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NEWS RELEASE

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EAST WEST BANCORP REPORTS NET INCOME FOR SECOND QUARTER OF 2014 OF \$84.0 MILLION, UP 13% FROM PRIOR YEAR AND \$0.58 PER DILUTED SHARE, UP 12% FROM PRIOR YEAR

Pasadena, CA – July 16, 2014 – East West Bancorp, Inc. (“East West” or the “Company”) (Nasdaq: EWBC), parent company of East West Bank, the financial bridge between the United States and Greater China, today reported financial results for the second quarter of 2014. For the second quarter of 2014, net income was \$84.0 million or \$0.58 per diluted share. East West increased second quarter net income by \$10.0 million or 13% and earnings per diluted share by \$0.06 or 12% from the prior year period.

“East West is pleased to report solid earnings for the second quarter with \$84.0 million net income or \$0.58 per diluted share,” stated Dominic Ng, Chairman and Chief Executive Officer of East West. “Our increase in earnings from both the prior quarter and prior year period is largely fueled by our strong loan growth. Total loans have increased 26% from the prior year period to \$20.5 billion as of June 30, 2014, a proud achievement in today’s banking environment. Our profitability continues to remain strong, with a quarterly return on assets of 1.24% and a return on equity of 12.56%, both of which are higher than the previous quarter.”

“At the beginning of this year, we closed the acquisition of MetroCorp, a strategic move that expanded our presence in Texas and California. During the second quarter, we completed the conversion of all MetroCorp systems. We are pleased to be able to offer our newest customers the full range of bridge banking products and services in both the U.S. and China,” continued Ng.

“Our unique position as the financial bridge between the East and the West continues to generate positive returns quarter after quarter. Our knowledge, experience, and capabilities in the U.S. and Greater China markets gives us a competitive advantage over our peers. As we head into the second half of the year with a strong balance sheet and robust growth profile, we believe that we are well-positioned to achieve another year of record earnings,” concluded Ng.

Quarterly Results Summary

(\$ in millions, except per share)

| | Quarter Ended | | |
|--|----------------------|-----------------------|----------------------|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Net income | \$ 83.99 | \$ 76.74 | \$ 74.02 |
| Net income available to common shareholders | \$ 83.99 | \$ 76.74 | \$ 72.30 |
| Earnings per share (diluted) | \$ 0.58 | \$ 0.54 | \$ 0.52 |
| Tangible book value per common share | \$ 15.28 | \$ 14.72 | \$ 13.55 |
| Return on average assets | 1.24% | 1.18% | 1.29% |
| Return on average common equity | 12.56% | 12.05% | 12.59% |
| Net interest income, adjusted ⁽¹⁾ | \$ 218.35 | \$ 208.97 | \$ 192.17 |
| Net interest margin, adjusted ⁽¹⁾ | 3.46% | 3.45% | 3.62% |
| Cost of deposits | 0.28% | 0.30% | 0.33% |
| Efficiency ratio ⁽¹⁾ | 43.98% | 43.36% | 40.40% |

Second Quarter 2014 Highlights

- **Strong Earnings** – For the second quarter of 2014, net income was \$84.0 million or \$0.58 per diluted share. Net income increased \$7.2 million or 9% from the first quarter of 2014 and \$10.0 million or 13% from the second quarter of 2013. Earnings per diluted share increased \$0.04 or 7% from the first quarter of 2014 and \$0.06 or 12% from the second quarter of 2013.
- **Strong Loan Growth** – Total loans receivable (including covered and non-covered loans) as of June 30, 2014 increased to \$20.5 billion, up \$615.5 million or 3% from the end of the first quarter of 2014. This increase was primarily due to a \$969.4 million increase in non-covered loans, partially offset by decreases in covered loans of \$227.4 million and loans held for sale. During the quarter, we sold \$181.1 million of government guaranteed student loans from our loans held-for-sale portfolio. In the second quarter of 2014, we experienced growth in all non-covered loan categories, primarily in the commercial, commercial real estate and consumer loans.
- **Deposit Growth** – Total deposits as of June 30, 2014 were \$22.9 billion, an increase of \$47.0 million from \$22.8 billion as of March 31, 2014. This increase was comprised of increases in noninterest-bearing demand accounts and interest-bearing checking accounts, partially offset by decreases in money market and time deposits.
- **Healthy Net Interest Income and Net Interest Margin** – Total adjusted net interest income for the second quarter of 2014 was \$218.4 million, up \$9.4 million or 4% from \$209.0 million in the first quarter of 2014. Additionally, the adjusted net interest margin for the second quarter of 2014 was 3.46%, up one basis point from the first quarter of 2014. The increases in both net interest income and the net interest margin for the second quarter of 2014 were largely due to the strong loan growth and the reduction in the cost of deposits to 0.28%, down two basis points from the first quarter of 2014.
- **Strong Capital Levels** – Capital levels for East West remain high. As of June 30, 2014, East West's Tier 1 risk-based capital and total risk-based capital ratios were 11.0% and 12.8%, respectively, over \$550 million greater than the well capitalized requirements of 6% and 10%, respectively.

