EWBC Investor Presentation

First Quarter 2019

May 2019

EAST WEST BANK
Your financial bridge®

Forward-Looking Statements

Forward-Looking Statements

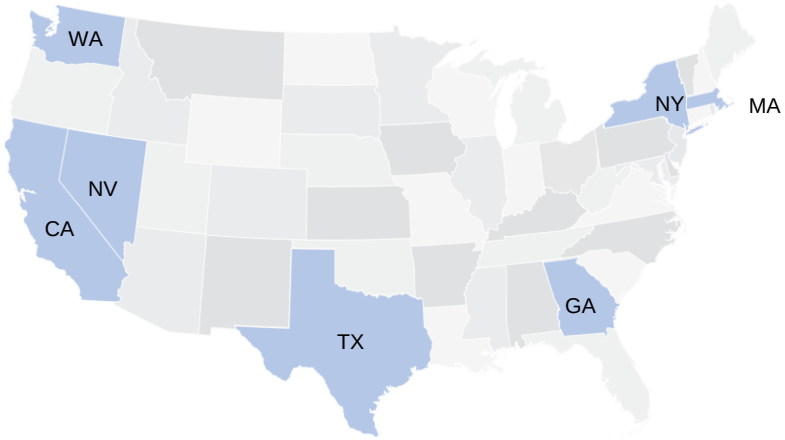
Certain matters set forth herein (including any exhibits hereto) constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to our current business plans and expectations regarding future operating 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, our ability to compete effectively against other financial institutions in our 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 due to 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 failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do 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; adequacy of our risk management framework, disclosure controls and procedures and internal control over financial reporting; future credit quality and performance, including our expectations regarding future credit losses and allowance levels; impact of adverse changes to our credit ratings from major credit rating agencies; impact of adverse judgments or settlements in litigation; changes in the commercial and consumer real estate markets; changes in consumer spending and savings habits; changes in the United States ("U.S.") economy, including inflation, deflation, employment levels, rate of growth and general business conditions; changes in government interest rate policies; 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 political developments, 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 Board of Governors of the Federal Reserve Board System, 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 and the California Department of Business Oversight — Division of Financial Institutions; impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act on our 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 our 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; changes in income tax laws and regulations and the impact of the Tax Cuts and Jobs Act of 2017; impact of other potential federal tax changes and spending cuts; our capital requirements and our ability to generate capital internally or raise capital on favorable terms; changes in our ability to receive dividends from our subsidiaries; any future strategic acquisitions or divestitures; continuing consolidation in the financial services industry; changes in the equity and debt securities markets; fluctuations of our stock price; 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 investment securities portfolio; changes in the economy of and monetary policy in the People's Republic of China; impact of natural or man-made disasters or calamities or conflicts or other events that may directly or indirectly result in a negative impact on our financial performance; and other factors set forth in our public reports including its Annual Report on Form 10-K for the year ended December 31, 2018, and particularly the discussion of risk factors within that document. If any of these risks or uncertainties materializes or if any of the assumptions underlying such forward-looking statements proves to be incorrect, our results could differ materially from those expressed in, implied or projected by such forward-looking statements. We assume no obligation to update or revise such forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

East West Bank at a Glance

East West Bank is the largest independent bank headquartered in Southern California with 130+ locations in the U.S. and Greater China

UNITED STATES

120+ Locations across 7 states
81 U.S. branches in California



GREATER CHINA

10 Locations



Branches: 1 Hong Kong 2 Shanghai 3 Shanghai FTZ 4 Shantou 5 Shenzhen
Rep offices: 6 Beijing 7 Chongqing 8 Guangzhou 9 Taipei 10 Xiamen

46 Years of operating history	**3,200** Associates	**$42 billion** Asset size	2010-2019 TOP 15 Forbes 2019 BEST BANKS IN AMERICA

Bank Rankings by Total Assets and Market Cap

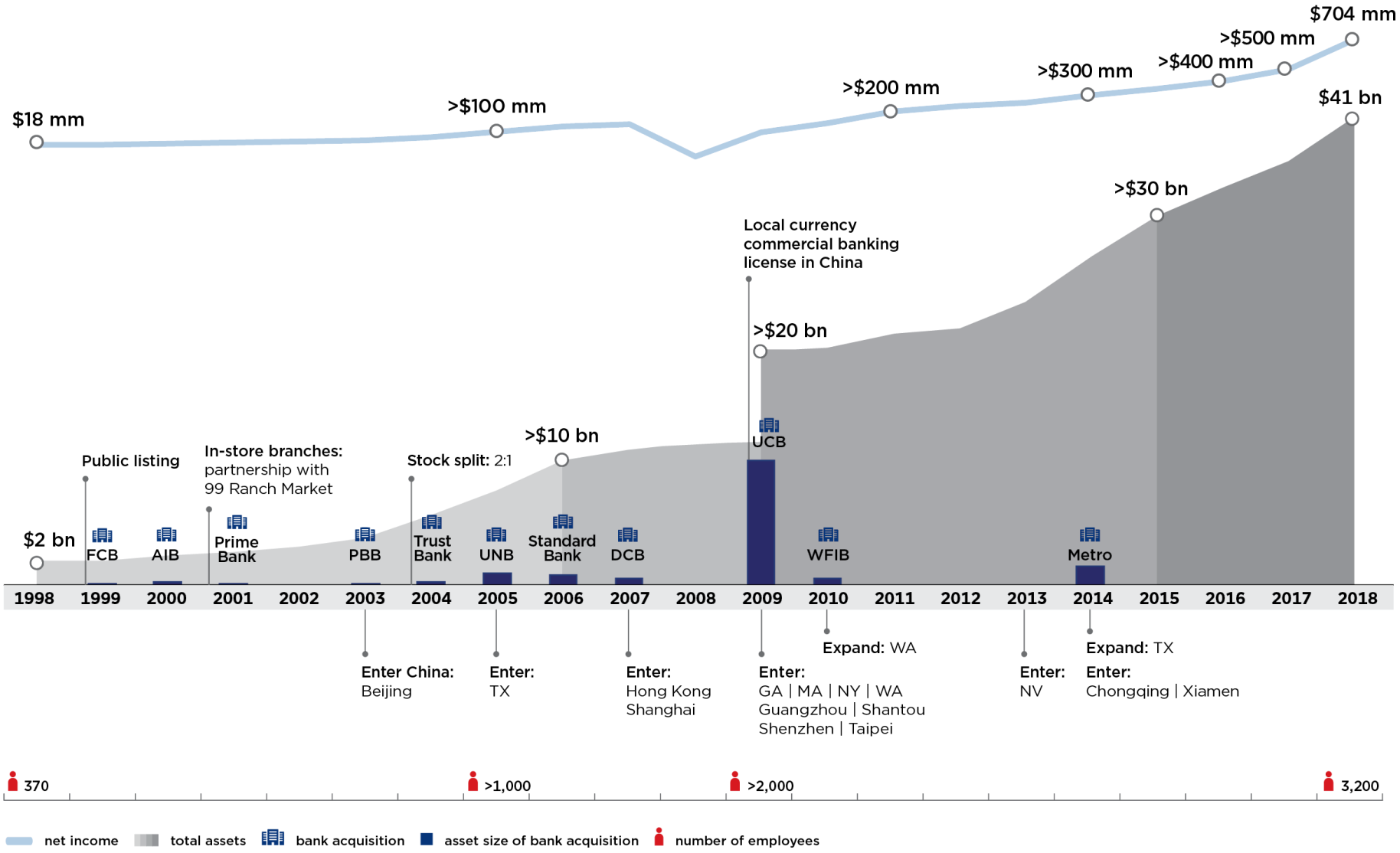
Rank	Total Assets (as of 03.31.19)	Ticker	$ Billion	Mcap / Assets
1	JPMorgan Chase & Co.	JPM	2,737.2	13%
2	Bank of America Corporation	BAC	2,377.2	11%
3	Citigroup Inc.	C	1,958.4	8%
4	Wells Fargo & Company	WFC	1,887.8	11%
5	U.S. Bancorp	USB	475.8	17%
6	PNC Financial Services	PNC	392.8	15%
7	Capital One	COF	373.2	11%
8	BB&T Corporation*	BBT	227.7	16%
9	SunTrust Banks, Inc.*	STI	220.4	12%
10	Fifth Third Bancorp	FITB	167.9	12%
11	Citizens Financial Group	CFG	161.3	10%
12	KeyCorp	KEY	141.5	12%
13	Regions Financial Corporation	RF	128.8	11%
14	M&T Bank Corporation	MTB	120.0	18%
15	Huntington Bancshares	HBAN	108.2	13%
16	First Republic Bank	FRC	101.8	16%
17	Comerica Incorporated	CMA	70.7	16%
18	Zions Bancorporation	ZION	69.2	12%
19	SVB Financial Group	SIVB	60.2	20%
20	New York Community	NYCB	52.1	10%
21	CIT Group Inc.	CIT	50.8	10%
22	Signature Bank	SBNY	48.5	13%
23	People's United Financial	PBCT	48.1	13%
24	Synovus Financial Corp.	SNV	46.6	12%
25	**East West Bancorp, Inc.**	**EWBC**	**42.1**	**16%**

Rank	Market Cap (as of 5.15.19)	Ticker	$ Billion	Mcap / Assets
1	JPMorgan Chase & Co.	JPM	356.5	13%
2	Bank of America Corporation	BAC	269.0	11%
3	Wells Fargo & Company	WFC	206.0	11%
4	Citigroup Inc.	C	150.0	8%
5	U.S. Bancorp	USB	80.9	17%
6	PNC Financial Services Group	PNC	58.1	15%
7	Capital One	COF	42.0	11%
8	BB&T Corporation*	BBT	36.5	16%
9	SunTrust Banks, Inc.*	STI	27.3	12%
10	M&T Bank Corporation	MTB	22.0	18%
11	Fifth Third Bancorp	FITB	19.8	12%
12	KeyCorp	KEY	16.7	12%
13	First Republic Bank	FRC	16.7	16%
14	Citizens Financial Group	CFG	15.7	10%
15	Regions Financial Corporation	RF	14.5	11%
16	Huntington Bancshares	HBAN	13.6	13%
17	SVB Financial Group	SIVB	11.9	20%
18	Comerica Incorporated	CMA	11.2	16%
19	Zions Bancorporation	ZION	8.2	12%
20	**East West Bancorp**	**EWBC**	**6.9**	**16%**
21	Commerce Bancshares	CBSH	6.5	26%
22	Signature Bank	SBNY	6.4	13%
23	People's United Financial	PBCT	6.3	13%
24	Cullen/Frost Bankers	CFR	6.1	19%
25	BOK Financial Corporation	BOKF	5.7	14%

* BBT & STI announced a merger of equals on February 7, 2019.

Based on independent commercial banks.
Source: SNL Financial and EWBC.

History of East West since Going Public in 1999



Focused on All of Our Stakeholders

All employees are shareholders, with vested interest in the Company's success.

United in following our corporate values:
Absolute Integrity
Customer Alignment
Creativity
Respect & Fairness
Unification
Expertise & Professionalism
Selflessness

Long history of providing financing for affordable housing and small businesses.

Through partnerships and volunteering, dedicated to improving the communities we serve.



Our customer-centric guiding principles empower staff to put customers' needs first, building deep relationships for the long-term.

