EWBC Investor Presentation

Fourth Quarter and Full Year 2019

March 2020

EAST WEST BANK
Your financial bridge®

Forward-Looking Statements

Forward-Looking Statements

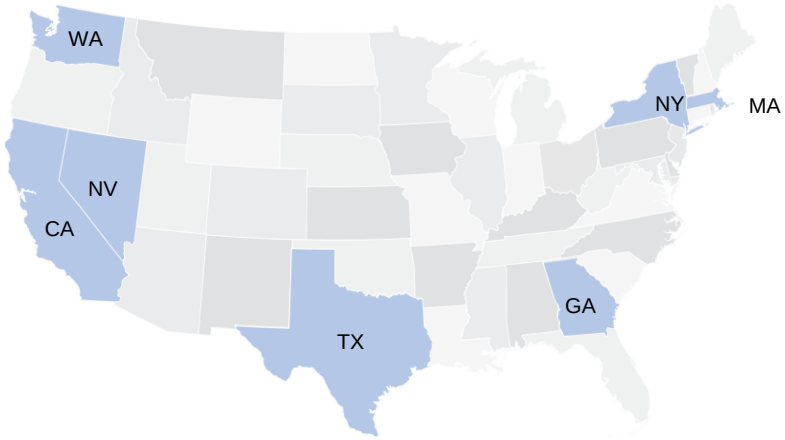
Certain matters set forth herein (including any exhibits hereto) constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to our current business plans and expectations regarding future operating 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, the changes and effects thereof in trade, monetary and fiscal policies and laws, including the ongoing trade dispute between the U.S. and the People's Republic of China; 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 benchmark interest rate reform in the United States ("U.S.") that resulted in the Secured Overnight Financing Rate ("SOFR") selected as the preferred alternative reference rate to the London Interbank Offered Rate; 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 U.S. economy, including inflation, deflation, employment levels, rate of growth and general business conditions; government intervention in the financial system, including changes in government interest rate policies; 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; 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 in 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; 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, 2019, 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 125+ locations in the U.S. and Greater China

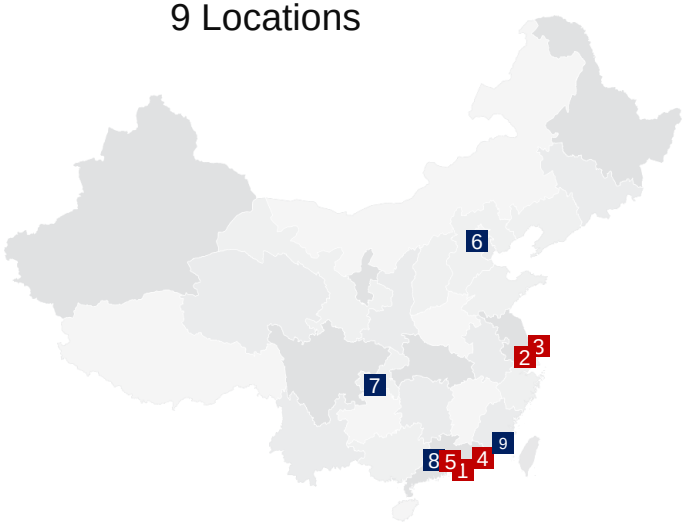
UNITED STATES

116+ Locations across 7 states
80 branches in California



GREATER CHINA

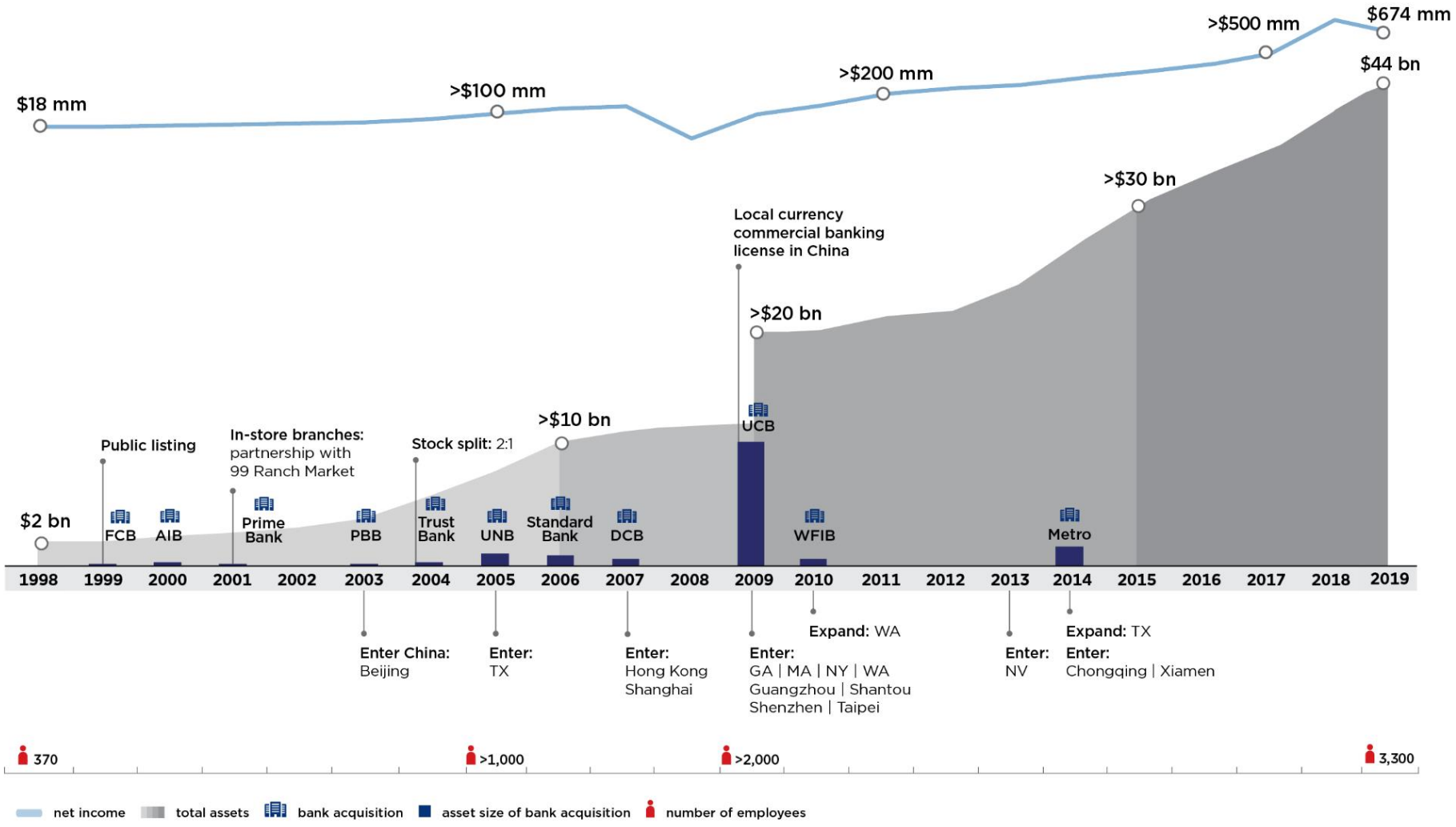
9 Locations



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

47 Years of operating history	**3,300** Associates	**$44 billion** Asset size	2010-2020 TOP 15 Forbes 2020 BEST BANKS IN AMERICA

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.

Bank Rankings by Total Assets and Market Cap

Rank	Total Assets (12.31.19)	Ticker	$ Billion	Mcap / Assets
1	JPMorgan Chase & Co.	JPM	2,687.4	12%
2	Bank of America Corp.	BAC	2,434.1	8%
3	Citigroup Inc.	C	1,951.2	6%
4	Wells Fargo & Company	WFC	1,927.6	7%
5	U.S. Bancorp	USB	495.4	12%
6	Truist Financial Corp.	TFC	473.1	10%
7	PNC Financial Services Group	PNC	410.3	11%
8	Capital One	COF	390.4	9%
9	Fifth Third Bancorp	FITB	169.4	8%
10	Citizens Financial Group	CFG	165.7	7%
11	KeyCorp	KEY	145.0	9%
12	Regions Financial Corp.	RF	126.2	9%
13	M&T Bank Corp.	MTB	119.9	13%
14	First Republic Bank	FRC	116.3	14%
15	Huntington Bancshares	HBAN	109.0	9%
16	Comerica	CMA	73.4	8%
17	SVB Financial Group	SIVB	71.0	12%
18	Zions Bancorporation	ZION	69.2	8%
19	People's United Financial	PBCT	58.6	10%
20	CIT Group Inc.	CIT	50.8	5%
21	Signature Bank	SBNY	50.6	11%
22	Synovus Financial Corp.	SNV	48.2	8%
23	TCF Financial Corp.	TCF	46.7	10%
24	**East West Bancorp**	**EWBC**	**44.2**	**11%**
25	First Horizon National Corp.	FHN*	43.3	8%
26	BOK Financial Corp.	BOKF	42.2	9%
27	First Citizens BancShares	FCNC.A	39.8	10%
28	Valley National Bancorp	VLY	37.5	9%
29	Wintrust Financial Corp.	WTFC	36.6	7%
30	F.N.B. Corp.	FNB	34.6	8%

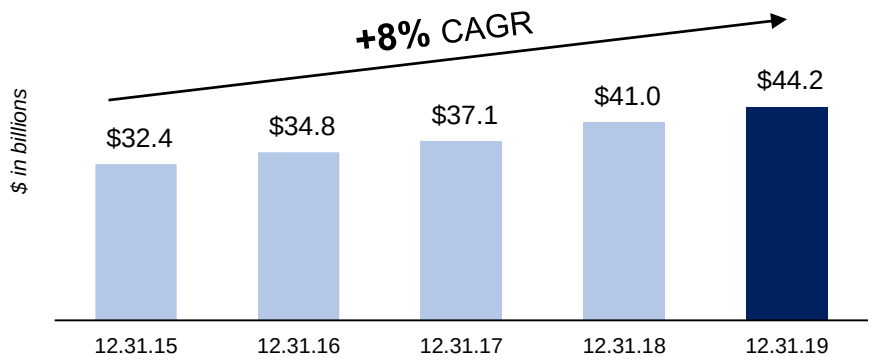
Rank	Market Cap (as of 03.10.20)	Ticker	$ Billion	Mcap / Assets
1	JPMorgan Chase & Co.	JPM	309.5	12%
2	Bank of America Corp.	BAC	206.0	8%
3	Wells Fargo & Company	WFC	143.8	7%
4	Citigroup Inc.	C	117.1	6%
5	U.S. Bancorp	USB	58.8	12%
6	Truist Financial Corp.	TFC	48.8	10%
7	PNC Financial Services Group	PNC	46.3	11%
8	Capital One	COF	35.8	9%
9	First Republic Bank	FRC	15.8	14%
10	M&T Bank Corp.	MTB	15.2	13%
11	Fifth Third Bancorp	FITB	13.7	8%
12	KeyCorp	KEY	13.0	9%
13	Regions Financial Corp.	RF	11.0	9%
14	Citizens Financial Group	CFG	10.9	7%
15	Huntington Bancshares	HBAN	10.2	9%
16	SVB Financial Group	SIVB	8.3	12%
17	Commerce Bancshares	CBSH	6.3	24%
18	People's United Financial	PBCT	6.0	10%
19	Comerica	CMA	5.7	8%
20	Signature Bank	SBNY	5.5	11%
21	Zions Bancorporation	ZION	5.3	8%
22	Prosperity Bancshares	PB	5.2	16%
23	**East West Bancorp**	**EWBC**	**5.0**	**11%**
24	TCF Financial Corp.	TCF	4.6	10%
25	First Citizens BancShares	FCNC.A	3.9	10%
26	Cullen/Frost Bankers	CFR	3.8	11%
27	Synovus Financial Corp.	SNV	3.8	8%
28	BOK Financial Corp.	BOKF	3.6	9%
29	Western Alliance BanCorp.	WAL	3.6	13%
30	Pinnacle Financial Partners	PNFP*	3.5	13%

*FHN & IBKC merger is expected to close in the second quarter of 2020.