Management Guidance

The Company is providing guidance for the third quarter and full year of 2014. Management currently estimates that fully diluted earnings per share for the full year of 2014 will range from \$2.29 to \$2.33, an increase of \$0.19 to \$0.23 or 9% to 11% from \$2.10 for the full year of 2013. This EPS guidance for the remainder of 2014 is based on an adjusted net interest margin ranging from 3.35% to 3.40%¹, total loan growth of approximately \$400 million per quarter, provision for loan losses of approximately \$5.0 million to \$8.0 million per quarter, noninterest expense of approximately \$120 million to \$125 million per quarter, and an effective tax rate of 29%. Management currently estimates that fully diluted earnings per share for the third quarter of 2014 will range from \$0.58 to \$0.60, based on the assumptions stated above.

Balance Sheet Summary

Total assets as of June 30, 2014 were \$27.6 billion, an increase of \$156.1 million or 1% from \$27.4 billion as of March 31, 2014. Further, average interest-earning assets increased \$785.1 million or 3% from the first quarter of 2014 to \$25.3 billion for the second quarter of 2014. The increase in assets and average interest-earning assets was largely attributable to a \$918.1 million increase in average non-covered loan balances, partially offset by a \$220.5 million decrease in average covered loan balances.

Year over year, total assets increased \$4.2 billion or 18% from \$23.3 billion at June 30, 2013. This increase year over year is largely due to growth in the non-covered loan portfolio and the MetroCorp acquisition which closed in January of this year.

Total loans receivable as of June 30, 2014 were \$20.5 billion, an increase of \$615.5 million or 3% compared to \$19.9 billion as of March 31, 2014, with growth in all non-covered loan categories, primarily in the commercial, commercial real estate and consumer loans. This growth in non-covered loans was partially offset by \$181.1 million in government guaranteed student loan sales and the decrease in covered loan balances.

Covered Loans

Covered loans, net of discount and allowance for loan losses as of June 30, 2014 totaled \$1.8 billion, a decrease of \$225.7 million or 11% from March 31, 2014. The decrease in the covered loan portfolio was primarily due to payoffs and paydown activities.

The covered loan portfolio is comprised of loans acquired from the FDIC-assisted acquisitions of United Commercial Bank (“UCB”) and Washington First International Bank, which are covered under loss-share agreements with the FDIC. During the second quarter of 2014, in the noninterest line item “Changes in FDIC indemnification asset, receivable/payable”, we recorded a reduction of \$57.6 million, largely attributable to the continued payoffs and improved credit performance of the UCB portfolio, as compared to our original estimate. Under the loss-share agreements with the FDIC, East West Bank is required to pay the FDIC a calculated amount if specific thresholds of losses are not reached. Included in “Changes in FDIC indemnification asset, receivable/payable” noninterest loss line item for the second quarter of 2014 is an expense of \$8.5 million for this liability due to the continuing strong credit performance of the covered portfolios. At the end of the first quarter of 2014 and in previous quarters, due to the estimated losses from the covered portfolio and the corresponding expected payments from the FDIC, we had recorded an FDIC indemnification asset. As of March 31, 2014, the FDIC indemnification asset totaled \$27.6 million. As of June 30, 2014, due to the ongoing improvement in credit quality of the covered portfolio, we recorded a net liability to the FDIC of \$24.3 million.