Differentiated Bridge Banking Model:
Through our footprint, cultural understanding, industry expertise, and knowledge of the local business environments, uniquely positioned to serve customers with financial needs in both the U.S. and Greater China

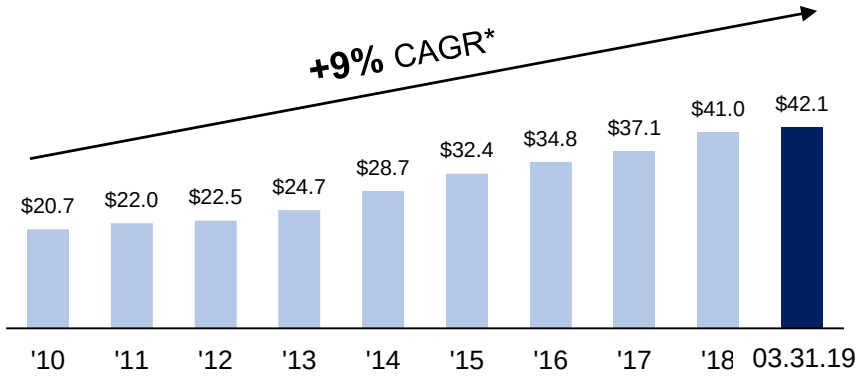
Delivering above peer profitability driven by consistent, sustainable loan and deposit growth, as well as a focus on operational excellence.

Robust investment in risk management and corporate governance best practices.

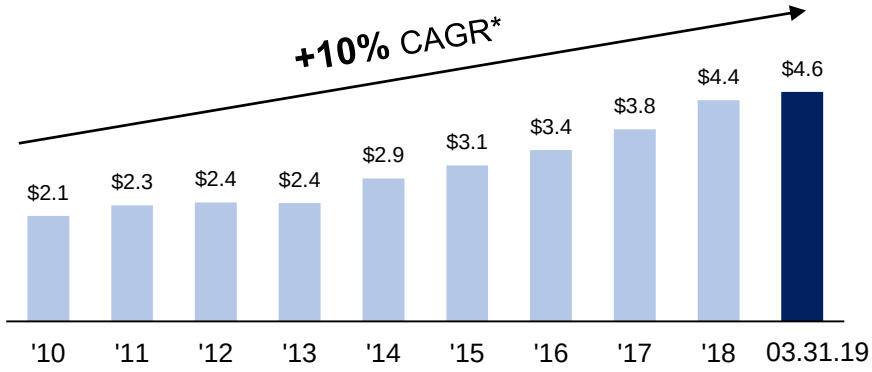
Strong Balance Sheet Growth

($ in billions)

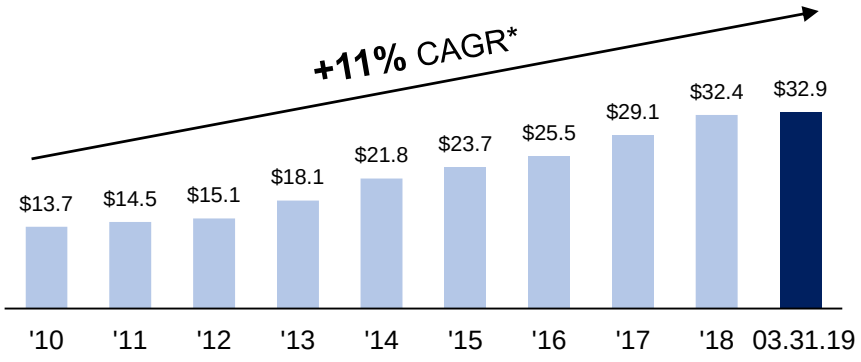
Total Assets



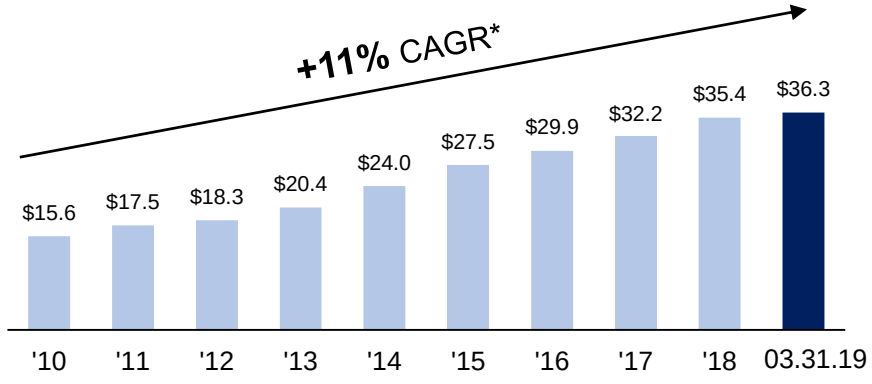
Stockholders' Equity



Total Loans



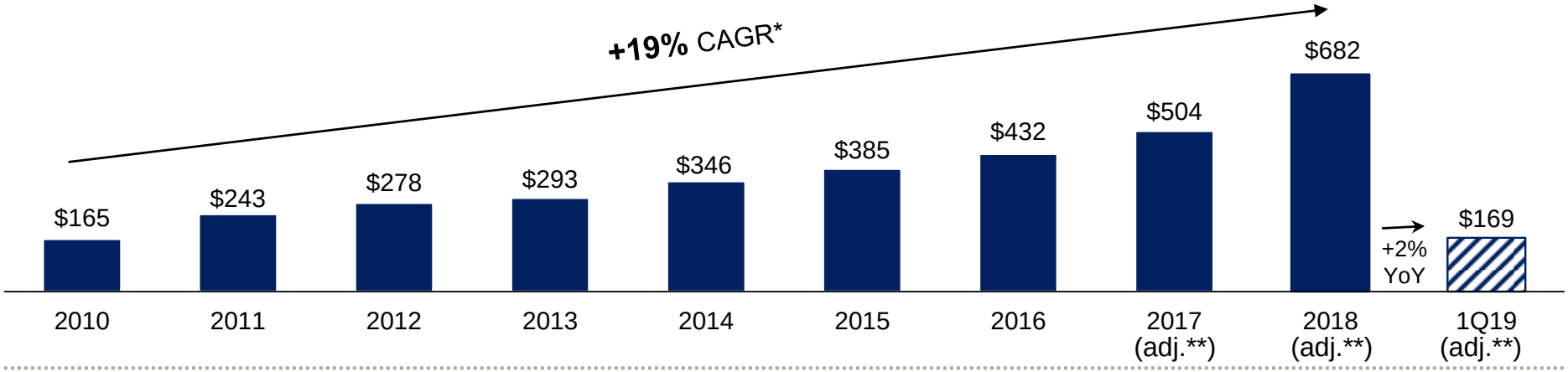
Total Deposits



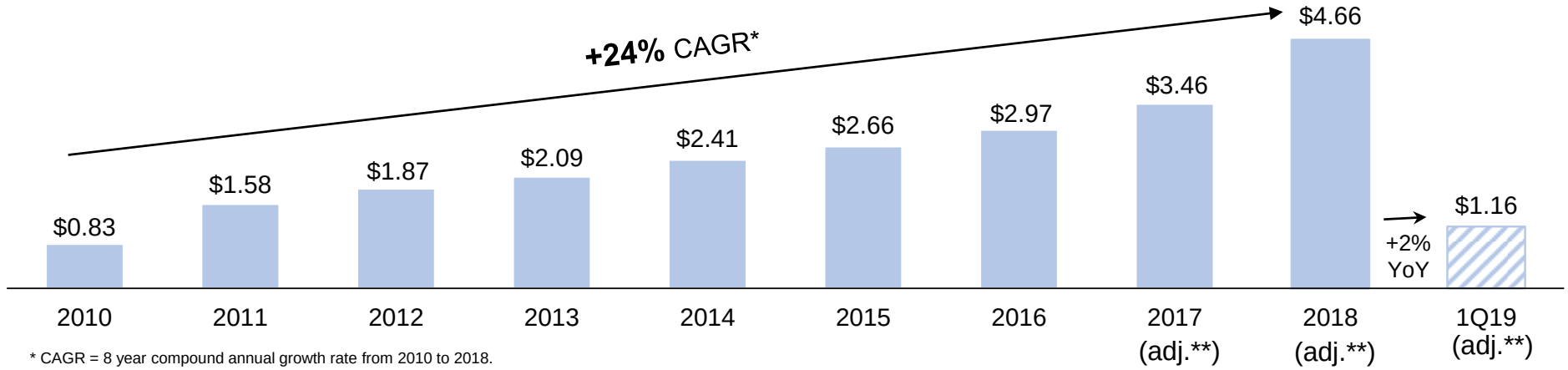
* CAGR from December 31, 2010 – March 31, 2019.

Strong Earnings Growth

Net Earnings ($ in millions)



Diluted EPS



* CAGR = 8 year compound annual growth rate from 2010 to 2018.
** See reconciliation of GAAP to non-GAAP financial measures in the Company's Earnings Press Releases.

Highlights of First Quarter 2019 Results

$ in millions, except per share data	Current Quarter	Q-o-Q Change	Y-o-Y Change
Earnings			
Net income	$ 164.0	(5)%	(12)%
Adj.[1] net income	$ 168.9	(2)%	2%
EPS	$ 1.12	(5)%	(12)%
Adj.[1] EPS	$ 1.16	(2)%	2%
NII	$ 362.5	(2)%	11%
NIM	3.79%	0 bps	6 bps
Balance Sheet			
Loans	$ 32,863	1%	11%
Deposits	$ 36,274	2%	11%
TBVPS[1]	$ 28.21	4%	17%
Credit Quality			
NCO ratio	0.18%	(2) bps	4 bps
NPAs	$ 138.0	48%	5%

1Q19 Net income
$164 million

1Q19 Adj.[1] Net income
$169 million

1Q19 Diluted EPS
$1.12

1Q19 Adj.[1] Diluted EPS
$1.16

Tangible equity[1]/share
$28.21

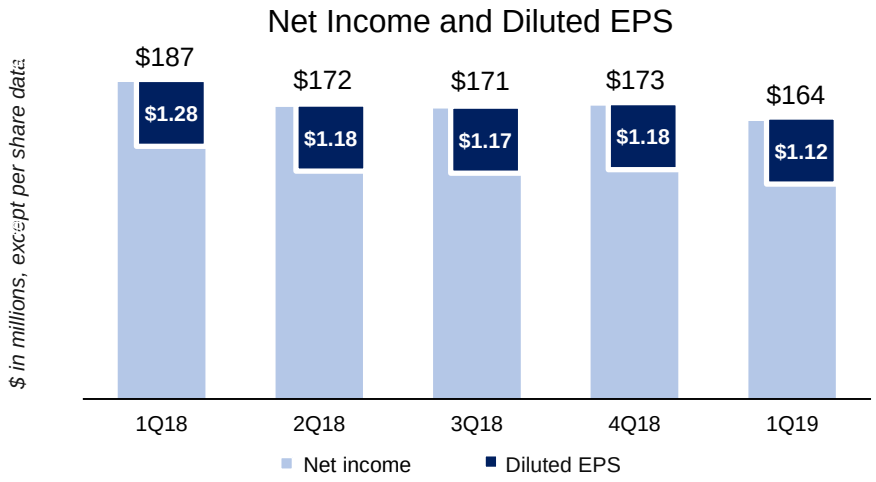
Dividend increase
$0.275/share, up by 20%