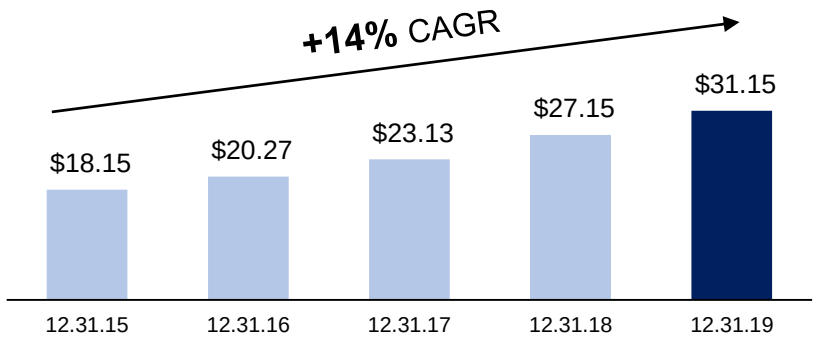
Source: SNL Financial and EWBC. Excludes: subsidiaries of foreign banks, broker/dealers, trust & custody banks, thrifts & savings banks, consumer finance co's, and Puerto Rico-based banks.

Strong Balance Sheet Growth

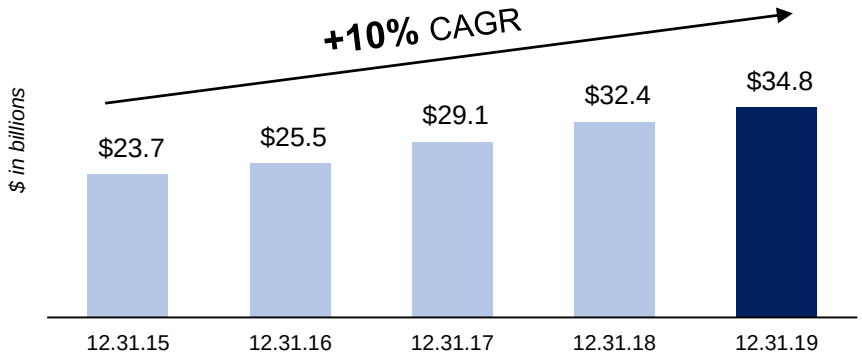
Total Assets



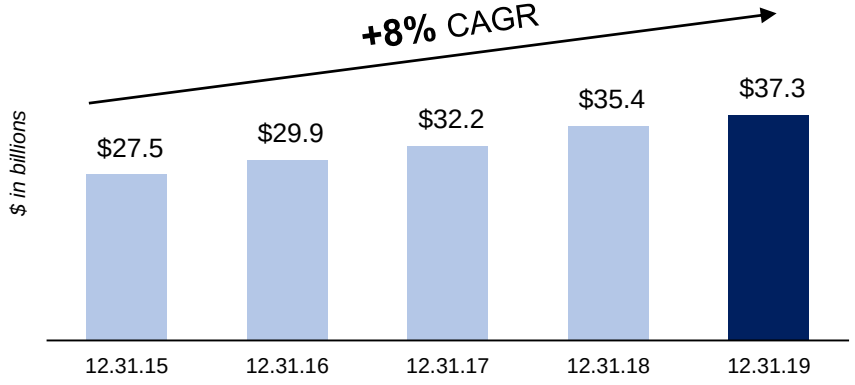
Tangible Equity* per Share



Total Loans



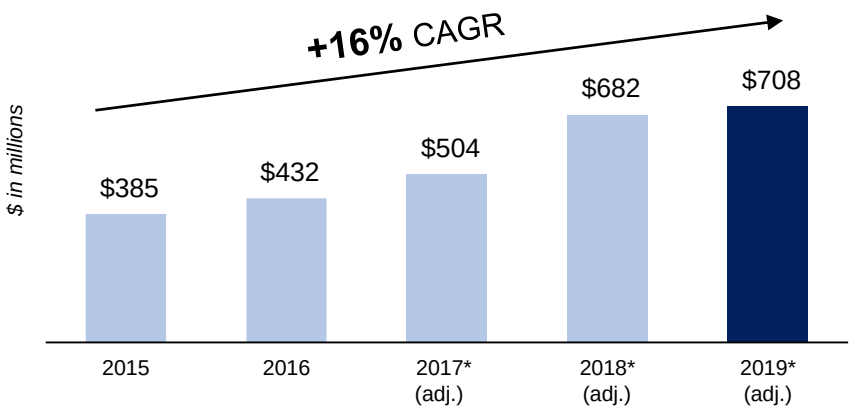
Total Deposits



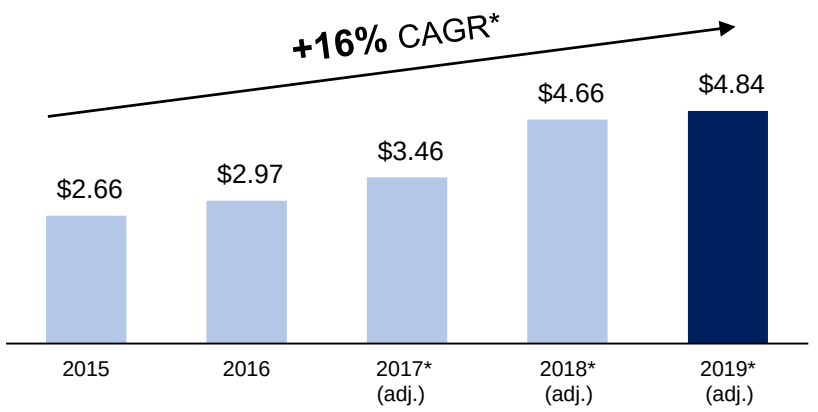
CAGR = Compound Annual Growth Rate. *See reconciliation of GAAP to non-GAAP financial measures in the Company's Earnings Press Releases.

Strong Earnings Growth and Profitability

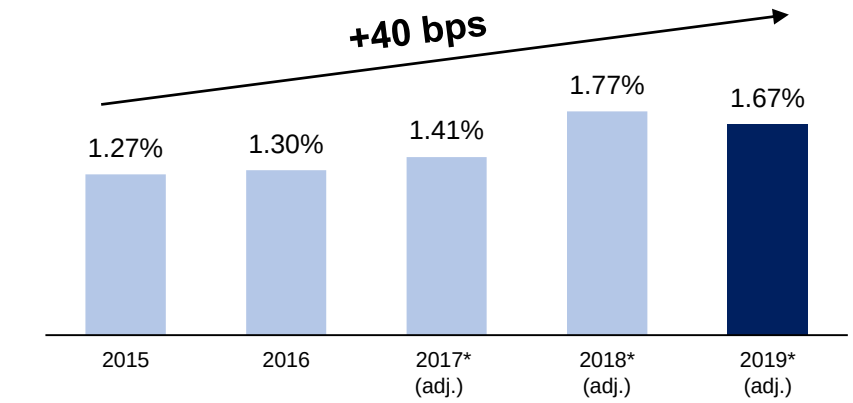
Net Income



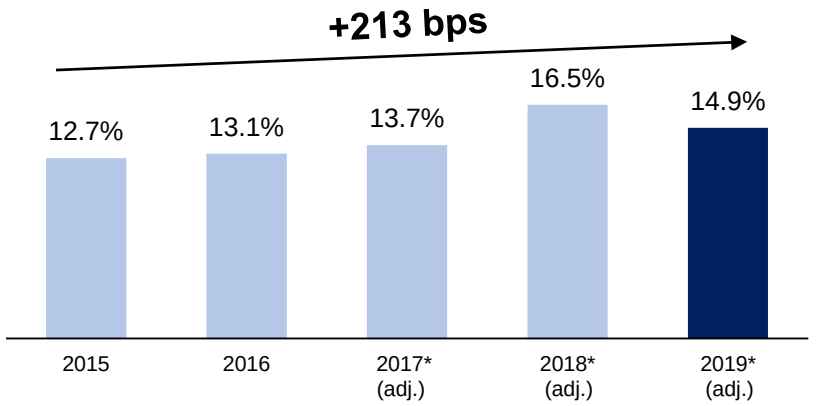
Diluted EPS



Return on Average Assets



Return on Average Equity



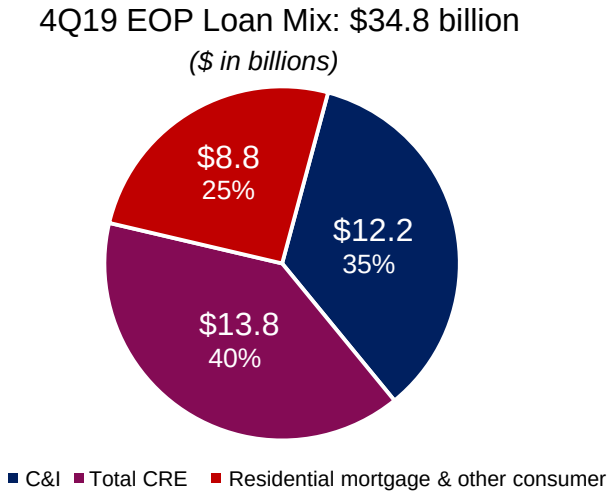
CAGR = Compound Annual Growth Rate. *See reconciliation of GAAP to non-GAAP financial measures in the Company's Earnings Press Releases.