Deposits and Other Liabilities

In the second quarter of 2014, we continued to execute our strategy to grow low-cost commercial deposits, while reducing our reliance on time deposits. Total deposits as of June 30, 2014 were \$22.9 billion, an increase of \$47.0 million from \$22.8 billion as of March 31, 2014. Core deposits were \$16.6 billion as of June 30, 2014, an increase of \$198.7 million or 1% from the first quarter of 2014. This increase in core deposits was mainly due to increases in noninterest-bearing demand accounts and interest-bearing checking accounts, partially offset by a decrease in money market accounts. This growth in core deposits was partially offset by a \$151.7 million or 2% decrease in time deposits.

Second Quarter 2014 Operating Results

Net Interest Income

Net interest income adjusted for the net impact of covered loan activity and amortization of the FDIC indemnification asset, totaled \$218.4 million for the second quarter of 2014, an increase from \$209.0 million for the first quarter of 2014 and \$192.2 million for the second quarter of 2013. The core net interest margin for the second quarter of 2014 totaled 3.46%, taking into consideration the net impact of \$48.1 million to the FDIC indemnification asset due to covered loan activity and amortization of the FDIC indemnification asset. This compares to a core net interest margin of 3.45% and 3.62%, considering the net impact of \$49.0 million and \$35.5 million to the FDIC indemnification asset due to covered loan activity and amortization of the FDIC indemnification asset, for the first quarter of 2014 and second quarter of 2013, respectively.¹

The one basis point increase in the core net interest margin and \$9.4 million or 4% increase in adjusted net interest income compared to the first quarter of 2014 was largely due to the increase in our non-covered loan portfolio and the reduction in the cost of deposits.

Noninterest Loss & Expense

Noninterest Loss

Noninterest loss for the second quarter of 2014 was \$14.9 million, unchanged from the first quarter of 2014 and compared to \$12.4 million for the second quarter of 2013. Also included in noninterest loss for the second quarter of 2014 were \$6.8 million of gains on the sale of loans. The gains on the sale of loans were primarily related to the sale of \$181.1 million of government guaranteed student loans and \$19.0 million of SBA loans.

Total fees and other operating income for the second quarter of 2014 totaled \$35.0 million, an increase of \$6.0 million or 21% from the first quarter of 2014 and \$4.6 million or 15% from the second quarter of 2013. The following table presents total fees and other operating income for the quarters ended June 30, 2014, March 31, 2014 and June 30, 2013:

| (\$ in thousands) | Quarter Ended | | |
|--|------------------|------------------|------------------|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Branch fees | \$ 9,519 | \$ 9,446 | \$ 8,119 |
| Letters of credit fees and foreign exchange income | 8,940 | 6,856 | 9,075 |
| Ancillary loan fees | 2,521 | 2,472 | 2,634 |
| Other operating income | 13,989 | 10,150 | 10,504 |
| Total fees & other operating income | <u>\$ 34,969</u> | <u>\$ 28,924</u> | <u>\$ 30,332</u> |

The increase in letters of credit fees and foreign exchange income of \$2.1 million resulted from an increase of fee income. Additionally, other operating income increased to \$14.0 million for the second quarter of 2014, an increase of \$3.8 million from the first quarter of 2014. This increase was largely due to increases in investment advisory fees and commissions and fee income from assisting customers in hedging interest rates.

Noninterest Expense

Noninterest expense for the second quarter of 2014 totaled \$127.9 million, an increase of \$3.5 million or 3% from the first quarter of 2014 and an increase of \$33.5 million or 35% from the second quarter of 2013. The increase in noninterest expense from the previous quarter was largely due to a \$6.9 million increase in amortization expense related to new affordable housing partnerships and other investments entered into during the quarter and a \$5.3 million increase in legal expenses, partially offset by a \$8.8 million reduction in integration and merger related expenses. The increase in legal expenses from the previous quarter was due to settlement resolutions reached in the second quarter of 2014. The \$33.5 million or 35% increase from the second quarter of 2013 is largely due to an increase in compensation and employee benefits, an increase in amortization expense related to new affordable housing partnerships and other investments purchased in the second quarter of 2014 and other higher operating costs, resulting from both the MetroCorp acquisition and also a result of the growth we have experienced.