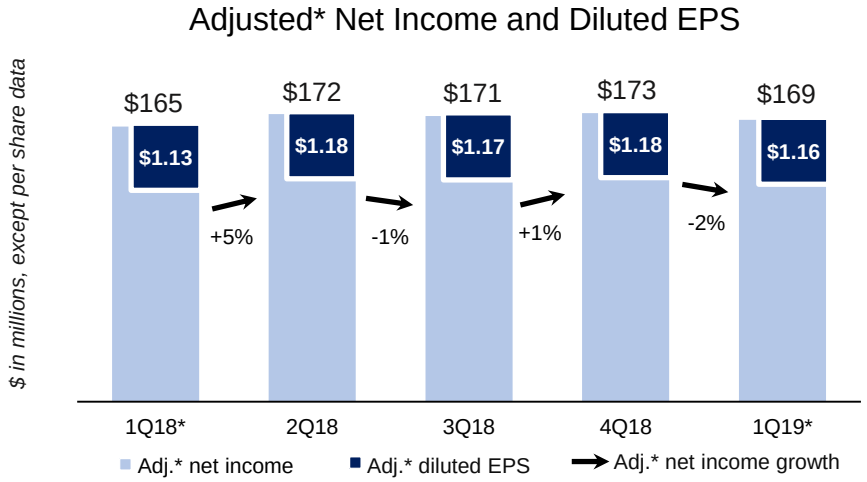
Record loans
$32.9 billion

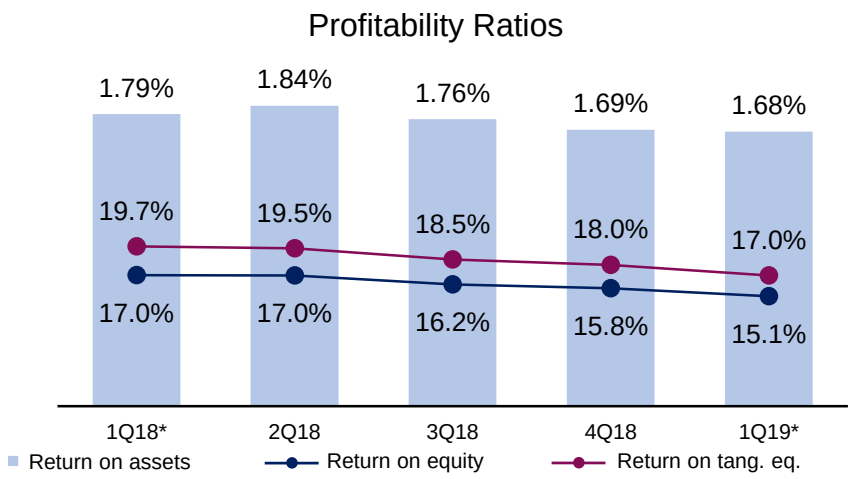
Record deposits
$36.3 billion

[1] See reconciliation of GAAP to non-GAAP financial measures in the appendix and in the Company's 1Q19 Earnings Press Release. 1Q19 adjusted for impairment related to certain tax credit investments.

1Q19 Earnings Growth and Profitability







1Q19 reported ROA: 1.63%

- 5-quarter reported ROA range: 1.63% to 2.03%.
- 5-quarter adjusted ROA range: 1.68% to 1.84%.

1Q19 reported ROE: 14.7%

- 5-quarter reported ROE range: 14.7% to 19.3%.
- 5-quarter adjusted ROE range: 15.1% to 17.0%.
- 5-quarter reported tangible ROE range: 16.5% to 22.3%.
- 5-quarter adjusted tangible ROE range: 17.0% to 19.7%.

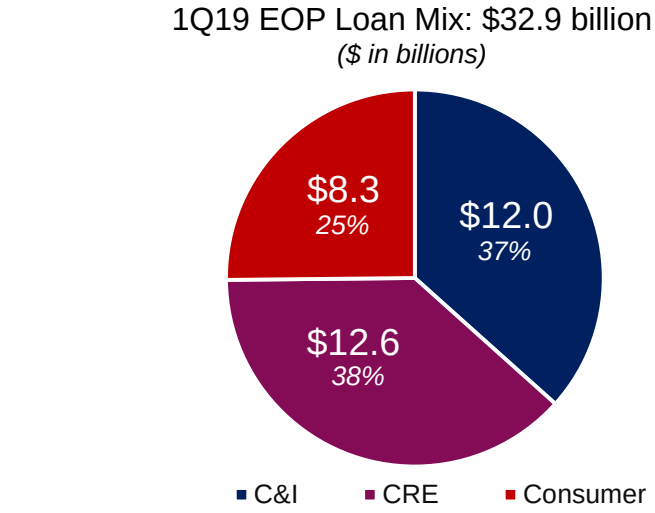
* See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's 1Q19 Earnings Press Release. 1Q19 adjusted for impairment related to certain tax credit investments and 1Q18 adjusted for the gain on sale of DCB.

Management Outlook: Full Year 2019

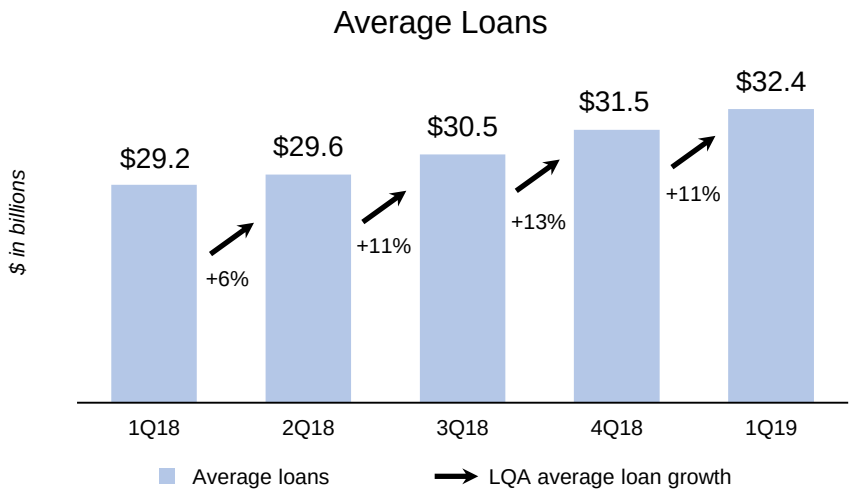
Earnings drivers	FY 2019 expectations compared to FY 2018 results	Outlook change from prior quarter	2019 YTD actual	FY 2018 actual
End of Period Loans	▪ Increase by approximately 10%.	Unchanged.	$32.9 billion +6% YTD annualized & +11% Y-o-Y	$32.4 billion +11% Y-o-Y
Adjusted Net Interest Income	▪ Increase at a percentage rate in the low double-digits (excl. the impact of ASC 310-30 discount accretion).	Unchanged.	$360 million +12% Y-o-Y	$1.4 billion +17% Y-o-Y
Adjusted NIM	▪ 3.75% to 3.80% (excl. the impact of ASC 310-30 discount accretion). ▪ ASC 310-30 discount accretion estimated to add 2 bps.	Unchanged.	3.77% (ex. accretion), +4 bps YTD 3.79% (w/ accretion), +0 bps YTD	3.72% (ex. accretion) +30 bps Y-o-Y 3.78% (w/ accretion) +30 bps Y-o-Y
Noninterest Expense	▪ Increase at a percentage rate in the mid-single-digits (excl. tax credit investment & core deposit intangible amortization).	Unchanged.	$161 million +7% Y-o-Y	$619 million +9% Y-o-Y
Provision for Credit Losses	▪ In the range of $80mm to $90mm.	Unchanged.	$23 million	$64 million
Tax Items	▪ Full year effective tax rate of approximately 15%, including the impact of tax credit investments.*	Unchanged.	Effective tax rate: 16%	Effective tax rate: 14%
Interest Rates	▪ No changes to the fed funds rate.	Unchanged.	No increases.	Fed funds increased +100 bps.

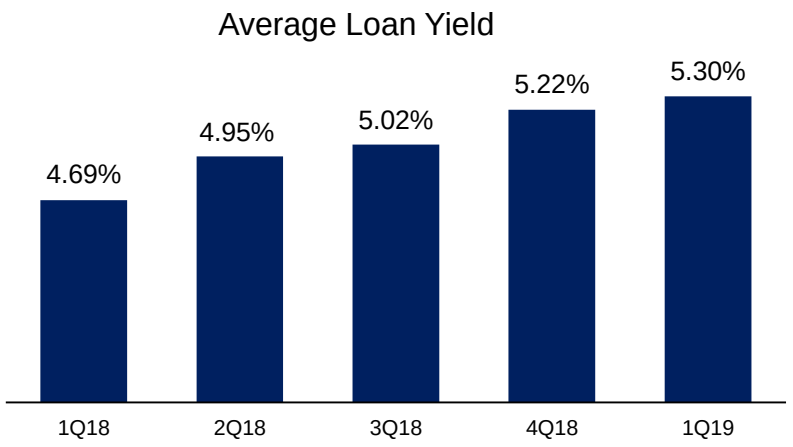
* The tax rate outlook does not include any ASC 740-10 uncertain tax position liabilities that the Company may potentially record related to tax credit investments related to DC Solar, as disclosed in the Company's December 31, 2018 Form 10-K. The amount and timing of any future reserve remain uncertain at this time.

1Q19 Record Loans of $32.9 billion



- EOP loan growth of 1% Q-o-Q (+6% LQA).
- Avg. loan growth of 3% Q-o-Q (+11% LQA).
  - Avg. growth in CRE: $352mm (+12% LQA).
  - Avg. growth in C&I: $291mm (+10% LQA).
  - Avg. growth in Consumer: $237mm (+12% LQA).
- 1Q19 avg. loan yield of 5.30%, up by 8 bps Q-o-Q.
  - Ex. ASC 310-30 discount accretion income, 1Q19 adj. avg. loan yield of 5.27%, up by 13 bps Q-o-Q.

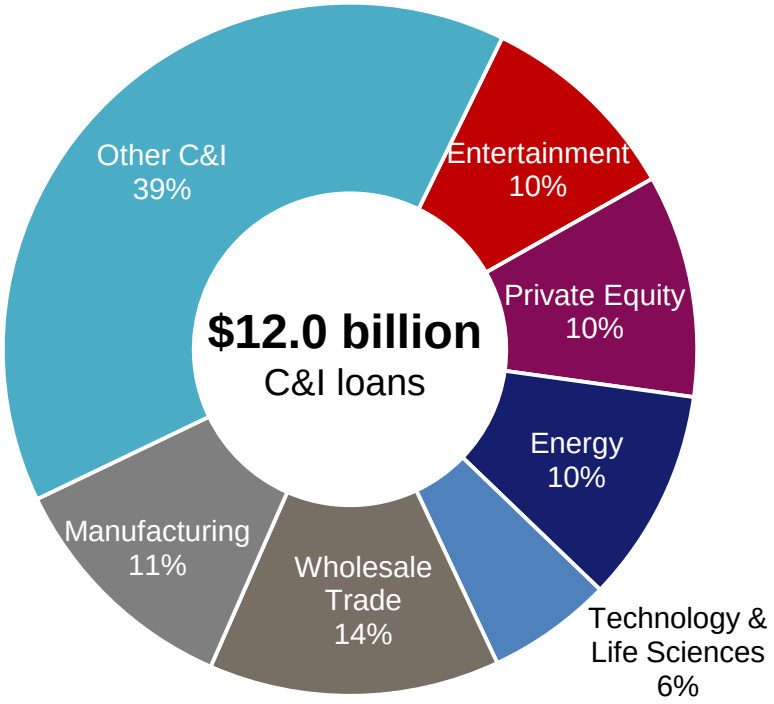




Loan portfolio composition: CRE = CRE, MFR, construction and land. Consumer = SFR, HELOC, and other consumer.