Highlights of Fourth Quarter and Full Year 2019 Results

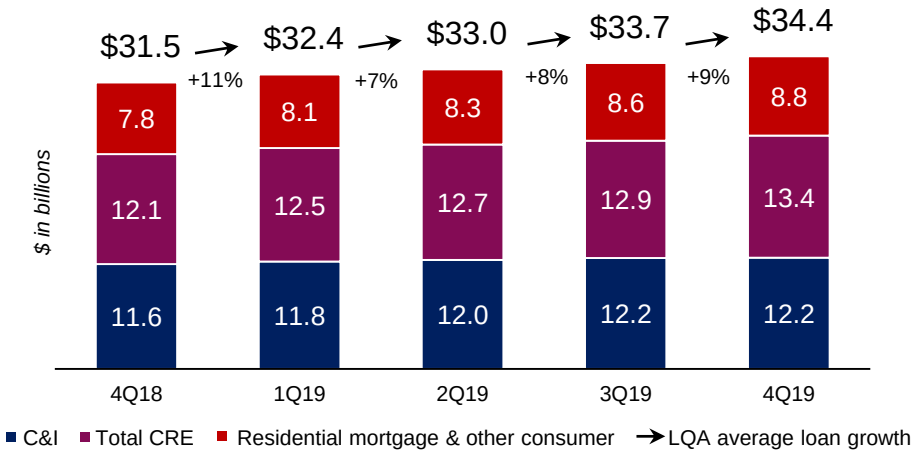
$ in millions, except per share data	Fourth Quarter 2019	Q-o-Q Change vs. 3Q19	Y-o-Y Change vs. 4Q18	Full Year 2019	Y-o-Y Change vs. FY 2018
Earnings					
Net income	$ 188.2	10%	9%	$ 674.0	(4)%
Adj.* net income	$ 187.1	9%	8%	$ 707.9	4%
EPS	$ 1.29	10%	9%	$ 4.61	(4)%
Adj.* EPS	$ 1.28	9%	8%	$ 4.84	4%
NII	$ 368.2	(0.4)%	(0.3)%	$ 1,467.8	6%
NIM	3.47%	(12) bps	(32) bps	3.64%	(14) bps
Balance Sheet					
Loans	$ 34,779	2%	7%	$ 34,779	7%
Deposits	$ 37,324	2%	5%	$ 37,324	5%
TBVPS*	$ 31.15	3%	15%	$ 31.15	15%
Credit Quality					
NCO ratio	0.10%	(16) bps	(10) bps	0.16%	3 bps
NPAs to total assets	0.27%	(4) bps	4 bps	0.27%	4 bps

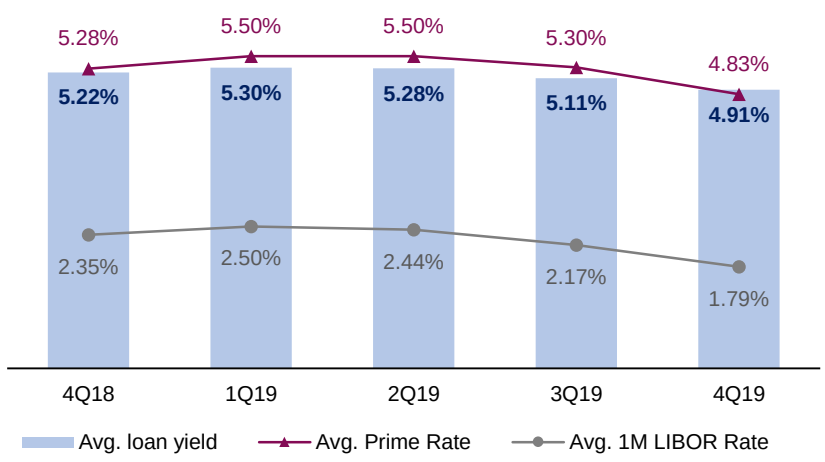
* See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's Earnings Press Releases.

4Q19 Record Loans of $34.8 billion



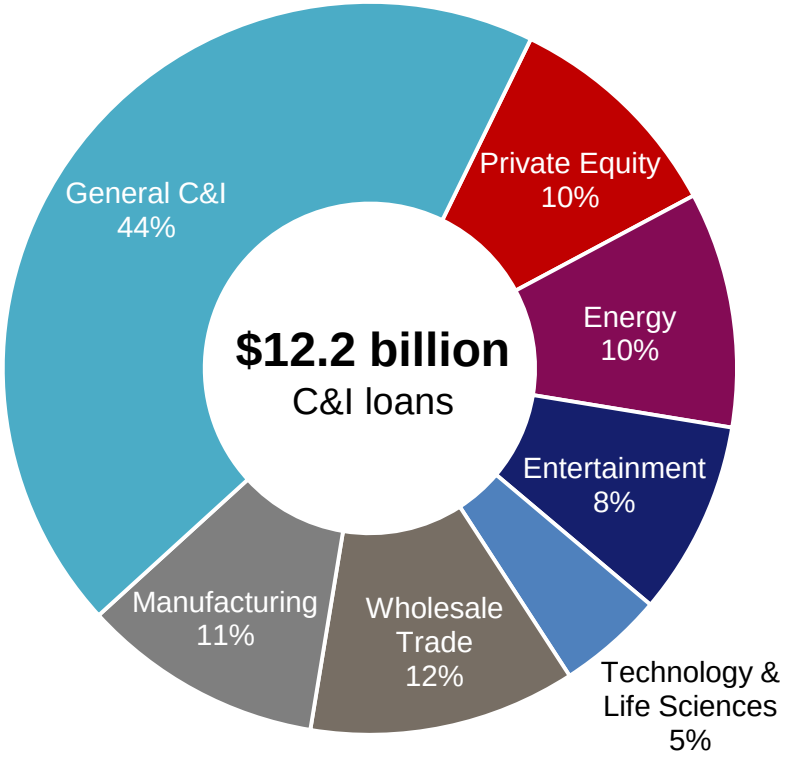
- EOP loan growth of 7% Y-o-Y and 2% Q-o-Q.
- FY 2019 avg. loan growth of 10% Y-o-Y.
  - Avg. growth in CRE: $1.1bn (+9% Y-o-Y).
  - Avg. growth in residential mortgage: $1.0bn (+15% Y-o-Y).
  - Avg. growth in C&I: $1.0bn (+9% Y-o-Y).
- 4Q19 avg. loan yield: 4.91%, down 20 bps Q-o-Q.
  - Reflects one 25 basis point cut to the fed funds rate & decline in LIBOR rates during 4Q19.





Diversified C&I Loan Portfolio

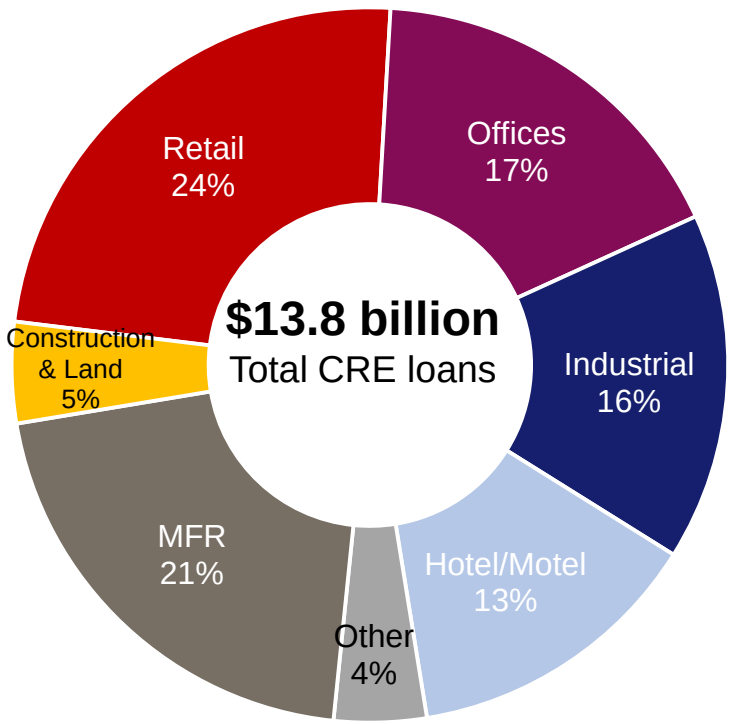
Selected Industries (as of 12.31.19)



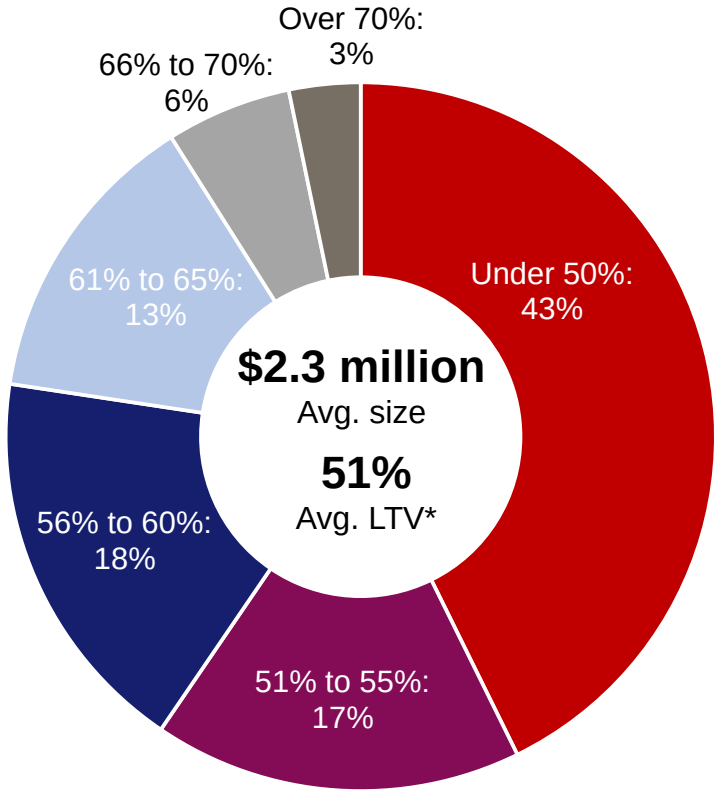
- C&I loans of $12.2 billion were 35% of gross loans as of 12.31.19.
- Dominant market share in lending to Chinese-American businesses in the U.S.
- Granular, well-diversified portfolio by industry.
- Growth in specialized lending verticals is driven by Bridge Banking, EWBC's strategy of facilitating cross-border commercial opportunities.

Diversified Commercial Real Estate Portfolio

Property Type Distribution (as of 12.31.19)



LTV Distribution (as of 12.31.19)

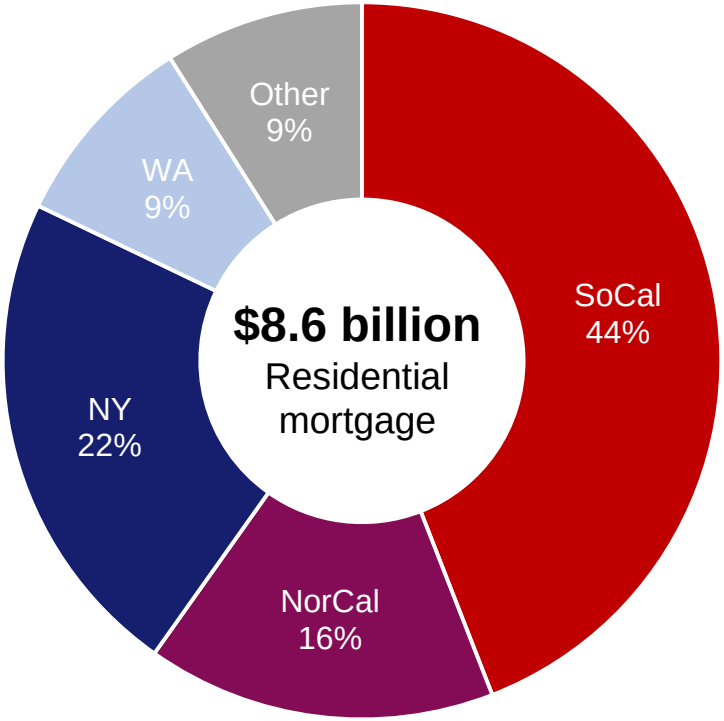


- CRE geographic distribution: 76% California, 7% New York, 6% Texas and 11% other markets.