The increase in the amortization of investments in affordable housing partnerships and other investments of \$6.9 million was primarily due to the purchase of additional tax credits during the second quarter of 2014. During the quarter, the amortization expense on these investments increased but was more than offset by a lower income tax expense and lower effective tax rate. As such, the effective tax rate decreased from the previously estimated 32% to 29% for the full year of 2014.

The following table presents noninterest expense, excluding the impact of reimbursable amounts from the FDIC on covered assets, and MetroCorp's acquisition integration and merger related expenses for the quarters ended June 30, 2014, March 31, 2014 and June 30, 2013:

| (\$ in thousands) | Quarter Ended | | |
|---|-------------------|-------------------|------------------|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Total noninterest expense | \$ 127,899 | \$ 124,427 | \$ 94,420 |
| Less: | | | |
| Amounts (payable to) reimbursable by the FDIC on covered assets (80% of actual expense amount)* | (1,580) | 2,015 | 2,910 |
| Integration and merger related expenses | 1,811 | 10,576 | — |
| Noninterest expense excluding amounts (payable to) reimbursable by the FDIC and integration and merger related expenses | <u>\$ 127,668</u> | <u>\$ 111,836</u> | <u>\$ 91,510</u> |

* Pursuant to the loss-share agreements, the FDIC reimburses the Company 80% of eligible losses with respect to covered assets. The FDIC also shares in 80% of the recoveries or gains with respect to covered assets. During the three months ended June 30, 2014, the Company had a net \$1.6 million payable to the FDIC.

Total noninterest expense for the second quarter of 2014, excluding the impact of reimbursable amounts from the FDIC on covered assets and MetroCorp's acquisition integration and merger related expenses, increased \$15.8 million or 14% on a sequential quarterly basis. Integration and merger related expenses of \$1.8 million and \$10.6 million, for the second and first quarters of 2014, respectively, were mainly comprised of compensation and employee benefits, data processing, occupancy and equipment expenses.

Credit Quality

Non-covered Loans

Provision for loan losses for non-covered loans for the second quarter of 2014 was \$8.9 million. This compares to a provision for loan losses for the first quarter of 2014 and the second quarter of 2013 of \$8.0

million and \$8.3 million, respectively. Net charge-offs totaled \$7.3 million in the second quarter of 2014, compared to \$4.1 million in the first quarter of 2014 and \$4.0 million in the second quarter of 2013.

Nonaccrual loans, excluding covered loans, as of June 30, 2014, totaled \$118.9 million or 0.58% of total loans, a decrease from 0.67% of total loans as of March 31, 2014 and a decrease from 0.69% of total loans as of June 30, 2013. The nonperforming assets to total assets ratio remained low at 0.59% as of June 30, 2014 and March 31, 2014, compared to 0.57% as of June 30, 2013.

The allowance for non-covered loan losses as of June 30, 2014 was \$246.5 million or 1.35% of non-covered loans. This compares to an allowance for non-covered loan losses of \$245.6 million or 1.42% of non-covered loans at March 31, 2014 and \$233.5 million or 1.73% of non-covered loans at June 30, 2013.

The Company recorded a provision for unfunded commitments and letters of credit of \$829 thousand for the second quarter of 2014. The allowance for unfunded commitments and letters of credit was \$12.3 million, \$11.5 million and \$8.3 million, as of June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

Covered Loans

Allowance for covered loans as of June 30, 2014, March 31, 2014 and June 30, 2013 were \$4.9 million, \$6.5 million and \$9.6 million, respectively. During the second quarter of 2014, the Company recorded a reversal of provision for loan losses on covered loans of \$944 thousand and net charge-offs of \$694 thousand. As such loans are covered under FDIC loss-share agreements, the Company records 80% of the charge-off amounts in noninterest income and as a net increase in FDIC receivable, resulting in a net impact to earnings of 20% of the charge-off amounts. The Company also shares 80% of the recovered amounts with the FDIC.