Diversified C&I Loan Portfolio

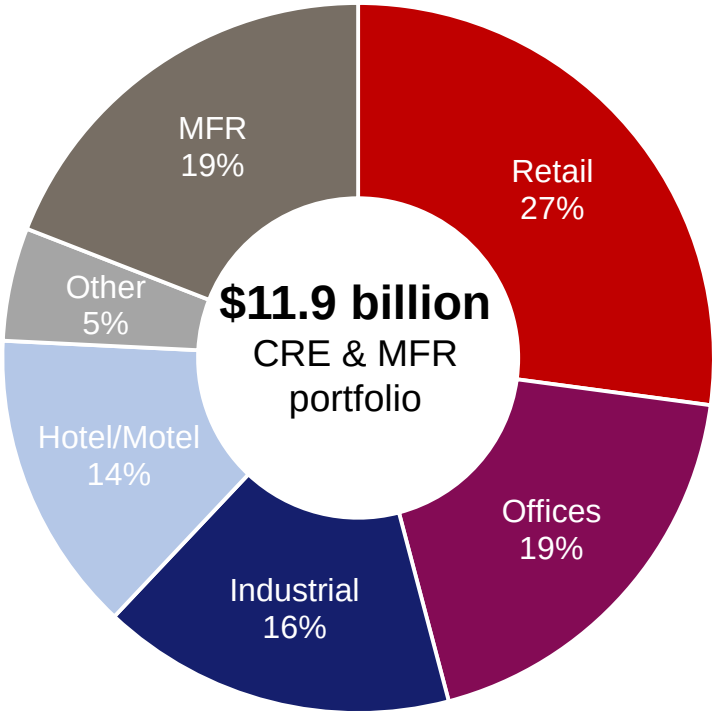
Selected Portfolios (as of 03.31.19)



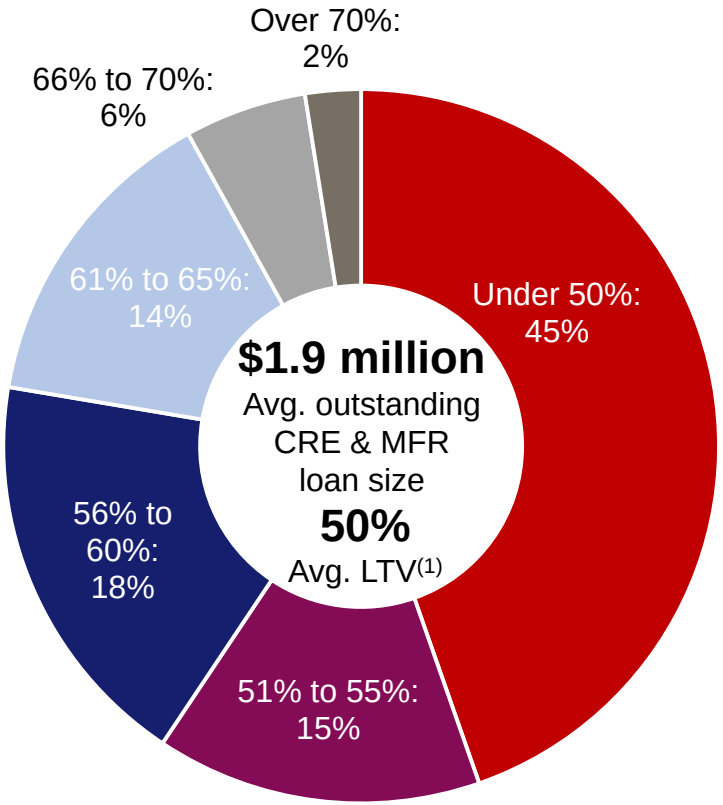
- C&I loans of $12.0 billion were 37% of gross loans as of 03.31.19.
- Dominant market share in lending to Chinese American businesses in the U.S.
- Growth in specialized lending verticals is driven by Bridge Banking, EWBC's strategy of facilitating cross-border commercial opportunities.

Diversified Commercial Real Estate Portfolio

Property Type Distribution (as of 03.31.19)



LTV Distribution (as of 03.31.19)

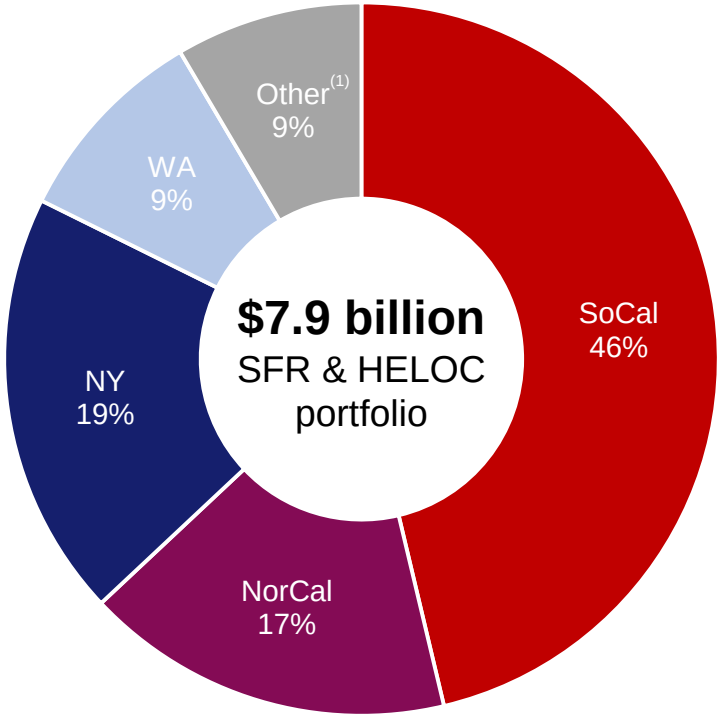


- CRE & MFR loans of $11.9 billion were 36% of total gross loans as of 03.31.19.
- In addition, construction & land loans totaled only $647 million or 2% of total gross loans as of 03.31.19.

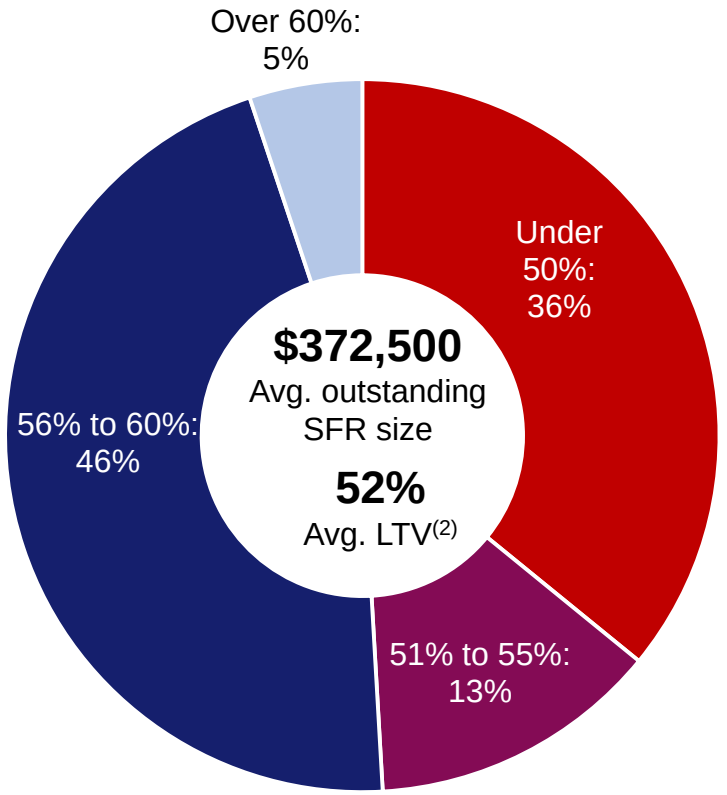
[1] LTV based on current loan balance and appraisal value at origination or renewal.

Low LTV Single Family Mortgage Portfolio

Geographic Distribution of SFR & HELOC (as of 03.31.2019)



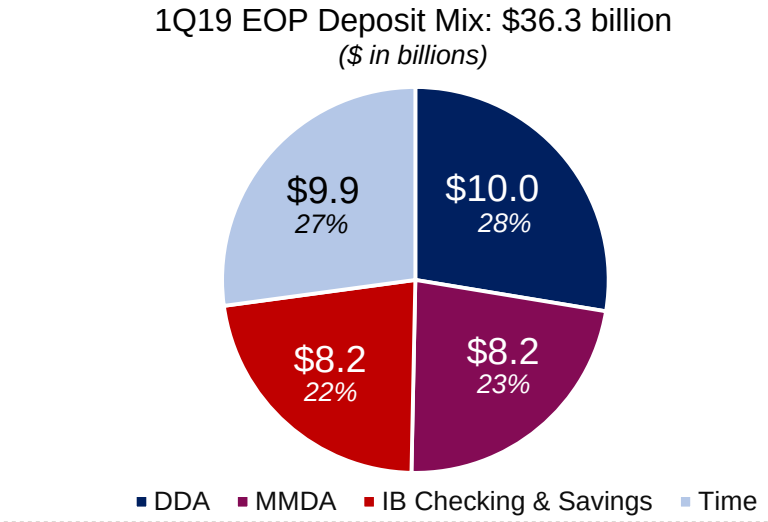
SFR LTV Distribution (as of 03.31.19)



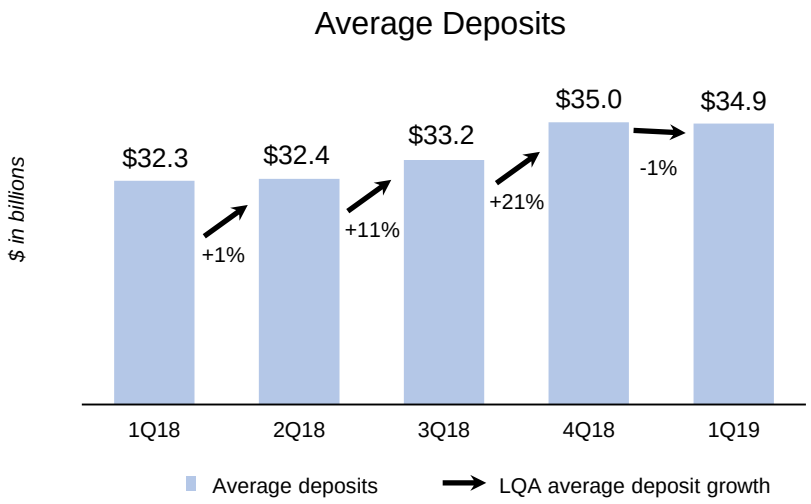
- SFR & HELOC of $7.9 billion were 24% of gross loans as of 03.31.19.