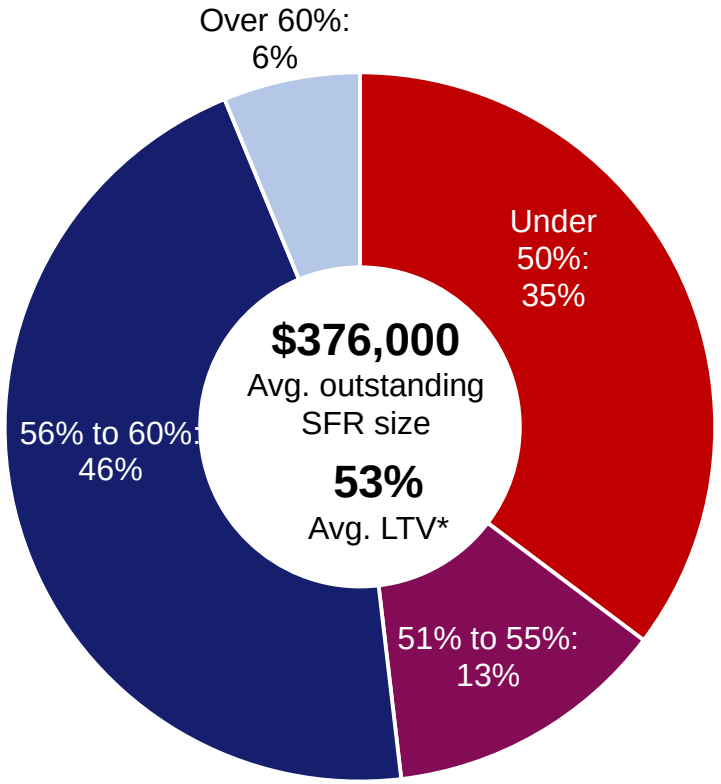
*LTV based on current loan balance and appraisal value at origination or renewal.

Low LTV Single Family Mortgage Portfolio

Geographic Distribution of Residential Mortgage (as of 12.31.19)



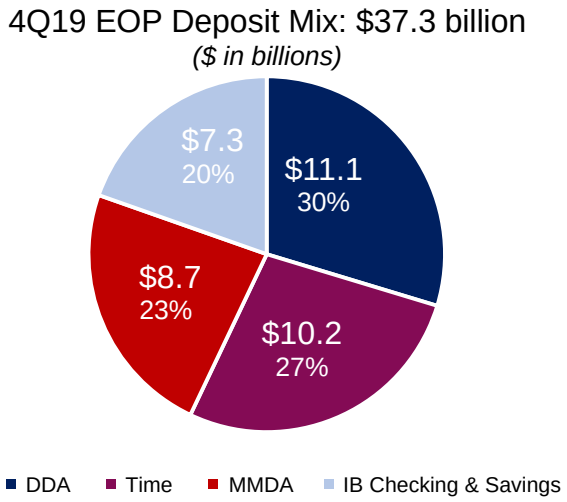
SFR LTV Distribution (as of 12.31.19)



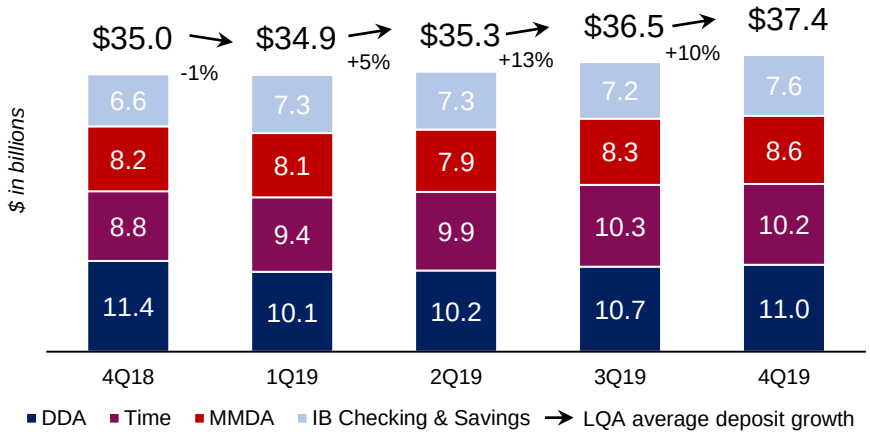
- Residential mortgage comprises $7.1 bn of single-family residential (SFR) mortgages and $1.5 bn of HELOCs.

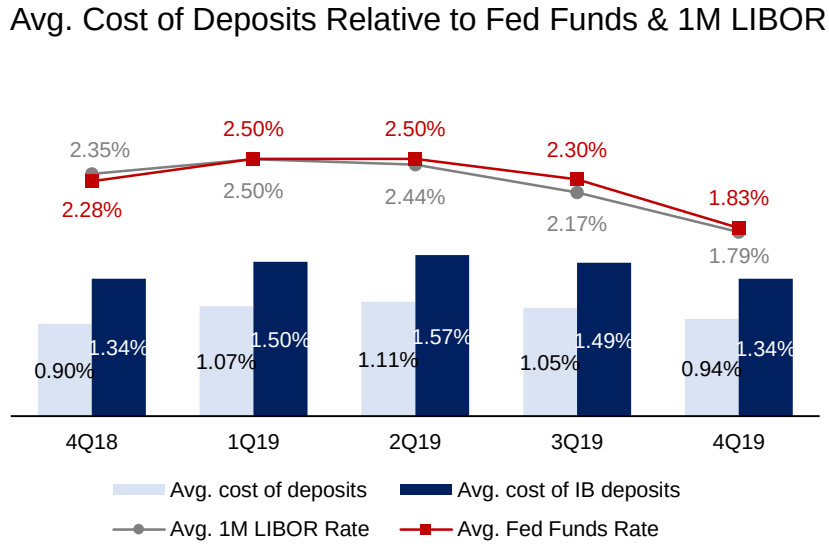
*LTV based on current loan balance and appraisal value at origination or renewal.

4Q19 Record Deposits of $37.3 billion



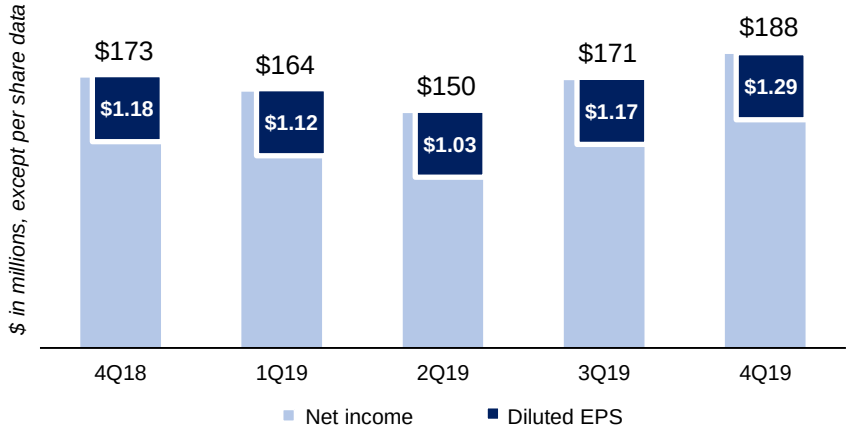
- 12.31.19 EOP loan-to-deposit ratio of 93.2%.
- EOP deposit growth of 5% Y-o-Y and 2% Q-o-Q.
- FY 2019 avg. deposit growth of 8% Y-o-Y.
  - Avg. growth in time: $2,530mm (+34% Y-o-Y).
  - Avg. growth in IB checking: $767mm (+17% Y-o-Y).
  - Avg. growth in MMDA: $235mm (+3% Y-o-Y).
  - Avg. change in DDA: -$587mm (-5% Y-o-Y).
  - Avg. change in savings: -$128mm (-6% Y-o-Y).
- 4Q19 avg. cost of deposits: 0.94%, down 11 bps Q-o-Q.
  4Q19 avg. cost of IB deposits: 1.34%, down 15 bps Q-o-Q.
- Cost of deposits as of 12.31.19: 0.90%, down 11 bps Q-o-Q;
  Cost of IB deposits as of 12.31.19: 1.28%, down 15 bps Q-o-Q.