Capital Strength

(\$ in millions)

| | June 30, 2014 | Well Capitalized Regulatory Requirement | Total Excess Above Well Capitalized Requirement |
|---|---------------|---|---|
| Tier 1 leverage capital ratio | 8.5% | 5.0% | \$ 937 |
| Tier 1 risk-based capital ratio | 11.0% | 6.0% | 1,035 |
| Total risk-based capital ratio | 12.8% | 10.0% | 579 |
| Tangible equity to tangible assets ratio | 8.1% | N/A | N/A |
| Tangible equity to risk weighted assets ratio | 10.7% | N/A | N/A |

Our capital ratios remain very strong. As of June 30, 2014, our Tier 1 leverage capital ratio totaled 8.5%, our Tier 1 risk-based capital ratio totaled 11.0% and our total risk-based capital ratio totaled 12.8%.

The Company is focused on active capital management and is committed to maintaining strong capital levels that exceed regulatory requirements while also supporting balance sheet growth and providing a strong return to our shareholders.

Dividend Payout and Capital Actions

East West's Board of Directors has declared third quarter dividends for the common stock. The common stock cash dividend of \$0.18 is payable on or about August 15, 2014 to shareholders of record on August 1, 2014.

Conference Call

East West will host a conference call to discuss second quarter 2014 earnings with the public on Thursday, July 17, 2014 at 8:30 a.m. PDT/11:30 a.m. EDT. The public and investment community are invited to listen as management discusses second quarter 2014 results and operating developments. The following dial-in information is provided for participation in the conference call: Calls within the US – (877) 506-6399; Calls within Canada – (855) 669-9657; International calls – (412) 902-6699. A listen-only live broadcast of the call also will be available on the investor relations page of the Company's website at www.eastwestbank.com.

About East West

East West Bancorp is a publicly owned company with \$27.6 billion in assets and is traded on the Nasdaq Global Select Market under the symbol "EWBC". The Company's wholly owned subsidiary, East West Bank, is one of the largest independent banks headquartered in California. East West is a premier bank focused exclusively on the United States and Greater China markets and operates over 130 locations worldwide, including in the United States markets of California, Georgia, Nevada, New York, Massachusetts, Texas and Washington. In Greater China, East West's presence includes a full service branch in Hong Kong and representative offices in Beijing, Chongqing, Shenzhen, Taipei and Xiamen. Through a wholly-owned subsidiary bank, East West's presence in Greater China also includes full service branches in Shanghai and Shantou and a representative office in Guangzhou. For more information on East West Bancorp, visit the Company's website at www.eastwestbank.com.

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 the Company's 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 "will likely result," "may," "are expected to," "is anticipated," "estimate," "forecast," "projected," "intends to," or may include other similar words or phrases, such as "believes," "plans," "trend," "objective," "continue," "remain," or similar expressions, or future or conditional verbs, such as "will," "would," "should," "could," "might," "can," or similar verbs. 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 include, but are not limited to, our ability to achieve the projected synergies of the MetroCorp BancShares, Inc. acquisition; our ability to manage the loan portfolios acquired from Federal Deposit Insurance Corporation (FDIC)-assisted acquisitions within the limits of the loss protection provided by the FDIC; changes in our borrowers' performance on loans; changes in the commercial and consumer real estate markets; changes in our costs of operation, compliance and expansion; changes in the U.S. economy, including inflation; changes in government interest rate policies; changes in laws or the regulatory environment; changes in the economy of and monetary policy in the People's Republic of China; changes in critical accounting policies and judgments; changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board or other regulatory agencies; changes in the equity and debt securities markets; changes in competitive pressures on financial institutions; the effect of additional provision for loan losses; the effect of government budget cuts and government shut down; fluctuations of our stock price; the success and timing of our business strategies; the impact of reputational risk created by these developments on such matters as business generation and retention, funding and liquidity; the impact of potential federal tax increases and spending cuts; the impact of adverse judgments or settlements in litigation against the Company; changes in our ability to receive dividends from our subsidiaries; and political developments, wars or other hostilities that may disrupt or increase volatility in securities or otherwise affect economic conditions; and other factors set forth in the Company's public reports including its Annual Report on Form 10-K for

the year ended December 31, 2013, 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, East West's results could differ materially from those expressed in, implied or projected by such forward-looking statements. East West assumes no obligation to update such forward-looking statements.