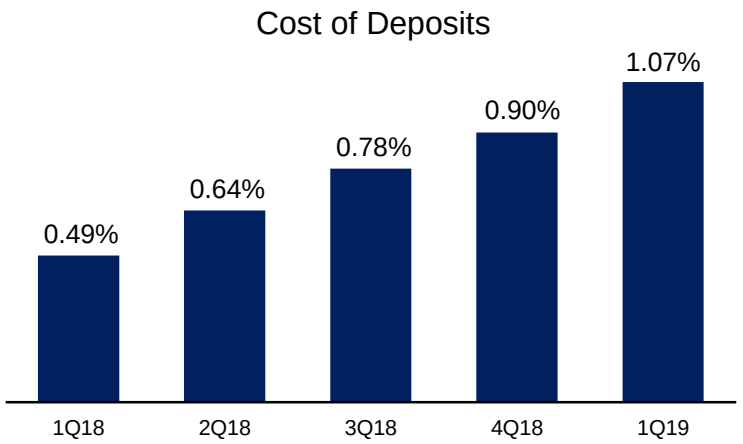
[1] Other includes: GA, MA, MD, NV, NJ, RI, TX, HK.
[2] LTV based on current loan balance and appraisal value at origination or renewal.

1Q19 Record Deposits of $36.3 billion



- EOP deposit growth of 2% Q-o-Q (+10% LQA).
  - Loan to deposit ratio: 90.6%, vs. 91.4% as of 12.31.18.
- Avg. deposit declined slightly: (0.2)% Q-o-Q (-1% LQA).
  - Seasonally high DDAs in 4Q18 flowed out in 1Q19.
  - Shift in customer balances from DDA to interest-bearing categories.
- 1Q19 cost of deposits: 1.07%, up 17 bps Q-o-Q.





1Q19 Summary Income Statement

$ in millions, except per share data	1Q19	4Q18	$ Change	% Change
Adjusted net interest income	$ 360.3	$ 363.6	$ (3.3)	(1) %
ASC 310-30 discount accretion income	2.2	5.8	(3.6)	(63) %
Net interest income	362.5	369.4	(7.0)	(2) %
Fee income & net gains on sales of loans*	39.1	38.8	0.3	1 %
Other**	3.0	2.9	0.1	6 %
Total noninterest income*	42.1	41.7	0.4	1 %
Adjusted noninterest expense	160.8	155.9	5.0	3 %
Amortization of tax credit and other investments, and core deposit intangibles	26.1	32.2	(6.1)	(19) %
Total noninterest expense	186.9	188.1	(1.2)	(1) %
Provision for credit losses	22.6	18.0	4.6	26 %
Income tax expense	31.1	32.0	(1.0)	(3) %
Net income	**$ 164.0**	**$ 173.0**	**$ (9.0)**	**(5) %**
Diluted EPS	**$ 1.12**	**$ 1.18**	**$ (0.06)**	**(5) %**

Notable & Tax-Related Items

- **1Q19 adj.** net income of $168.9mm and adj.** EPS of $1.16.**

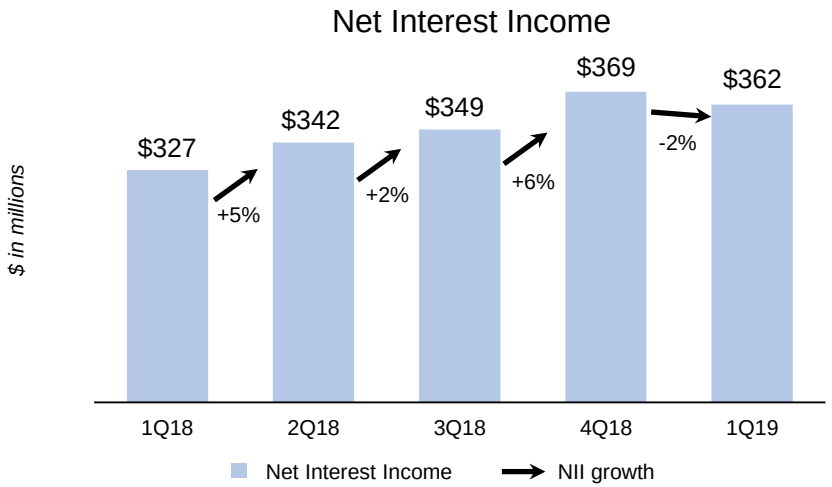
  Adjustment: impairment charge related to certain tax credit investments: $7.0mm pre-tax, $4.9mm after-tax. EPS impact of $0.04/sh in 1Q19.

  Impairment included in amortization of tax credit and other investments.

- 1Q19 effective tax rate was 16%, unchanged from 4Q18.
- 1Q19 tax expense included the impact of accounting for stock-based compensation, which reduced tax expense by $4.7mm in 1Q19, compared to a reduction of $4.8mm in 1Q18.
- For the full year 2019, we expect to continue to invest in tax credits and project an effective tax rate of approximately 15%***.

* 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 1Q19 Earnings press release.
*** The tax rate outlook does not include any ASC 740-10 uncertain tax position liabilities that the Company may potentially record related to tax credit investments related to DC Solar, as disclosed in the Company's December 31, 2018 Form 10-K. The amount and timing of any future reserve remain uncertain at this time.

1Q19 Net Interest Income & Net Interest Margin

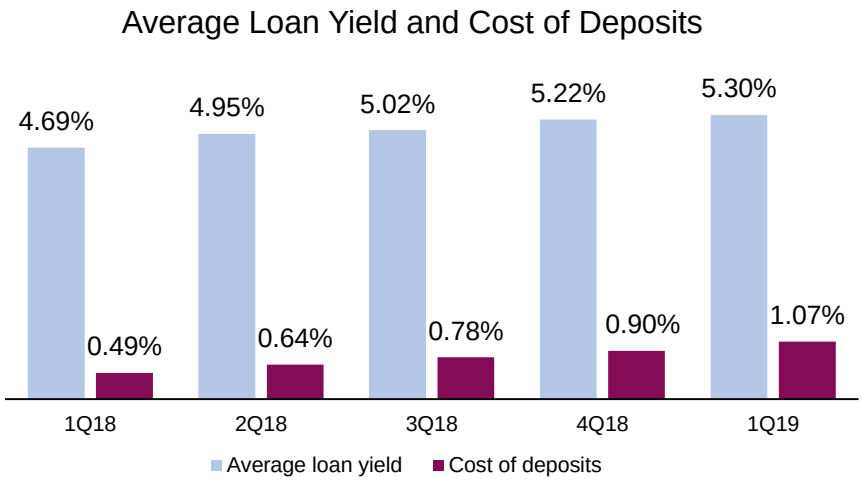


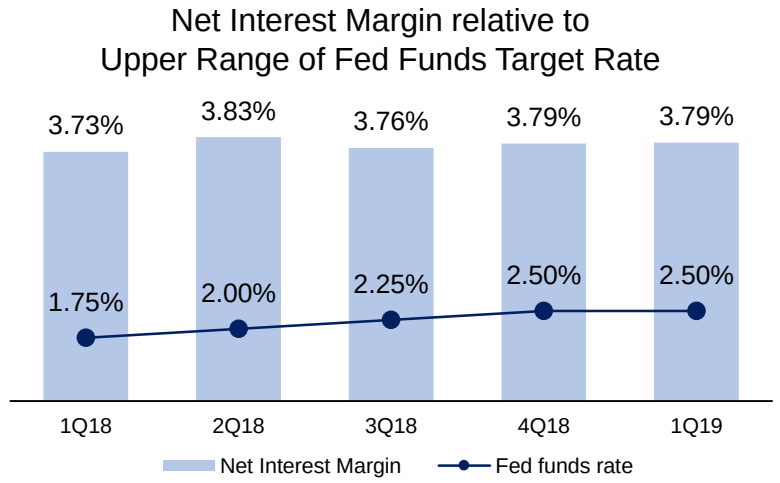
1Q19 NII of $362.5mm decreased 2% Q-o-Q. Excluding accretion, adj.* NII of $360.3mm decreased 1% Q-o-Q.

- 1Q19 ASC 310-30 discount accretion income of $2.2mm vs. $5.8mm in 4Q18.
- Q-o-Q decrease in NII largely due to the day count in 1Q.

1Q19 NIM of 3.79% was flat Q-o-Q. and adj.* NIM of 3.77% increased 4 bps Q-o-Q (ex. accretion). Q-o-Q impact to NIM from change in yields & rates:

- +11 bps from higher loan yields.
- + 3 bps from higher other earning asset yields.
- - 3 bps from lower ASC 310-30 discount accretion.
- -11 bps from change in deposit costs.

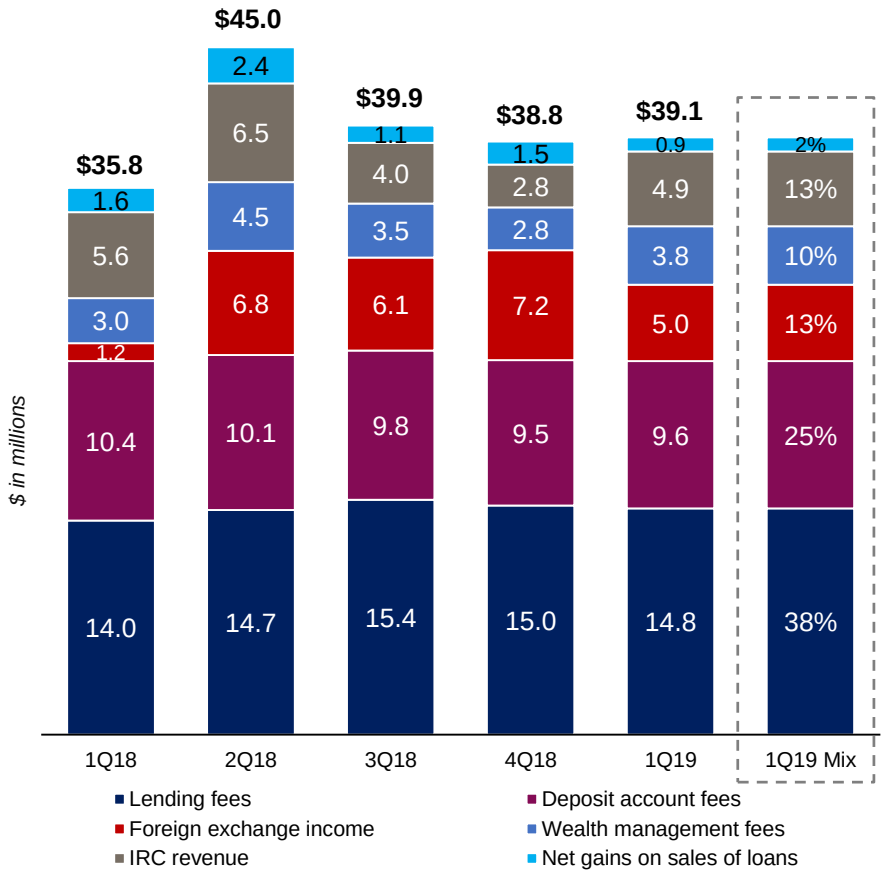




*See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's 1Q19 Earnings Press Release.

1Q19 Noninterest Income Detail

Fee Income & Net Gains on Sales of Loans *



* Fee income excludes: mark-to-market ("MTM") related to interest rate contracts ("IRC") and other derivatives; net gains on sales of securities; gains on sale of business units, and other income.

