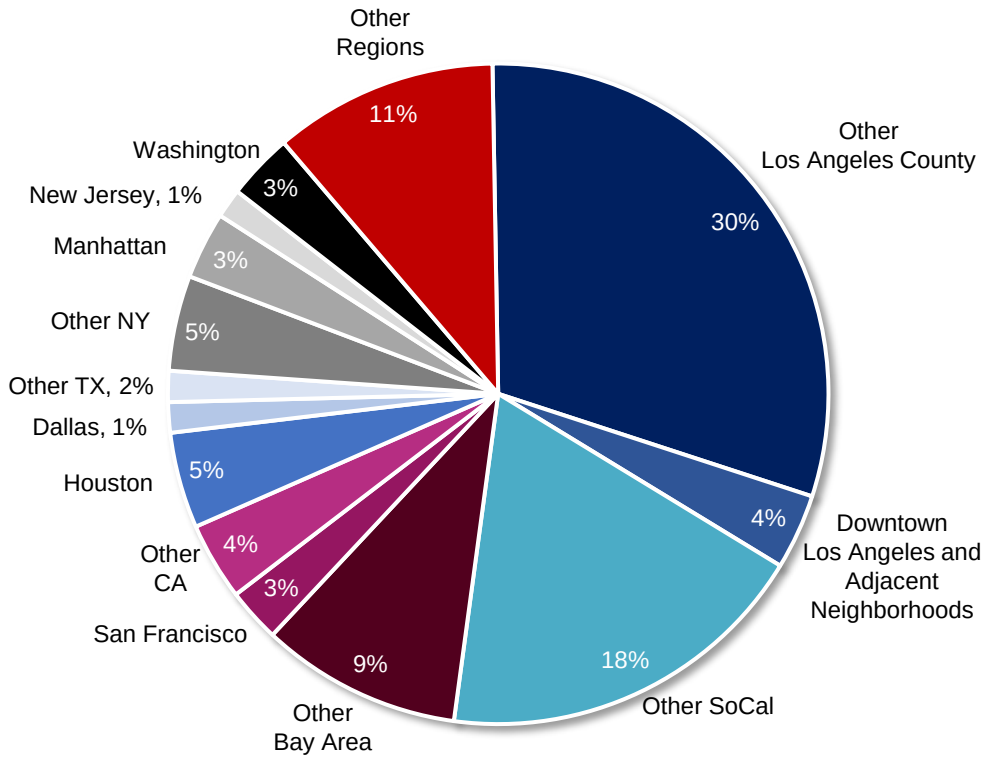
Loan Size	Balance ($ in mm)	No. of Loans	Avg. Loan Size ($ in mm)	LTV
>$30mm	$258	6	$43	56%
$20mm - $30mm	452	18	25	56
$10mm - $20mm	562	39	14	55
$5mm - $10mm	447	60	7	51
<$5mm	553	421	1	46
Total	**$2,272**	**544**	**$4**	**52%**

CRE Retail – Additional Information

Low LTVs across different size segments, low average loan size

CRE Retail: Geographic Mix by Metro Area

(as of 12.31.23)



CRE Retail by Size Segment

(as of 12.31.23)

Loan Size	Balance ($ in mm)	No. of Loans	Avg. Loan Size ($ in mm)	LTV
>$30mm	$337	9	$37	46%
$20mm - $30mm	428	17	25	56
$10mm - $20mm	736	54	14	51
$5mm - $10mm	758	110	7	49
<$5mm	2,039	1,546	1	45
Total	**$4,298**	**1,736**	**$2**	**48%**