¹ See reconciliation of the GAAP financial measure to the non-GAAP financial measure in the tables attached.

EAST WEST BANCORP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(unaudited)

| | <u>June 30, 2014</u> | <u>March 31, 2014</u> | <u>June 30, 2013</u> |
|--|----------------------|-----------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 1,246,044 | \$ 1,884,855 | \$ 1,050,214 |
| Short-term investments | 286,130 | 323,266 | 330,438 |
| Securities purchased under resale agreements | 1,275,000 | 1,200,000 | 1,450,000 |
| Investment securities | 2,529,652 | 2,474,744 | 2,667,172 |
| Loans receivable, excluding covered loans (net of allowance for loan losses of \$246,468, \$245,618 and \$233,480) | 18,476,575 | 17,630,797 | 13,509,241 |
| Covered loans (net of allowance for loan losses of \$4,880, \$6,518 and \$9,629) | 1,803,090 | 2,028,806 | 2,504,315 |
| Total loans receivable, net | <u>20,279,665</u> | <u>19,659,603</u> | <u>16,013,556</u> |
| Federal Home Loan Bank and Federal Reserve Bank stock | 91,948 | 102,480 | 134,250 |
| FDIC indemnification asset | — | 27,552 | 219,942 |
| Other real estate owned, net | 42,458 | 28,421 | 21,433 |
| Other real estate owned covered, net | 24,779 | 30,610 | 29,836 |
| Premiums on deposits acquired, net | 50,389 | 53,013 | 51,501 |
| Goodwill | 458,467 | 458,467 | 337,438 |
| Other assets | 1,272,573 | 1,158,015 | 1,002,626 |
| Total assets | <u>\$ 27,557,105</u> | <u>\$ 27,401,026</u> | <u>\$ 23,308,406</u> |
| Liabilities and Stockholders' Equity | | | |
| Deposits | \$ 22,875,089 | \$ 22,828,057 | \$ 19,282,207 |
| Federal Home Loan Bank advances | 316,156 | 315,620 | 314,022 |
| Securities sold under repurchase agreements | 1,005,211 | 1,005,316 | 995,000 |
| Long-term debt | 235,732 | 240,675 | 137,178 |
| Net payable to FDIC | 24,337 | — | — |
| Accrued expenses and other liabilities | 399,556 | 387,138 | 322,048 |
| Total liabilities | <u>24,856,081</u> | <u>24,776,806</u> | <u>21,050,455</u> |
| Stockholders' equity | 2,701,024 | 2,624,220 | 2,257,951 |
| Total liabilities and stockholders' equity | <u>\$ 27,557,105</u> | <u>\$ 27,401,026</u> | <u>\$ 23,308,406</u> |
| Book value per common share | \$ 18.84 | \$ 18.30 | \$ 16.40 |
| Tangible book value per common share | \$ 15.28 | \$ 14.72 | \$ 13.55 |
| Number of common shares at period end | 143,389 | 143,368 | 137,705 |

EAST WEST BANCORP, INC.
TOTAL LOANS AND DEPOSIT DETAIL
(In thousands)
(unaudited)