Total noninterest income of $42.1mm in 1Q19 vs. $41.7mm in 4Q18.

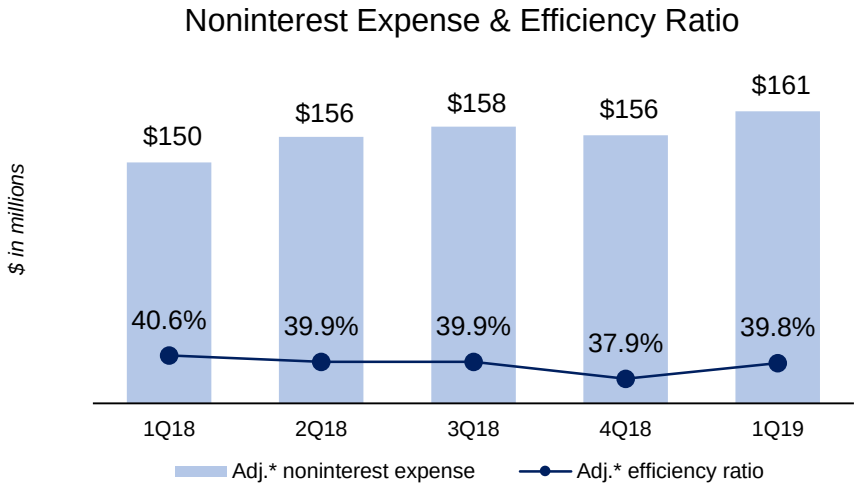
- Lending fees consist of: loan, credit enhancement, and trade finance fees.
- Deposit account fees: formerly called Branch Fees.
- FX income consists of: customer transaction fees, MTM on FX trades, and remeasurement of foreign currency balance sheet items.
- Net gains on sales of loans predominantly from sale of SBA loans.
- Adoption of ASU 2016-02, Leases (Topic 842) in 1Q19 resulted in the recognition in retained earnings of cumulative deferred gains on prior sale-leaseback transactions. The recognized amount was $14.7mm. Previously, this was ratably recognized as noninterest income; in 4Q18, this income was $1.1mm.

Interest Rate Contracts and Other Derivative Income Detail

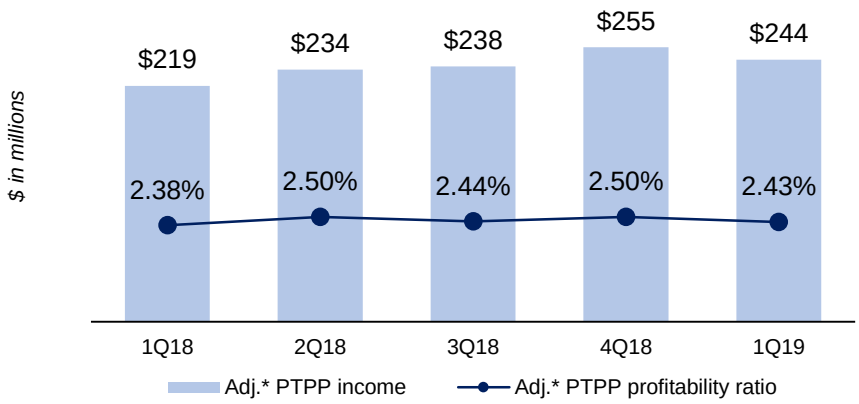
($ in millions)	1Q18	2Q18	3Q18	4Q18	1Q19
Revenue	$ 5.6	$ 6.5	$ 4.0	$ 2.8	$ 4.9
MTM	1.1	0.1	0.6	(1.7)	(1.7)
Total	$ 6.7	$ 6.6	$ 4.6	$ 1.1	$ 3.2

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

1Q19 Efficiency and PTPP Profitability



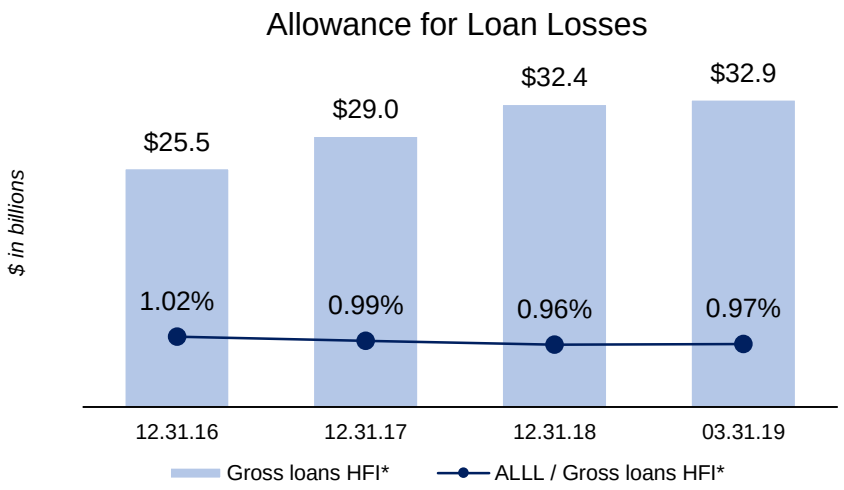
- 1Q19 total noninterest expense: $186.9mm.
- 1Q19 adj.* noninterest expense: $160.8mm.
  - Main Q-o-Q increases: compensation and employee benefits, including seasonally higher payroll taxes.
  - Main Q-o-Q decreases: other operating expense.

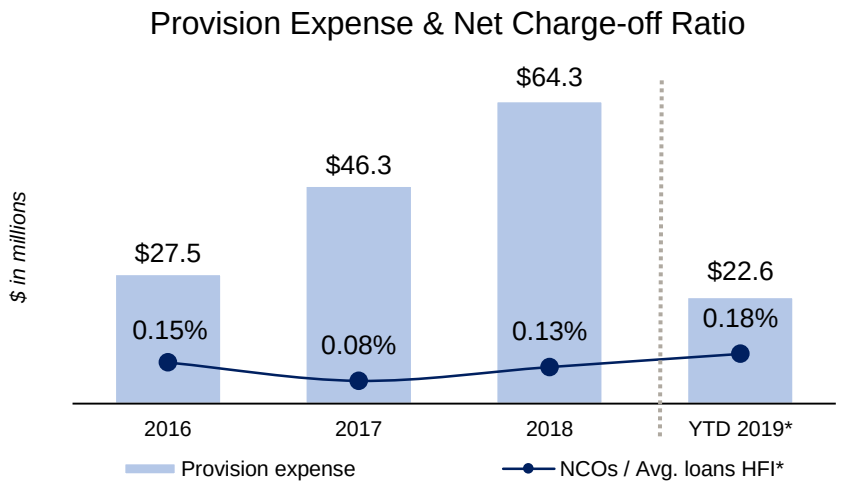


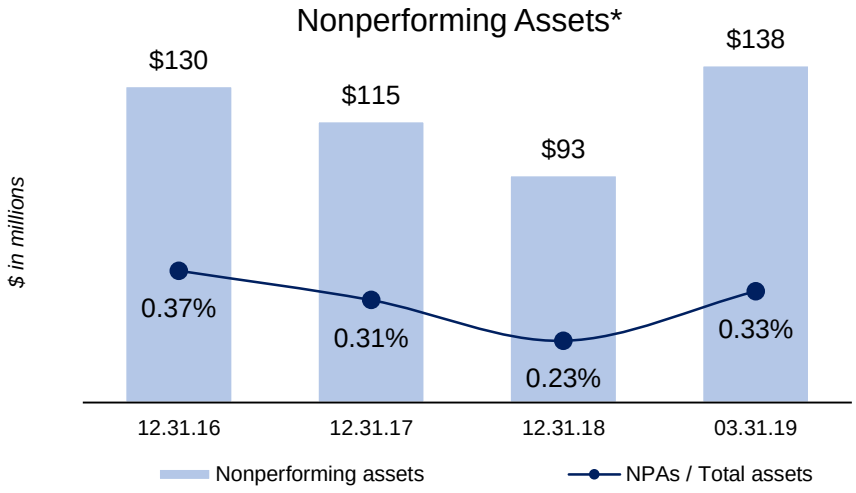
- 1Q19 adj.* efficiency ratio: 39.8%, compared to 37.9% in 4Q18 and 40.6% in 1Q18.
- Pre-tax, pre-provision (PTPP) income:
  1Q19 PTPP income of $243.7mm, down 5% Q-o-Q and up 11% Y-o-Y.
- PTPP profitability: 5-quarter adj. PTPP profitability ratio range of 2.38% to 2.50%.

*See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's 1Q19 Earnings Press Release.

Asset Quality Metrics







- Allowance coverage of loans HFI: 0.97% as of 03.31.19, compared to 0.96% as of 12.31.18.
- 1Q19 net charge-off ratio: 0.18% annualized, compared to 0.20% annualized in 4Q18 and 0.14% annualized in 1Q18.
- Nonperforming assets to total assets ratio: 0.33% as of 03.31.19, compared to 0.23% as of 12.31.18 and 0.35% as of 03.31.18.
  - Q-o-Q variance in nonperforming assets reflects an increase in nonaccrual commercial loans.

* Nonperforming assets and net charge-offs exclude purchased credit impaired loans. HFI represents held-for-investment. YTD NCO ratio is annualized.

Interest Rate Sensitivity

EWBC's Net Interest Income Sensitivity to Selected Interest Rate Scenarios (as of March 31, 2019)

	Net Interest Income Volatility:					
	31-Mar-2019			31-Dec-2018		
Change in Interest Rates :	% change	$ in mm	in EPS	% change	$ in mm	in EPS
+ 200 bps	16.6%	$244.0	+ $ 1.41	16.6%	$230.2	+ $ 1.35
+ 100 bps	9.2%	$135.2	+ $ 0.78	8.4%	$116.5	+ $ 0.69
- 100 bps	-6.6%	($97.0)	- $ (0.56)	-8.3%	($115.1)	- $ (0.68)
- 200 bps	-14.5%	($213.1)	- $ (1.23)	-16.7%	($231.5)	- $ (1.36)

	NII Volatility as of 3/31/19 Given a 12-Month Rate Ramp & Static Balance Sheet Scenario		
Change in Interest Rates :	% change	$ in mm	in EPS
+200 bps	6.5%	$95.5	+ $ 0.55
+100 bps	3.5%	$51.4	+ $ 0.30
- 100 bps	-1.2%	($17.6)	- $ (0.10)
- 200 bps	-4.2%	($61.7)	- $ (0.36)

- A supplemental rate ramp scenario was conducted to evaluate net interest income volatility in an environment of gradually changing interest rates.

Note: NII sensitivity translated into $ and EPS using FY 2018 & 2019 Q1 NII Annualized, FY 2018 effective tax rate adjusted for impact of enactment of the Tax Cuts & Jobs Act.