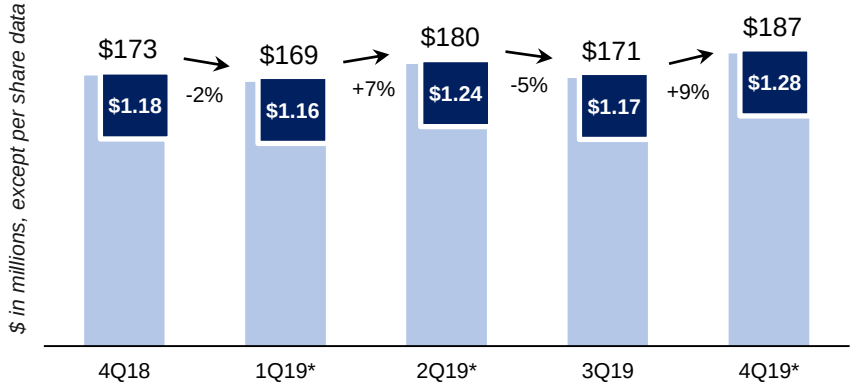


4Q19 Earnings Growth and Profitability

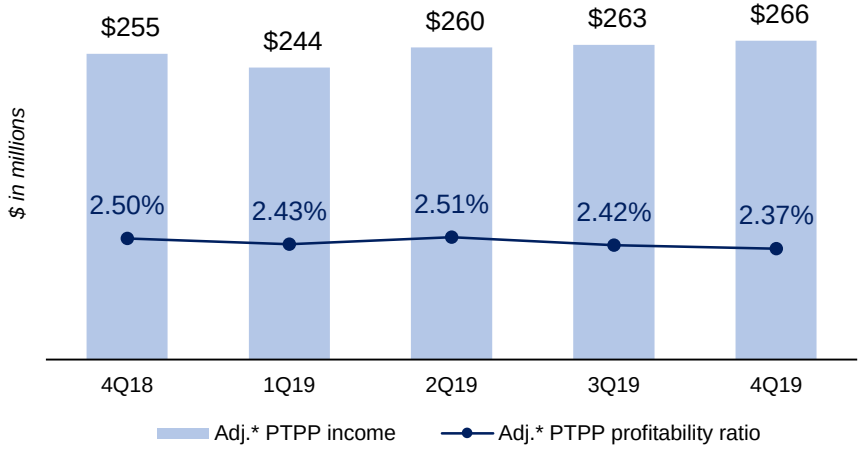
Net Income and Diluted EPS



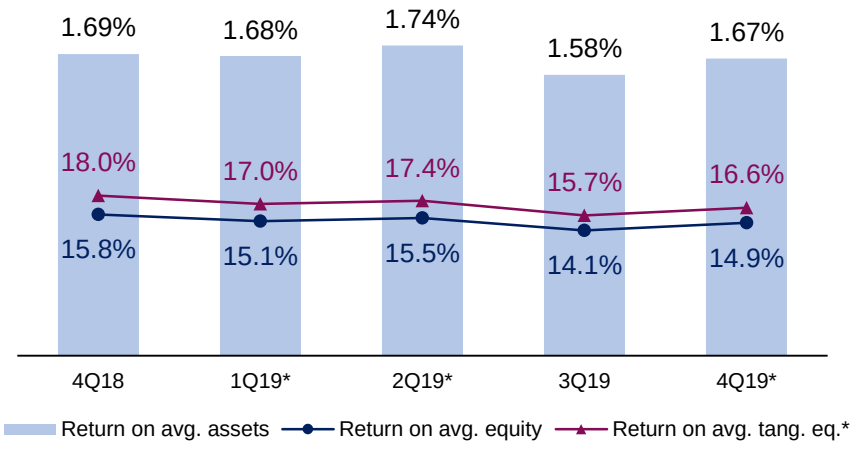
Adjusted* Net Income and Diluted EPS



PTPP Income & PTPP Profitability Ratio



Profitability Ratios (Adj.* in 1Q19, 2Q19 & 4Q19)



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

4Q19 Summary Income Statement

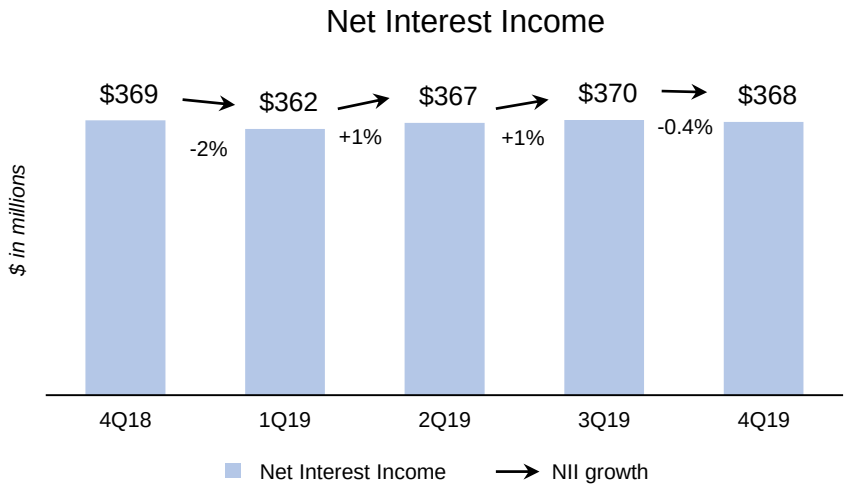
$ in millions, except per share data	4Q19	3Q19	$ Change	% Change
Adjusted net interest income	$ 362.2	$ 367.3	$ (5.1)	(1.4) %
ASC 310-30 discount accretion income	6.1	2.5	3.5	140 %
Net interest income	368.2	369.8	(1.6)	(0.4) %
Fee income & net gains on sales of loans*	52.5	50.9	1.7	3 %
Other	10.5	0.6	9.9	NM
Total noninterest income*	63.0	51.5	11.5	22 %
Adjusted noninterest expense	165.3	158.6	6.6	4 %
Amortization of tax credit and other investments, and core deposit intangibles	28.1	18.0	10.1	56 %
Total noninterest expense	193.4	176.6	16.7	9 %
Provision for credit losses	18.6	38.3	19.7	(51) %
Income tax expense	31.1	35.0	(3.9)	(11) %
Net income	**$ 188.2**	**$ 171.4**	**$ 16.8**	**10 %**
Diluted EPS	**$ 1.29**	**$ 1.17**	**$ 0.12**	**10 %**

Notable & Tax-Related Items

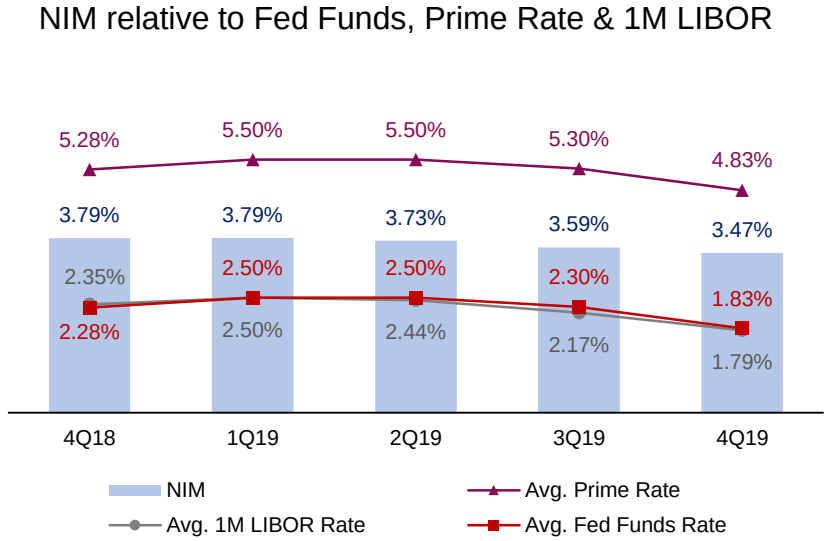
- Adjusted** 4Q19 EPS: $1.28.
  - Included in amortization of tax credit and other investments: $1.6mm impairment recovery related to certain tax credit investments, which were impaired in 1Q19.
  - Recovery adds $0.01 to EPS.
- 4Q19 effective tax rate: 14%.
  3Q19 effective tax rate: 17%.
- FY 2019 income tax expense was $170mm & effective tax rate was 20%, which included a $30.1mm reversal of certain previously claimed tax credits.
  - Adjusted** for this item, FY 2019 income tax expense was $140mm & effective tax rate was 17%.
- For FY 2020, projecting an effective tax rate of approximately 15%.

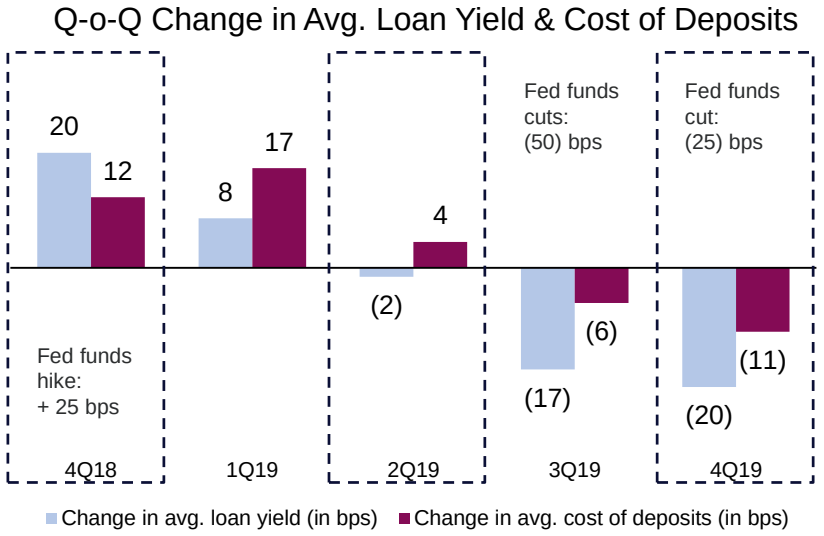
* See slide 10 for noninterest income detail by category.
** See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's Earnings Press Releases.

4Q19 Net Interest Income & Net Interest Margin



- 4Q19 NII: $368.2mm, down by $1.6mm or 0.4% Q-o-Q.
- 4Q19 NIM: 3.47%, down 12 bps Q-o-Q.
- Impact to NIM from change in yields & rates (Q-o-Q):
  - -15 bps from lower loan yields, incl. fees & discounts.
  - -4 bps from lower other earning asset yields.
  - -4 bps from asset mix shift: increased share of avg. AFS investment securities in mix.
  - +11 bps from lower funding costs.
- 4Q19 Adj.* NIM: 3.41%, down 15 bps Q-o-Q.
  - 4Q19 ASC 310-30 discount accretion income of $6.1mm, vs. $2.5mm in 3Q19.
  - Accretable ASC 310-30 discount: $10.0mm as of 12.31.19.





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

Loan Portfolio: Underlying Interest Rate Detail

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

Breakdown by interest rate indices	$ in mm.	% of total loans
Total Fixed rate loans	**4,399.0**	**13%**
Hybrid loans in fixed rate period:		
Resetting within 1 year	854.6	2%
Resetting: 1 to 2 years	869.8	3%
Resetting: 2 to 3 years	1,482.0	4%
Resetting: > 3 years	3,445.2	10%
Total Hybrid loans in fixed rate period	**6,651.5**	**19%**
Variable rate loans:		
Linked to 1-M LIBOR (or shorter)	9,368.6	27%
Linked to 2-M or 3-M LIBOR	1,712.1	5%
Linked to 6-M or 1-Y LIBOR	822.1	2%
Linked to LIBOR rates	11,902.8	34%
Linked to Prime rates	9,647.2	28%
Linked to all other interest rate indices	2,138.9	6%
Total Variable rate loans	**23,688.8**	**68%**
Other (NPLs, premiums, discounts)	39.6	0%
Total gross loans	**34,779.0**	**100%**