| As of June 30, 2014 | Non-covered | Covered | Total loans receivable |
|---|----------------------|---------------------|-----------------------------------|
| Loans receivable | | | |
| Real estate - single family | \$ 3,316,581 | \$ 242,590 | \$ 3,559,171 |
| Real estate - multifamily | 1,133,146 | 335,745 | 1,468,891 |
| Real estate - commercial | 5,358,710 | 803,438 | 6,162,148 |
| Real estate - land and construction | 439,593 | 52,640 | 492,233 |
| Commercial | 6,673,303 | 311,509 | 6,984,812 |
| Consumer | 1,356,435 | 62,048 | 1,418,483 |
| Total loans receivable ⁽¹⁾ , excluding loans held for sale | 18,277,768 | 1,807,970 | 20,085,738 |
| Loans held for sale | 450,864 | — | 450,864 |
| Total loans receivable | 18,728,632 | 1,807,970 | 20,536,602 |
| Unearned fees, premiums and discounts | (5,589) | — | (5,589) |
| Allowance for loan losses | (246,468) | (4,880) | (251,348) |
| Net loans receivable | <u>\$ 18,476,575</u> | <u>\$ 1,803,090</u> | <u>\$ 20,279,665</u> |

| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
|---|----------------------|-----------------------|----------------------|
| Loans receivable | | | |
| Real estate - single family | \$ 3,316,581 | \$ 3,238,298 | \$ 2,575,975 |
| Real estate - multifamily | 1,133,146 | 1,111,188 | 929,867 |
| Real estate - commercial | 5,358,710 | 5,118,377 | 3,917,082 |
| Real estate - land and construction | 439,593 | 401,543 | 233,302 |
| Commercial | 6,673,303 | 6,201,083 | 4,709,675 |
| Consumer | 1,356,435 | 1,237,922 | 1,160,013 |
| Total non-covered loans receivable ⁽¹⁾ , excluding loans held for sale | 18,277,768 | 17,308,411 | 13,525,914 |
| Loans held for sale | 450,864 | 577,353 | 245,026 |
| Covered loans, net of discount ⁽¹⁾ | 1,807,970 | 2,035,324 | 2,513,944 |
| Total loans receivable | 20,536,602 | 19,921,088 | 16,284,884 |
| Unearned fees, premiums and discounts | (5,589) | (9,349) | (28,219) |
| Allowance for loan losses on non-covered loans | (246,468) | (245,618) | (233,480) |
| Allowance for loan losses on covered loans | (4,880) | (6,518) | (9,629) |
| Net loans receivable | <u>\$ 20,279,665</u> | <u>\$ 19,659,603</u> | <u>\$ 16,013,556</u> |

| | | | |
|----------------------------|----------------------|----------------------|----------------------|
| Deposits | | | |
| Noninterest-bearing demand | \$ 6,889,950 | \$ 6,636,874 | \$ 5,128,894 |
| Interest-bearing checking | 2,210,514 | 2,028,134 | 1,483,854 |
| Money market | 6,032,922 | 6,302,002 | 5,448,098 |
| Savings | 1,510,088 | 1,477,754 | 1,269,029 |
| Total core deposits | 16,643,474 | 16,444,764 | 13,329,875 |
| Time deposits | 6,231,615 | 6,383,293 | 5,952,332 |
| Total deposits | <u>\$ 22,875,089</u> | <u>\$ 22,828,057</u> | <u>\$ 19,282,207</u> |

⁽¹⁾ Includes loans net of ASC 310-30 discount.

EAST WEST BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(unaudited)