Loan Portfolio: Underlying Interest Rate Detail

EWBC's Loan Portfolio Breakdown: Fixed, Hybrid, & Variable Rate Loans (as of March 31, 2019)

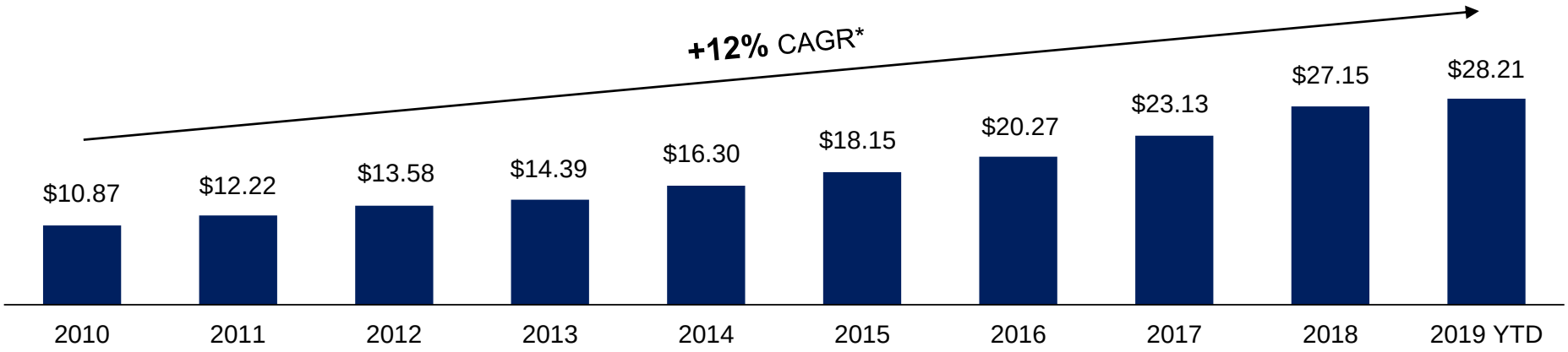
	$ in mm.	% of total loans	$ in mm.	% of total loans
Fixed rate loans	**3,397.6**	**10.3%**		
Hybrid: no floors	286.9	0.9%		
Hybrid: Interest rates above floors	5,813.4	17.7%		
Of which, linked to Prime			960	3%
Of which, linked to Libor			885	3%
Of which, linked to 1M Libor			28	0%
Of which, linked to 3M Libor			59	0%
Of which, linked to Other Libor			798	2%
Of which, linked to T-Bill or TCM			3,969	12%
Hybrid: Interest rates at or below floors	63.6	0.2%		
Subtotal: Hybrid loans in fixed period	**6,163.8**	**18.8%**		
Variable: no floors	16,553.4	50.4%		
Of which, linked to Prime			5,819	18%
Of which, linked to Libor			8,828	27%
Of which, linked to 1M Libor			6,876	21%
Of which, linked to 3M Libor			1,333	4%
Of which, linked to other Libor			619	2%
Of which, linked to T-Bill or TCM			1,165	4%
Of which, linked to other indices			741	2%
Variable: Interest rate above floors	6,595.7	20.1%		
Of which, linked to Prime			3,781	12%
Of which, linked to Libor			2,367	7%
Of which, linked to 1M Libor			1,799	5%
Of which, linked to 3M Libor			277	1%
Of which, linked to other Libor			291	1%
Of which, linked to other indices			448	1%
Variable: Interest rate at or below floors	105.9	0.3%		
Subtotal: Variable rate loans	**23,255.1**	**70.8%**		
Other (NPLs, premiums, discounts)	46.8	0.1%		
Total gross loans	**32,863.3**	**100.0%**		

- Prime: $10.6bn or 32% of EWBC's loan portfolio is linked to Prime Rate
- Libor: $12.1bn or 37% of EWBC's total loans are linked to Libor, of which $8.7bn, or 26%, are linked to 1M Libor, and $1.7bn, or 5%, are linked to 3M Libor.
- 71% of EWBC's loan portfolio is variable rate, including hybrid loans in variable period.
- 10% of EWBC's loan portfolio is fixed rate and 19% are hybrid loans in their fixed rate period.
- Year-over-year, share of fixed rate loans and hybrid loans in fixed rate period is increasing.

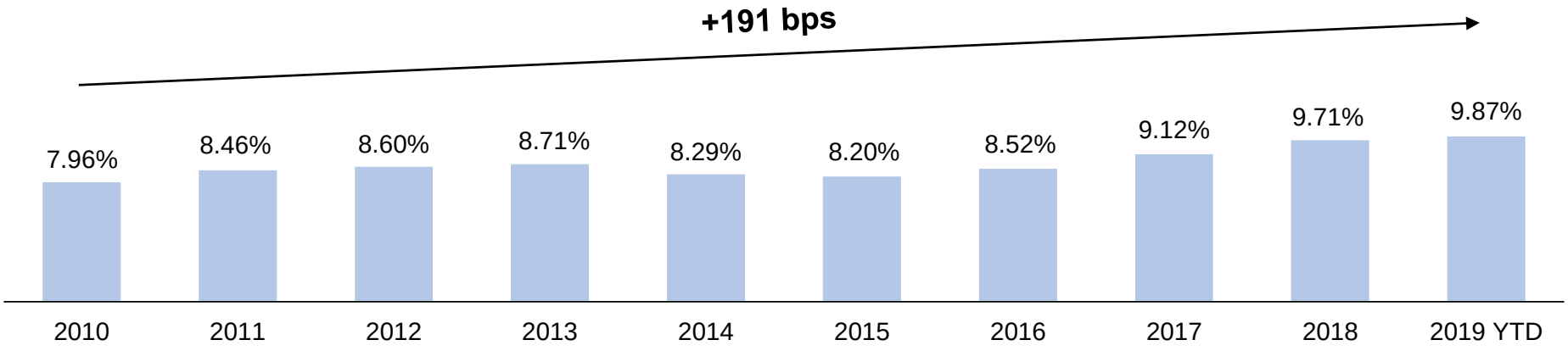
Note: Hybrid loans shows those still in fixed rate period. Hybrid loans already subject to variable rate are shown in Variable loans.
Note: Loans (HFI & HFS) net of deferred fees, premiums, or discounts, and gross of ALLL.

Steadily Growing Equity While Maintaining Robust TCE

Tangible Equity per Share



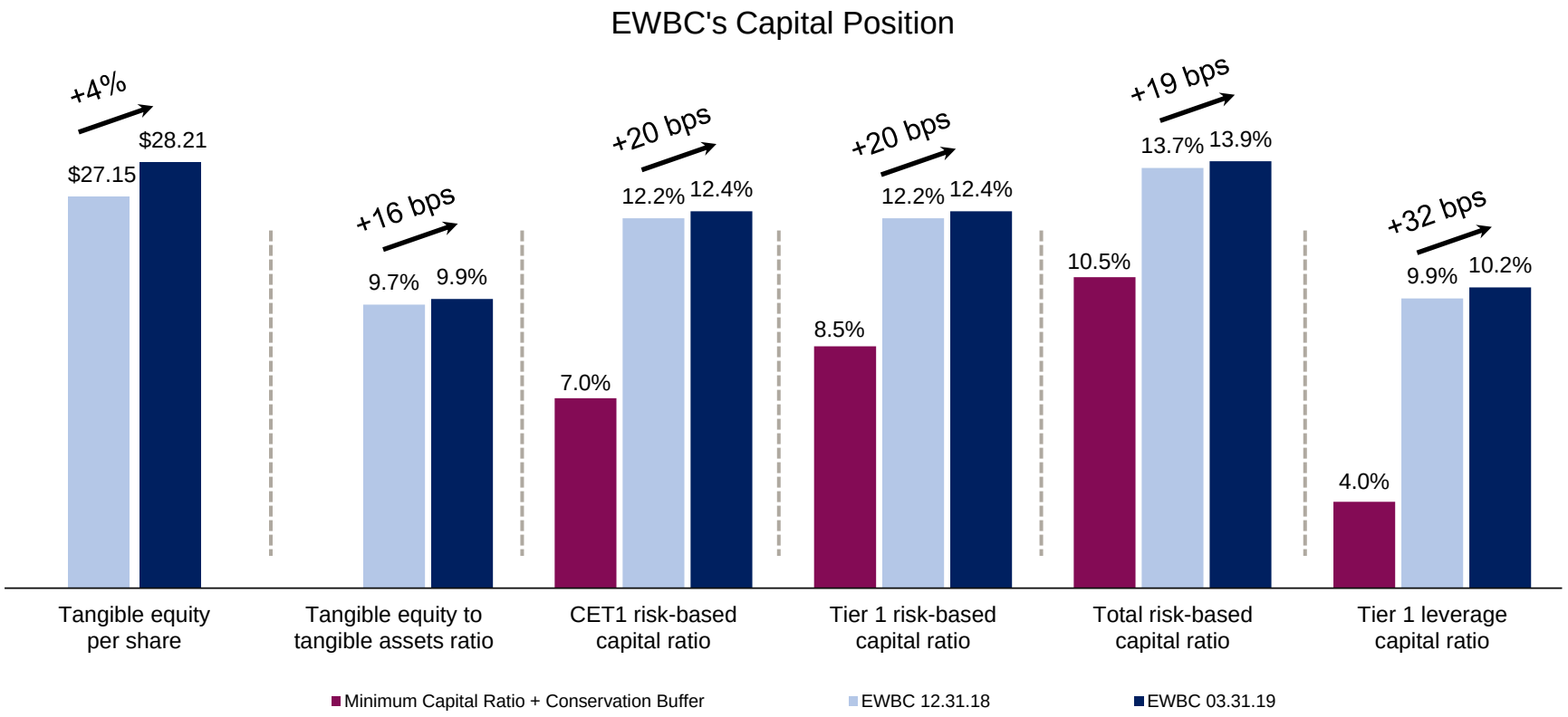
Tangible Equity to Tangible Assets Ratio



* CAGR = Compound annual growth rate from December 31, 2010 – March 31, 2019.

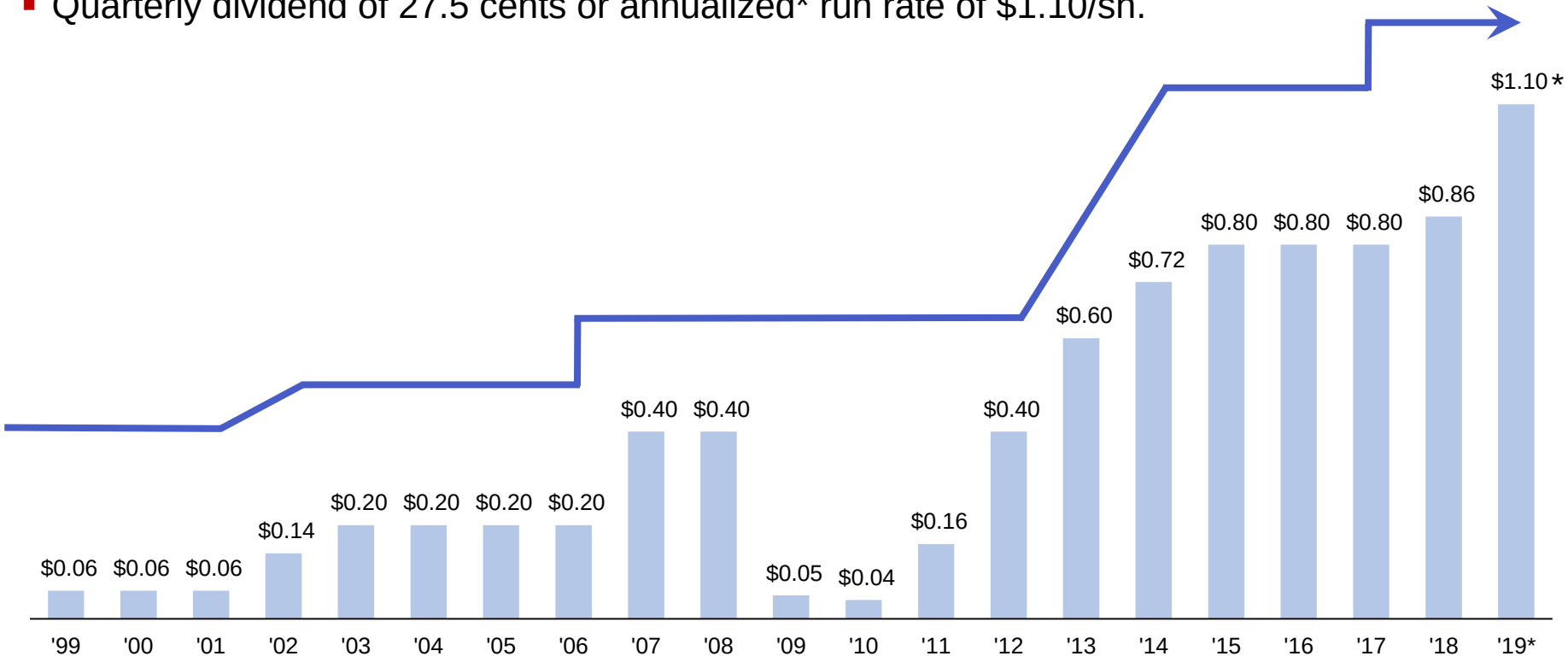
Strong Capital Ratios

- Regulatory capital ratios increased by 19 bps to 32 bps year-to-date.
- Common dividend increased by 20%, or $0.045/share, in 2Q19. New quarterly common stock dividend of 27.5 cents/share or annualized $1.10/share, up from $0.23/share and $0.92/share, respectively.