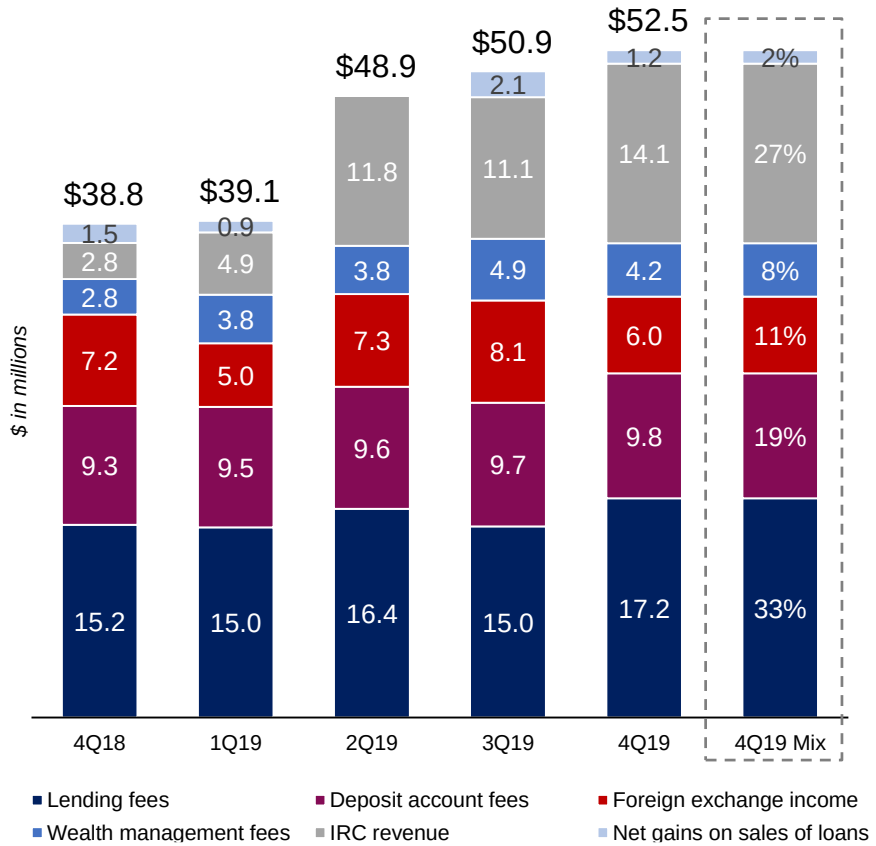
Breakdown by loan type	$ in mm.	% of total loans
C&I	1,574.5	5%
CRE	1,191.7	3%
SFR, HELOC, & other consumer	1,632.8	5%
Total Fixed rate loans	**4,399.0**	**13%**
CRE	2,435.5	7%
SFR, HELOC, & other consumer	4,216.0	12%
Total Hybrid loans in fixed rate period	**6,651.5**	**19%**
C&I	7,081.9	20%
CRE	4,554.9	13%
SFR, HELOC, & other consumer	266.0	1%
Subtotal - Variable rate loans linked to LIBOR	**11,902.8**	**34%**
C&I	2,829.1	8%
CRE	5,339.5	15%
SFR, HELOC, & other consumer	1,478.6	4%
Subtotal - Variable rate loans linked to Prime	**9,647.2**	**28%**
C&I	661.7	2%
CRE	246.7	1%
SFR, HELOC, & other consumer	1,230.5	4%
Subtotal - Variable rate loans - all other indices	**2,138.9**	**6%**
Total Variable rate loans	**23,688.8**	**68%**
Other (NPLs, premiums, discounts)	39.6	0%
Total gross loans	**34,779.0**	**100%**

- The share of fixed rate loans and hybrid loans in fixed rate period was 32% as of 12.31.19, compared to 28% as of 12.31.18. SFR loan growth contributed to this shift.

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.

2019 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 of $63.0mm in 4Q19 vs. $51.5mm in 3Q19.

- **Fee income and net gains on sales of loans: $52.5mm in 4Q19, up $1.7mm or +3% Q-o-Q.**
- IRC and other derivative income of $17.8mm in 4Q19:
  - Customer-driven IRC revenue of $14.1mm, increase of $3.0mm Q-o-Q, reflects strong customer demand for interest rate hedging products.
  - Credit valuation adjustment of $3.7mm, Q-o-Q increase of $6.4mm, driven by increase in long-term interest rates.
- Lending fees: $17.2mm in 4Q19, +$2.2mm Q-o-Q.
- Deposit account fees: $9.8mm in 4Q19, +$0.1mm Q-o-Q.

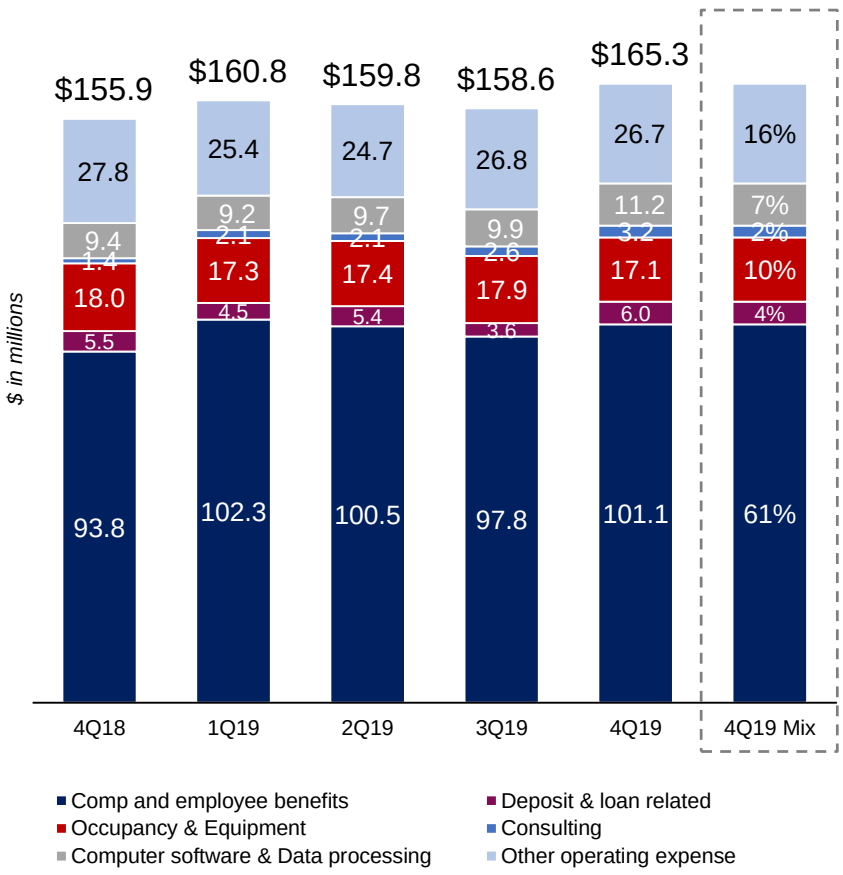
Interest Rate Contracts and Other Derivative Income Detail

($ in millions)	4Q18	1Q19	2Q19	3Q19	4Q19
Revenue	$ 2.8	$ 4.9	$ 11.8	$ 11.1	$ 14.1
CVA	(1.7)	(1.7)	(1.4)	(2.7)	3.7
Total	$ 1.1	$ 3.2	$ 10.4	$ 8.4	$ 17.8

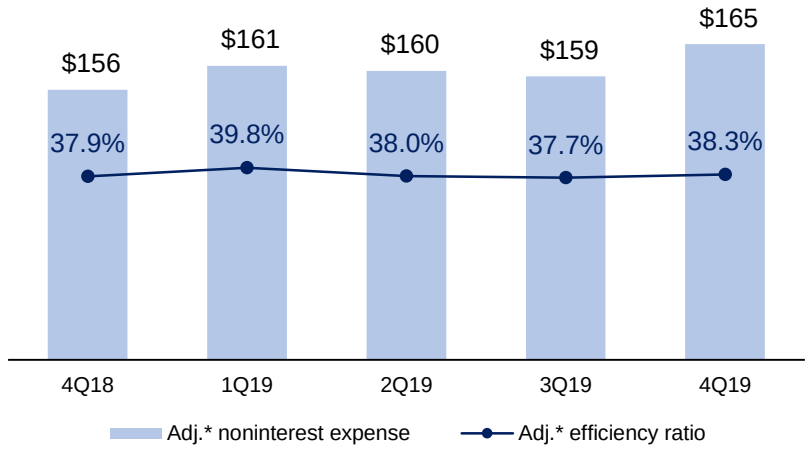
- Revenue – interest rate contracts and other derivatives transaction fees.
- CVA – related to interest rate contracts and other derivatives.

2019 Operating Expense & Efficiency

Adjusted* Noninterest Expense



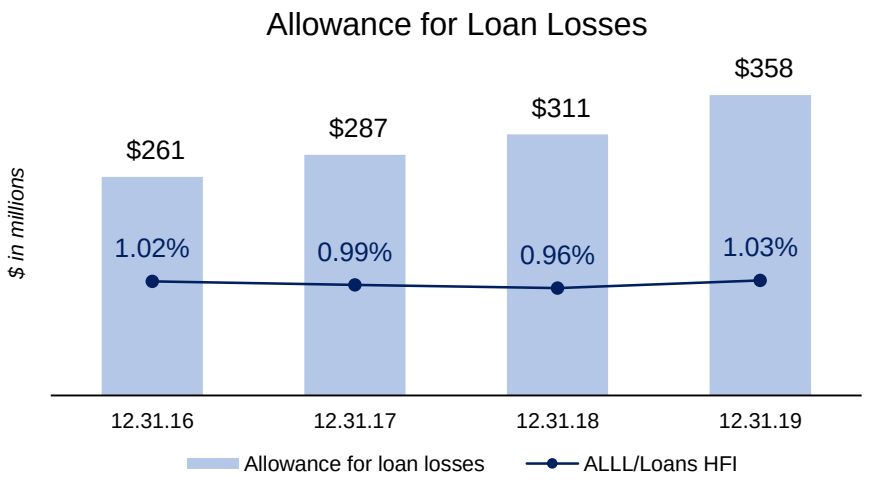
Adj.* Noninterest Expense & Efficiency Ratio

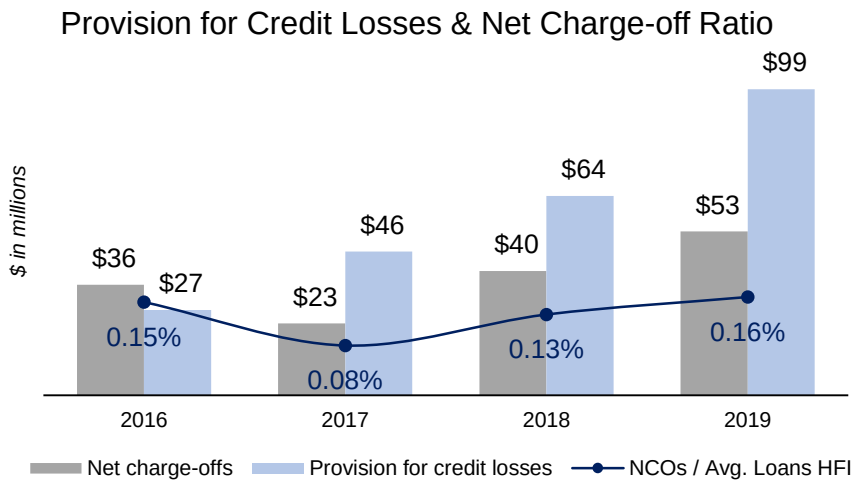


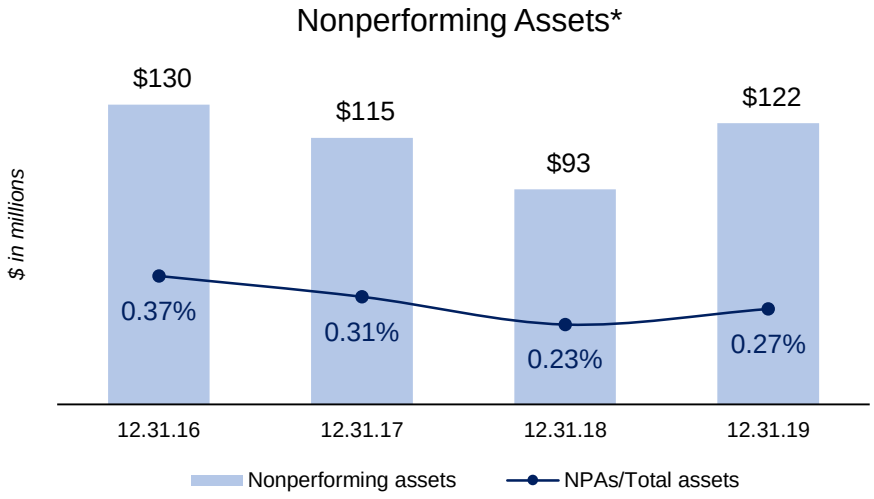
- 4Q19 total noninterest expense: $193.4mm, increase of 9% Q-o-Q from $176.6mm.
- 4Q19 adj.* noninterest expense: $165.3mm, increase of 4% Q-o-Q from $158.6mm. Largest increase in compensation and employee benefits expense.
- Essentially stable 5-quarter adj.* efficiency ratio range of 37.7% to 39.8%.