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. Adjusted efficiency ratio represents adjusted noninterest expense divided by adjusted revenue. Pre-tax, pre-provision profitability ratio represents total adjusted revenue less adjusted noninterest expense, divided by average total assets. Adjusted revenue excludes the net gain/loss related to an AFS debt security that was written-off in the first quarter of 2023 and subsequently sold during the fourth quarter of 2023. Adjusted noninterest expense excludes the amortization of tax credit and other investments, the amortization of core deposit intangibles, the FDIC special assessment charge (included in deposit insurance premiums and regulatory assessments) and the repurchase agreements' extinguishment cost (where applicable). 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			Year Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net interest income before provision for credit losses	(a)	$ 574,834	$ 570,813	$ 605,507	$ 2,312,254	$ 2,045,881
Total noninterest income		79,903	76,752	64,927	295,264	298,666
Total revenue	**(b)**	**$ 654,737**	**$ 647,565**	**$ 670,434**	**$ 2,607,518**	**$ 2,344,547**
Noninterest income		79,903	76,752	64,927	295,264	298,666
Less/add: Net gain/loss on AFS debt security		(3,138)	—	—	6,862	—
Adjusted noninterest income	(c)	76,765	76,752	64,927	302,126	298,666
Adjusted revenue	**(a)+(c) = (d)**	**$ 651,599**	**$ 647,565**	**$ 670,434**	**$ 2,614,380**	**$ 2,344,547**
Total noninterest expense	(e)	$ 290,498	$ 252,014	$ 257,110	$ 1,022,748	$ 859,393
Less: Amortization of tax credit and other investments		(4,581)	(49,694)	(64,605)	(120,299)	(113,358)
Amortization of core deposit intangibles		(441)	(441)	(381)	(1,763)	(1,865)
FDIC special assessment charge		(69,986)	—	—	(69,986)	—
Repurchase agreements' extinguishment cost		—	—	—	(3,872)	—
Adjusted noninterest expense	**(f)**	**$ 215,490**	**$ 201,879**	**$ 192,124**	**$ 826,828**	**$ 744,170**
Efficiency ratio	**(e)/(b)**	**44.37%**	**38.92%**	**38.35%**	**39.22%**	**36.65%**
Adjusted efficiency ratio	**(f)/(d)**	**33.07%**	**31.18%**	**28.66%**	**31.63%**	**31.74%**
Adjusted pre-tax, pre-provision income	**(d)-(f) = (g)**	**$ 436,109**	**$ 445,686**	**$ 478,310**	**$ 1,787,552**	**$ 1,600,377**
Average total assets	(h)	$69,421,959	$68,936,786	$64,252,730	$67,757,505	$62,838,282
Adjusted pre-tax, pre-provision profitability ratio	**(g)/(h)**	**2.49%** (1)	**2.56%** (1)	**2.95%** (1)	**2.64%**	**2.55%**
Adjusted noninterest expense/average assets	**(f)/(h)**	**1.23%** (1)	**1.16%** (1)	**1.19%** (1)	**1.22%**	**1.18%**

(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 book value, tangible book value per share and TCE ratio are non-GAAP financial measures. Tangible book value 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.

		December 31, 2023	September 30, 2023	December 31, 2022
Stockholders' equity	(a)	$ 6,950,834	$ 6,596,706	$ 5,984,612
Less: Goodwill		(465,697)	(465,697)	(465,697)
Other intangible assets [1]		(6,602)	(5,649)	(7,998)
Tangible book value	**(b)**	**$ 6,478,535**	**$ 6,125,360**	**$ 5,510,917**
Number of common shares at period-end	**(c)**	**140,027**	**141,486**	**140,948**
Book value per share	**(a)/(c)**	**$ 49.64**	**$ 46.62**	**$ 42.46**
Tangible book value per share	**(b)/(c)**	**$ 46.27**	**$ 43.29**	**$ 39.10**
Total assets	(d)	$ 69,612,884	$ 68,289,458	$ 64,112,150
Less: Goodwill		(465,697)	(465,697)	(465,697)
Other intangible assets [1]		(6,602)	(5,649)	(7,998)
Tangible assets	**(e)**	**$ 69,140,585**	**$ 67,818,112**	**$ 63,638,455**
Total stockholders' equity to assets ratio	**(a)/(d)**	**9.98%**	**9.66%**	**9.33%**
TCE ratio	**(b)/(e)**	**9.37%**	**9.03%**	**8.66%**

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

Appendix: GAAP to Non-GAAP Reconciliation

EAST WEST BANCORP, INC. AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION
($ in thousands)
(unaudited)

Return on average TCE represents tangible net income divided by average tangible book value. Adjusted return on average TCE represents adjusted tangible net income divided by average tangible book value. Tangible net income excludes the after-tax impacts of the amortization of core deposit intangibles and mortgage servicing assets. Adjusted tangible net income excludes the after-tax impacts of the tangible net income adjustments, the FDIC special assessment charge (included in *Deposit insurance premiums and regulatory assessments* on the Consolidated Statement of Income), and the net gain/loss related to an AFS debt security that was written-off in the first quarter of 2023 and subsequently sold during the fourth quarter of 2023. 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.