Providing a Healthy Dividend to Stockholders

- EWBC has consistently paid an annual dividend on the common stock since going public in 1999.
- Quarterly dividend of 27.5 cents or annualized* run rate of $1.10/sh.



* Annualized run-rate based on the 2Q19 dividend of $0.275 per share.

APPENDIX

EAST WEST BANK
Your financial bridge®

Appendix: GAAP to Non-GAAP Reconciliation

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

During the first quarter of 2019, the Company recorded a pre-tax impairment charge related to certain tax credit investments of $7.0 million. During the first quarter of 2018, the Company sold its DCB branches and recognized a pre-tax gain on sale of $31.5 million. 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 equity that exclude the after-tax impacts of the impairment charge related to certain tax credit investments and the gain on the sale of the DCB branches (where applicable) provides clarity to financial statement users regarding the ongoing performance of the Company and allows comparability to prior periods.

		Three Months Ended		
		March 31, 2019	**December 31, 2018**	**March 31, 2018**
Net income	(a)	$ 164,024	$ 173,018	$ 187,032
Add: Impairment charge related to certain tax credit investments[1]		6,978	—	—
Less: Gain on sale of business		—	—	(31,470)
Tax effect of adjustment [2]		(2,063)	—	9,303
Adjusted net income	**(b)**	**$ 168,939**	**$ 173,018**	**$ 164,865**
Diluted weighted average number of shares outstanding		**145,921**	**146,133**	**145,939**
Diluted EPS		$ 1.12	$ 1.18	$ 1.28
Diluted EPS impact of impairment charge related to certain tax credit investments, net of tax		0.04	—	—
Diluted EPS impact of gain on sale of business, net of tax		—	—	(0.15)
Adjusted diluted EPS		**$ 1.16**	**$ 1.18**	**$ 1.13**
Average total assets	(c)	$ 40,738,404	$ 40,525,188	$ 37,381,098
Average stockholders' equity	(d)	$ 4,537,301	$ 4,335,110	$ 3,922,926
Return on average assets [3]	**(a)/(c)**	**1.63 %**	**1.69 %**	**2.03 %**
Adjusted return on average assets [3]	**(b)/(c)**	**1.68 %**	**1.69 %**	**1.79 %**
Return on average equity [3]	**(a)/(d)**	**14.66 %**	**15.83 %**	**19.34 %**
Adjusted return on average equity [3]	**(b)/(d)**	**15.10 %**	**15.83 %**	**17.04 %**

(1) Included in Amortization of tax credit and other investments.
(2) Applied statutory rate of 29.56%.
(3) Annualized.

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

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

Adjusted efficiency ratio represents adjusted noninterest expense divided by adjusted revenue. Adjusted pre-tax, pre-provision profitability ratio represents the aggregate of adjusted revenue less adjusted noninterest expense, divided by average total assets. Adjusted revenue represents the aggregate of net interest income and adjusted noninterest income, where adjusted noninterest income excludes the gain on the sale of the DCB branches that were sold in the first quarter of 2018 (where applicable). Adjusted noninterest expense excludes the amortization of tax credit and other investments and the amortization of core deposit intangibles. 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		
		March 31, 2019	**December 31, 2018**	**March 31, 2018**
Net interest income before provision for credit losses	(a)	$ 362,461	$ 369,416	$ 326,693
Total noninterest income		42,131	41,695	74,444
Total revenue	**(b)**	**$ 404,592**	**$ 411,111**	**$ 401,137**
Noninterest income		42,131	41,695	74,444
Less: Gain on sale of business		—	—	(31,470)
Adjusted noninterest income	(c)	42,131	41,695	42,974
Adjusted revenue	**(a)+(c) = (d)**	**$ 404,592**	**$ 411,111**	**$ 369,667**
Total noninterest expense	(e)	$ 186,922	$ 188,097	$ 169,135
Less: Amortization of tax credit and other investments		(24,905)	(30,958)	(17,400)
Amortization of core deposit intangibles		(1,174)	(1,265)	(1,485)
Adjusted noninterest expense	**(f)**	**$ 160,843**	**$ 155,874**	**$ 150,250**
Efficiency ratio	**(e)/(b)**	**46.20 %**	**45.75 %**	**42.16 %**
Adjusted efficiency ratio	**(f)/(d)**	**39.75 %**	**37.92 %**	**40.64 %**
Adjusted pre-tax, pre-provision income	**(d)-(f) = (g)**	**$ 243,749**	**$ 255,237**	**$ 219,417**
Average total assets	(h)	$ 40,738,404	$ 40,525,188	$ 37,381,098
Adjusted pre-tax, pre-provision profitability ratio [1]	**(g)/(h)**	**2.43 %**	**2.50 %**	**2.38 %**
Adjusted noninterest expense [1]/average assets	**(f)/(h)**	**1.60 %**	**1.53 %**	**1.63 %**

(1) Annualized.

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

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

Management believes that presenting the adjusted average loan yield and adjusted net interest margin that exclude the ASC 310-30 discount accretion impact provides clarity to financial statement users regarding the change in loan contractual yields and allows comparability to prior periods.

		Three Months Ended		
Yield on Average Loans		**March 31, 2019**	**December 31, 2018**	**March 31, 2018**
Interest income on loans	(a)	$ 423,534	$ 414,517	$ 337,904
Less: ASC 310-30 discount accretion income		(2,178)	(5,810)	(5,200)
Adjusted interest income on loans	**(b)**	**$ 421,356**	**$ 408,707**	**$ 332,704**
Average loans	(c)	$ 32,414,785	$ 31,534,875	$ 29,211,906
Add: ASC 310-30 discount		21,639	23,833	34,059
Adjusted average loans	**(d)**	**$ 32,436,424**	**$ 31,558,708**	**$ 29,245,965**
Average loan yield [1]	**(a)/(c)**	**5.30 %**	**5.22 %**	**4.69 %**
Adjusted average loan yield [1]	**(b)/(d)**	**5.27 %**	**5.14 %**	**4.61 %**
Net Interest Margin				
Net interest income	(e)	$ 362,461	$ 369,416	$ 326,693
Less: ASC 310-30 discount accretion income		(2,178)	(5,810)	(5,200)
Adjusted net interest income	**(f)**	**$ 360,283**	**$ 363,606**	**$ 321,493**
Average interest-earning assets	(g)	$ 38,745,004	$ 38,688,647	$ 35,513,663
Add: ASC 310-30 discount		21,639	23,833	34,059
Adjusted average interest-earning assets	**(h)**	**$ 38,766,643**	**$ 38,712,480**	**$ 35,547,722**
Net interest margin [1]	**(e)/(g)**	**3.79 %**	**3.79 %**	**3.73 %**
Adjusted net interest margin [1]	**(f)/(h)**	**3.77 %**	**3.73 %**	**3.67 %**

(1) Annualized.

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

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

The Company uses 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 fordiscussion.

		March 31, 2019	December 31, 2018	March 31, 2018
Stockholders' equity	(a)	$ 4,591,930	$ 4,423,974	$ 3,978,755
Less: Goodwill		(465,697)	(465,547)	(465,547)
Other intangible assets [(1)]		(21,109)	(22,365)	(26,196)
Tangible equity	**(b)**	**$ 4,105,124**	**$ 3,936,062**	**$ 3,487,012**
Total assets	(c)	$ 42,091,433	$ 41,042,356	$ 37,671,938
Less: Goodwill		(465,697)	(465,547)	(465,547)
Other intangible assets [(1)]		(21,109)	(22,365)	(26,196)
Tangible assets	**(d)**	**$ 41,604,627**	**$ 40,554,444**	**$ 37,180,195**
Total stockholders' equity to total assets ratio	**(a)/(c)**	**10.91 %**	**10.78 %**	**10.56 %**
Tangible equity to tangible assets ratio	**(b)/(d)**	**9.87 %**	**9.71 %**	**9.38 %**

(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)

Adjusted return on average tangible equity represents adjusted tangible net income divided by average tangible equity. Adjusted tangible net income excludes the after-tax effects of the amortization of core deposit intangibles and mortgage servicing assets and the after-tax impacts of the impairment charge related to certain tax credit investments and the gain on the sale of the DCB branches (where applicable). 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		
		March 31, 2019	**December 31, 2018**	**March 31, 2018**
Net Income		$ 164,024	$ 173,018	$ 187,032
Add: Amortization of core deposit intangibles		1,174	1,265	1,485
Amortization of mortgage servicing assets		324	448	473
Tax effect of adjustments [2]		(443)	(506)	(579)
Tangible net income	**(e)**	**$ 165,079**	**$ 174,225**	**$ 188,411**
Add: Impairment charge on the tax credit investments related to DC Solar [3]		6,978	—	—
Less: Gain on sale of business		—	—	(31,470)
Tax effect of adjustment [2]		(2,063)	—	9,303
Adjusted tangible net income	**(f)**	**$ 169,994**	**$ 174,225**	**$ 166,244**
Average stockholders' equity		$ 4,537,301	$ 4,335,110	$ 3,922,926
Less: Average goodwill		(465,559)	(465,547)	(468,785)
Average other intangible assets [1]		(21,860)	(23,130)	(28,102)
Average tangible equity	**(g)**	**$ 4,049,882**	**$ 3,846,433**	**$ 3,426,039**
Return on average tangible equity [4]	**(e)/(g)**	**16.53 %**	**17.97 %**	**22.30 %**
Adjusted return on average tangible equity [4]	**(f)/(g)**	**17.02 %**	**17.97 %**	**19.68 %**

(1) Includes core deposit intangibles and mortgage servicing assets.
(2) Applied statutory rate of 29.56%.
(3) Included in Amortization of tax credit and other investments.
(4) Annualized.