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

Asset Quality Metrics





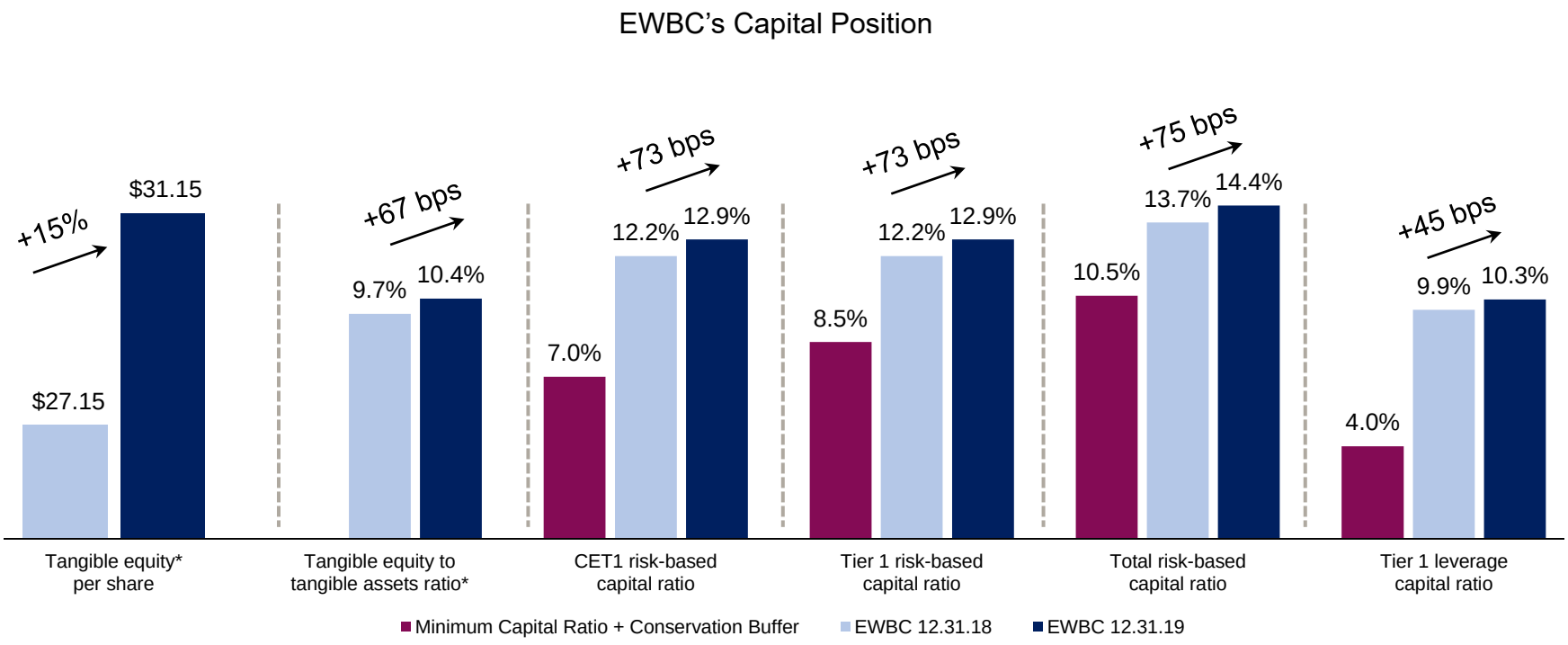


- Allowance coverage of loans HFI: 1.03% as of 12.31.19, compared to 1.02% as of 09.30.19 and 0.96% as of 12.31.18.
- Nonperforming assets to total assets ratio: 0.27% as of 12.31.19, compared to 0.31% as of 09.30.19 and 0.23% as of 12.31.18.
- 4Q19 net charge-off ratio: 0.10% of avg. loans HFI annualized, compared to 0.26% annualized in 3Q19. FY 2019 net charge-off ratio: 0.16% of avg. loans HFI.
- 4Q19 provision for credit losses: $18.6mm. FY 2019 provision for credit losses: $99.0mm.

* Nonperforming assets and net charge-offs exclude purchased credit impaired loans. HFI represents held-for-investment.

Strong Capital Ratios

- Tangible equity* per common share increased by 15% Y-o-Y.
- Tangible equity to tangible assets ratio* increased by 67 bps Y-o-Y.
- Regulatory capital ratios increased by 45 bps to 75 bps Y-o-Y.
- Quarterly common stock dividend of 27.5 cents per share, or annualized $1.10 per share.



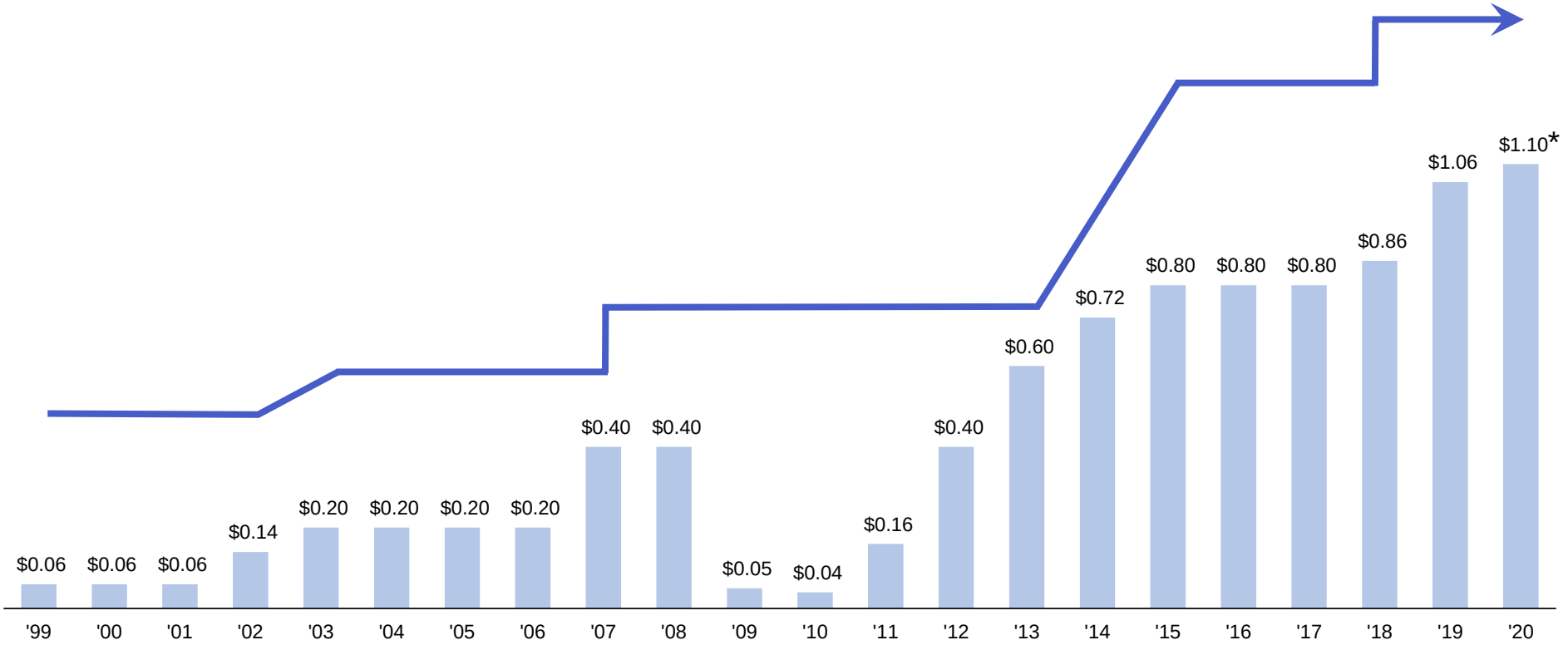
*See reconciliation of GAAP to non-GAAP financial measures in the appendix of this presentation and in the Company's Earnings Press Releases.

Management Outlook: Full Year 2020

Earnings drivers	FY 2020 expectations compared to FY 2019 results	2019 actual
End of Period Loans	▪ Increase at a percentage rate of 7% to 8%.	$34.8 billion +7% Y-o-Y
Net Interest Margin	▪ 3.40% to 3.45%, including the impact of ASC 310-30 discount accretion.	3.64% -14 bps Y-o-Y
Net Interest Income	▪ Flat to an increase of 2% year-over-year, including ASC 310-30 discount accretion income.	$1.5 billion +6% Y-o-Y
Noninterest Expense	▪ Increase at a percentage rate of approximately 4%, excluding tax credit investment & core deposit intangible amortization.	$645 million +4% Y-o-Y
Provision for Credit Losses	▪ $90 million to $120 million. Takes into account expected volatility as a result of the CECL model.	$99 million +54% Y-o-Y
Tax Items	▪ Full year effective tax rate of approx. 15%, including the impact of tax credit investments.	Effective tax rate: 20%
Interest Rates	▪ No change to the fed funds rate in the year 2020.	Fed funds decreased: -75 bps

Providing a Healthy Dividend to Stockholders

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



* Annualized based on the 1Q20 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 second quarter of 2019, the Company reversed $30.1 million of certain previously claimed tax credits related to the DC Solar tax credit investments ("DC Solar"). The table below shows the computation of the Company's effective tax rate excluding the impact of the DC Solar tax credits reversal. Management believes that excluding the impact of the DC Solar tax credits reversal from the effective tax rate computation allows comparability to prior periods.