		Three Months Ended			Year Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net income	(e)	$ 238,953	$ 287,738	$ 336,763	$ 1,161,161	$ 1,128,083
Add: Amortization of core deposit intangibles		441	441	381	1,763	1,865
Amortization of mortgage servicing assets		302	328	329	1,328	1,425
Tax effect of amortization adjustments [2]		(220)	(225)	(209)	(914)	(966)
Tangible net income	**(f)**	**$ 239,476**	**$ 288,282**	**$ 337,264**	**$ 1,163,338**	**$ 1,130,407**
Add: FDIC special assessment charge		69,986	—	—	69,986	—
Less/add: Net gain/loss on AFS debt security		(3,138)	—	—	6,862	—
Tax effect of adjustments [2]		(19,760)	—	—	(22,716)	—
Adjusted tangible net income	**(g)**	**$ 286,564**	**$ 288,282**	**$ 337,264**	**$ 1,217,470**	**$ 1,130,407**
Average stockholders' equity	(h)	$ 6,695,852	$ 6,604,798	$ 5,834,623	$ 6,482,985	$ 5,783,025
Less: Average goodwill		(465,697)	(465,697)	(465,697)	(465,697)	(465,697)
Average other intangible assets [1]		(5,434)	(6,148)	(8,378)	(6,542)	(8,695)
Average tangible book value	**(i)**	**$ 6,224,721**	**$ 6,132,953**	**$ 5,360,548**	**$ 6,010,746**	**$ 5,308,633**
Return on average common equity	**(e)/(h)**	**14.16%** [3]	**17.28%** [3]	**22.90%** [3]	**17.91%**	**19.51%**
Return on average TCE	**(f)/(i)**	**15.26%** [3]	**18.65%** [3]	**24.96%** [3]	**19.35%**	**21.29%**
Adjusted return on average TCE	**(g)/(i)**	**18.26%** [3]	**18.65%** [3]	**24.96%** [3]	**20.25%**	**21.29%**

(1) Includes core deposit intangibles and mortgage servicing assets.
(2) Applied statutory tax rate of 29.56% for the three and twelve months ended December 31, 2023, and 29.29% for the three months ended September 30, 2023. Applied statutory tax rate of 29.37% for the three and twelve months ended December 31, 2022.
(3) Annualized.

Appendix: GAAP to Non-GAAP Reconciliation

EAST WEST BANCORP, INC. AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION
($ in thousands)
(unaudited)

During the fourth quarter of 2023, the Company recorded a $70.0 million pre-tax FDIC special assessment charge (included in *Deposit insurance premiums and regulatory assessments* on the Consolidated Statement of Income) and recognized a $3.1 million pre-tax gain on sale for an AFS debt security that was previously written-off. During the first quarter of 2023, the Company recorded a $10.0 million pre-tax impairment write-off of an AFS debt security. Management believes that presenting the computations of the adjusted net income, adjusted diluted earnings per common share, adjusted return on average assets and adjusted return on average common equity that adjust for the above discussed non-recurring items provide clarity to financial statement users regarding the ongoing performance of the Company and allows comparability to prior periods.

		Three Months Ended			Year Ended	
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net income	(a)	$ 238,953	$ 287,738	$ 336,763	$ 1,161,161	$ 1,128,083
Add: FDIC special assessment charge		69,986	—	—	69,986	—
Less/add: Net gain/loss on AFS debt security		(3,138)	—	—	6,862	—
Tax effect of adjustments [1]		(19,760)	—	—	(22,716)	—
Adjusted net income	**(b)**	**$ 286,041**	**$ 287,738**	**$ 336,763**	**$ 1,215,293**	**$ 1,128,083**
Diluted weighted-average number of shares outstanding		**141,409**	**142,122**	**142,138**	**141,902**	**142,492**
Diluted EPS		$ 1.69	$ 2.02	$ 2.37	$ 8.18	$ 7.92
Add: FDIC special assessment charge		0.35	—	—	0.35	—
Less/add: Net gain/loss on AFS debt security		(0.02)	—	—	0.03	—
Adjusted diluted EPS		**$ 2.02**	**$ 2.02**	**$ 2.37**	**$ 8.56**	**$ 7.92**
Average total assets	(c)	$69,421,959	$68,936,786	$64,252,730	$67,757,505	$62,838,282
Average stockholders' equity	(d)	$ 6,695,852	$ 6,604,798	$ 5,834,623	$ 6,482,985	$ 5,783,025
Return on average assets	**(a)/(c)**	**1.37%** [2]	**1.66%** [2]	**2.08%** [2]	**1.71%**	**1.80%**
Adjusted return on average assets	**(b)/(c)**	**1.63%** [2]	**1.66%** [2]	**2.08%** [2]	**1.79%**	**1.80%**
Return on average common equity	**(a)/(d)**	**14.16%** [2]	**17.28%** [2]	**22.90%** [2]	**17.91%**	**19.51%**
Adjusted return on average common equity	**(b)/(d)**	**16.95%** [2]	**17.28%** [2]	**22.90%** [2]	**18.75%**	**19.51%**
Return on average TCE [3]		**15.26%**	**18.65%**	**24.96%**	**19.35%**	**21.29%**
Adjusted return on average TCE [3]		**18.26%**	**18.65%**	**24.96%**	**20.25%**	**21.29%**

(1) Applied statutory tax rate of 29.56% for the three and twelve months ended December 31, 2023.
(2) Annualized.
(3) Refer to Slide 24 for the calculation of the return on average TCE and adjusted return on average TCE ratios.