		Three Months Ended			Year Ended	
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Income tax expense	(a)	$ 31,067	$ 34,951	$ 32,037	$ 169,882	$ 114,995
Less: Reversal of certain previously claimed tax credits related to DC Solar	(b)	—	—	—	(30,104)	—
Adjusted income tax expense	**(c)**	**$ 31,067**	**$ 34,951**	**$ 32,037**	**$ 139,778**	**$ 114,995**
Income before income taxes	**(d)**	**219,282**	**206,367**	**205,055**	**843,917**	**818,696**
Effective tax rate	(a)/(d)	14.2%	16.9%	15.6%	20.1%	14.0%
Less: Reversal of certain previously claimed tax credits related to DC Solar	(b)/(d)	—%	— %	— %	(3.5)%	— %
Adjusted effective tax rate	**(c)/(d)**	**14.2%**	**16.9%**	**15.6%**	**16.6%**	**14.0%**

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, second and fourth quarters of 2019, the Company recorded a $7.0 million pre-tax impairment charge, reversed $30.1 million of certain previously claimed tax credits and recorded a $1.6 million pre-tax impairment recovery related to DC Solar, respectively. During the first quarter of 2018, the Company sold its Desert Community Bank ("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 adjust for the above discussed non-recurring items provides clarity to financial statement users regarding the ongoing performance of the Company and allows comparability to prior periods.

		Three Months Ended		
		December 31, 2019	September 30, 2019	December 31, 2018
Net income	(a)	$ 188,215	$ 171,416	$ 173,018
Less: Impairment recovery related to DC Solar [2]		(1,583)	—	—
Tax effect of adjustment [3]		468	—	—
Adjusted net income	**(b)**	**$ 187,100**	**$ 171,416**	**$ 173,018**
Diluted weighted average number of shares outstanding		**146,318**	**146,120**	**146,133**
Diluted EPS		$ 1.29	$ 1.17	$ 1.18
Diluted EPS impact of impairment recovery related to DC Solar, net of tax		(0.01)	—	—
Adjusted diluted EPS		**$ 1.28**	**$ 1.17**	**$ 1.18**
Average total assets	(c)	$ 44,471,242	$ 43,136,273	$ 40,525,188
Average stockholders' equity	(d)	$ 4,977,759	$ 4,838,281	$ 4,335,110
Return on average assets [1]	**(a)/(c)**	**1.68%**	**1.58%**	**1.69%**
Adjusted return on average assets [1]	**(b)/(c)**	**1.67%**	**1.58%**	**1.69%**
Return on average equity [1]	**(a)/(d)**	**15.00%**	**14.06%**	**15.83%**
Adjusted return on average equity [1]	**(b)/(d)**	**14.91%**	**14.06%**	**15.83%**

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

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, second and fourth quarters of 2019, the Company recorded a $7.0 million pre-tax impairment charge, reversed $30.1 million of certain previously claimed tax credits and recorded a $1.6 million pre-tax impairment recovery related to DC Solar, respectively. During the first quarter of 2018, the Company sold its Desert Community Bank ("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 adjust for the above discussed non-recurring items provides clarity to financial statement users regarding the ongoing performance of the Company and allows comparability to prior periods.

		Year Ended	
		December 31, 2019	December 31, 2018
Net income	(e)	$ 674,035	$ 703,701
Add: Impairment charge related to DC Solar [2]		6,978	—
Less: Impairment recovery related to DC Solar [2]		(1,583)	—
Gain on sale of business		—	(31,470)
Tax effect of adjustments [3]		(1,595)	9,303
Add: Reversal of certain previously claimed tax credits related to DC Solar		30,104	—
Adjusted net income	**(f)**	**$ 707,939**	**$ 681,534**
Diluted weighted average number of shares outstanding		**146,179**	**146,169**
Diluted EPS		$ 4.61	$ 4.81
Diluted EPS impact of impairment charge related to DC Solar, net of tax		0.03	—
Diluted EPS impact of impairment recovery related to DC Solar, net of tax		(0.01)	—
Diluted EPS impact of gain on sale of business, net of tax		—	(0.15)
Diluted EPS impact of reversal of certain previously claimed tax credits related to DC Solar		0.21	—
Adjusted diluted EPS		**$ 4.84**	**$ 4.66**
Average total assets	(g)	$ 42,484,885	$ 38,542,569
Average stockholders' equity	(h)	$ 4,760,845	$ 4,130,822
Return on average assets	**(e)/(g)**	**1.59%**	**1.83%**
Adjusted return on average assets	**(f)/(g)**	**1.67%**	**1.77%**
Return on average equity	**(e)/(h)**	**14.16%**	**17.04%**
Adjusted return on average equity	**(f)/(h)**	**14.87%**	**16.50%**

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

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		
		December 31, 2019	**September 30, 2019**	**December 31, 2018**
Net interest income before provision for credit losses	(a)	$ 368,219	$ 369,807	$ 369,416
Total noninterest income		63,013	51,474	41,695
Total revenue	**(b)**	**$ 431,232**	**$ 421,281**	**$ 411,111**
Total noninterest expense	(c)	$ 193,373	$ 176,630	$ 188,097
Less: Amortization of tax credit and other investments		(27,038)	(16,833)	(30,958)
Amortization of core deposit intangibles		(1,044)	(1,148)	(1,265)
Adjusted noninterest expense	**(d)**	**$ 165,291**	**$ 158,649**	**$ 155,874**
Efficiency ratio	**(c)/(b)**	**44.84 %**	**41.93 %**	**45.75 %**
Adjusted efficiency ratio	**(d)/(b)**	**38.33 %**	**37.66 %**	**37.92 %**
Adjusted pre-tax, pre-provision income	**(b)-(d) = (e)**	**$ 265,941**	**$ 262,632**	**$ 255,237**
Average total assets	(f)	$ 44,471,242	$ 43,136,273	$ 40,525,188
Adjusted pre-tax, pre-provision profitability ratio [1]	**(e)/(f)**	**2.37 %**	**2.42 %**	**2.50 %**
Adjusted noninterest expense [1]/average assets	**(d)/(f)**	**1.47 %**	**1.46 %**	**1.53 %**

(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			Year Ended	
Yield on Average Loans		**December 31, 2019**	**September 30, 2019**	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**
Interest income on loans	(a)	$ 425,773	$ 433,658	$ 414,517	$ 1,717,415	$ 1,503,514
Less: ASC 310-30 discount accretion income		(6,053)	(2,521)	(5,810)	(12,471)	(20,172)
Adjusted interest income on loans	**(b)**	**$ 419,720**	**$ 431,137**	**$ 408,707**	**$ 1,704,944**	**$ 1,483,342**
Average loans	(c)	$ 34,410,010	$ 33,661,282	$ 31,534,875	$ 33,373,136	$ 30,230,014
Add: ASC 310-30 discount		16,012	18,172	23,833	18,915	28,400
Adjusted average loans	**(d)**	**$ 34,426,022**	**$ 33,679,454**	**$ 31,558,708**	**$ 33,392,051**	**$ 30,258,414**
Average loan yield	**(a)/(c)**	**4.91 %** (1)	**5.11 %** (1)	**5.22 %** (1)	**5.15 %**	**4.97 %**
Adjusted average loan yield	**(b)/(d)**	**4.84 %** (1)	**5.08 %** (1)	**5.14 %** (1)	**5.11 %**	**4.90 %**
Net Interest Margin						
Net interest income	(e)	$ 368,219	$ 369,807	$ 369,416	$ 1,467,813	$ 1,386,508
Less: ASC 310-30 discount accretion income		(6,053)	(2,521)	(5,810)	(12,471)	(20,172)
Adjusted net interest income	**(f)**	**$ 362,166**	**$ 367,286**	**$ 363,606**	**$ 1,455,342**	**$ 1,366,336**
Average interest-earning assets	(g)	$ 42,114,123	$ 40,919,386	$ 38,688,647	$ 40,320,804	$ 36,707,142
Add: ASC 310-30 discount		16,012	18,172	23,833	18,915	28,400
Adjusted average interest-earning assets	**(h)**	**$ 42,130,135**	**$ 40,937,558**	**$ 38,712,480**	**$ 40,339,719**	**$ 36,735,542**
Net interest margin	**(e)/(g)**	**3.47 %** (1)	**3.59 %** (1)	**3.79 %** (1)	**3.64 %**	**3.78 %**
Adjusted net interest margin	**(f)/(h)**	**3.41 %** (1)	**3.56 %** (1)	**3.73 %** (1)	**3.61 %**	**3.72 %**

(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 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.

		December 31, 2019	September 30, 2019	December 31, 2018
Stockholders' equity	(a)	$ 5,017,617	$ 4,882,664	$ 4,423,974
Less: Goodwill		(465,697)	(465,697)	(465,547)
Other intangible assets [1]		(16,079)	(17,435)	(22,365)
Tangible equity	**(b)**	**$ 4,535,841**	**$ 4,399,532**	**$ 3,936,062**
Total assets	(c)	$ 44,196,096	$ 43,274,659	$ 41,042,356
Less: Goodwill		(465,697)	(465,697)	(465,547)
Other intangible assets [1]		(16,079)	(17,435)	(22,365)
Tangible assets	**(d)**	**$ 43,714,320**	**$ 42,791,527**	**$ 40,554,444**
Total stockholders' equity to total assets ratio	**(a)/(c)**	**11.35%**	**11.28%**	**10.78%**
Tangible equity to tangible assets ratio	**(b)/(d)**	**10.38%**	**10.28%**	**9.71%**

(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 impacts of the amortization of core deposit intangibles and mortgage servicing assets, impairment charge/(recovery) related to DC Solar and the gain on the sale of the DCB branches; and the reversal of certain previously claimed tax credits related to DC Solar (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			Year Ended	
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Net Income		$ 188,215	$ 171,416	$ 173,018	$ 674,035	$ 703,701
Add: Amortization of core deposit intangibles		1,044	1,148	1,265	4,518	5,492
Amortization of mortgage servicing assets		567	834	448	2,738	1,814
Tax effect of adjustments [2]		(476)	(586)	(506)	(2,145)	(2,160)
Tangible net income	**(e)**	**$ 189,350**	**$ 172,812**	**$ 174,225**	**$ 679,146**	**$ 708,847**
Add: Impairment charge related to DC Solar [3]		—	—	—	6,978	—
Less: Impairment recovery related to DC Solar [3]		(1,583)	—	—	(1,583)	—
Gain on sale of business		—	—	—	—	(31,470)
Tax effect of adjustment [2]		468	—	—	(1,595)	9,303
Add: Reversal of certain previously claimed tax credits related to DC Solar		—	—	—	30,104	—
Adjusted tangible net income	**(f)**	**$ 188,235**	**$ 172,812**	**$ 174,225**	**$ 713,050**	**$ 686,680**
Average stockholders' equity		$ 4,977,759	$ 4,838,281	$ 4,335,110	$ 4,760,845	$ 4,130,822
Less: Average goodwill		(465,697)	(465,697)	(465,547)	(465,663)	(466,346)
Average other intangible assets [1]		(16,793)	(18,391)	(23,130)	(19,340)	(25,337)
Average tangible equity	**(g)**	**$ 4,495,269**	**$ 4,354,193**	**$ 3,846,433**	**$ 4,275,842**	**$ 3,639,139**
Return on average tangible equity	**(e)/(g)**	**16.71%** [4]	**15.75%** [4]	**17.97%** [4]	**15.88%**	**19.48%**
Adjusted return on average tangible equity	**(f)/(g)**	**16.61%** [4]	**15.75%** [4]	**17.97%** [4]	**16.68%**	**18.87%**

(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.