| | Quarter Ended | | |
|--|----------------------|-----------------------|----------------------|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Interest and dividend income | \$ 294,442 | \$ 286,173 | \$ 255,353 |
| Interest expense | (27,992) | (28,207) | (27,709) |
| Net interest income before provision for loan losses | 266,450 | 257,966 | 227,644 |
| Provision for loan losses, excluding covered loans | (8,944) | (7,954) | (8,277) |
| Reversal of (provision for) loan losses on covered loans | 944 | 1,021 | (723) |
| Net interest income after provision for loan losses | 258,450 | 251,033 | 218,644 |
| Noninterest loss | (14,945) | (14,916) | (12,354) |
| Noninterest expense | (127,899) | (124,427) | (94,420) |
| Income before provision for income taxes | 115,606 | 111,690 | 111,870 |
| Provision for income taxes | 31,618 | 34,949 | 37,855 |
| Net income | 83,988 | 76,741 | 74,015 |
| Preferred stock dividend | — | — | (1,714) |
| Net income available to common stockholders | <u>\$ 83,988</u> | <u>\$ 76,741</u> | <u>\$ 72,301</u> |
| Net income per share, basic | \$ 0.59 | \$ 0.54 | \$ 0.52 |
| Net income per share, diluted | \$ 0.58 | \$ 0.54 | \$ 0.52 |
| Shares used to compute per share net income: | | | |
| - Basic | 143,187 | 141,962 | 137,536 |
| - Diluted | 143,689 | 142,632 | 137,816 |
| Quarter Ended | | | |
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Noninterest income (loss): | | | |
| Branch fees | \$ 9,519 | \$ 9,446 | \$ 8,119 |
| Changes in FDIC indemnification asset, receivable/payable | (57,558) | (53,634) | (47,905) |
| Net gains (losses) on sales of loans | 6,793 | 6,196 | (354) |
| Letters of credit fees and foreign exchange income | 8,940 | 6,856 | 9,075 |
| Net gains on sales of investment securities | 671 | 3,418 | 5,345 |
| Net gains on sales of fixed assets | 180 | 180 | 228 |
| Ancillary loan fees | 2,521 | 2,472 | 2,634 |
| Other operating income | 13,989 | 10,150 | 10,504 |
| Total noninterest loss | <u>\$ (14,945)</u> | <u>\$ (14,916)</u> | <u>\$ (12,354)</u> |
| Noninterest expense: | | | |
| Compensation and employee benefits | \$ 55,081 | \$ 59,277 | \$ 42,026 |
| Occupancy and equipment expense | 16,534 | 15,851 | 13,706 |
| Loan related (income) expenses | (1,098) | 2,575 | 3,573 |
| Other real estate owned expense (gains on sale) | 783 | 1,334 | (1,188) |
| Deposit insurance premiums and regulatory assessments | 5,812 | 5,702 | 3,875 |
| Legal expense | 9,104 | 3,799 | 5,467 |
| Amortization of premiums on deposits acquired | 2,624 | 2,500 | 2,375 |
| Data processing | 2,940 | 8,200 | 2,200 |
| Consulting expense | 2,328 | 1,049 | 1,003 |
| Amortization of investments in affordable housing partnerships and other investments | 12,851 | 5,964 | 5,064 |
| Other operating expense | 20,940 | 18,176 | 16,319 |
| Total noninterest expense | <u>\$ 127,899</u> | <u>\$ 124,427</u> | <u>\$ 94,420</u> |

EAST WEST BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(unaudited)

| | Year To Date | |
|--|---------------|---------------|
| | June 30, 2014 | June 30, 2013 |
| Interest and dividend income | \$ 580,615 | \$ 493,776 |
| Interest expense | (56,199) | (56,841) |
| Net interest income before provision for loan losses | 524,416 | 436,935 |
| Provision for loan losses, excluding covered loans | (16,898) | (7,515) |
| Reversal of (provision for) loan losses on covered loans | 1,965 | (5,812) |
| Net interest income after provision for loan losses | 509,483 | 423,608 |
| Noninterest loss | (29,861) | (14,453) |
| Noninterest expense | (252,326) | (190,775) |
| Income before provision for income taxes | 227,296 | 218,380 |
| Provision for income taxes | 66,567 | 72,274 |
| Net income | 160,729 | 146,106 |
| Preferred stock dividend | — | (3,428) |
| Net income available to common stockholders | \$ 160,729 | \$ 142,678 |
| Net income per share, basic | \$ 1.13 | \$ 1.03 |
| Net income per share, diluted | \$ 1.12 | \$ 1.03 |
| Shares used to compute per share net income: | | |
| - Basic | 142,578 | 137,592 |
| - Diluted | 143,158 | 141,573 |

| | Year To Date | |
|---|---------------|---------------|
| | June 30, 2014 | June 30, 2013 |
| Noninterest income (loss): | | |
| Branch fees | \$ 18,965 | \$ 15,773 |
| Changes in FDIC indemnification asset, receivable/payable | (111,192) | (79,804) |
| Net gains (losses) on sales of loans | 12,989 | (260) |
| Letters of credit fees and foreign exchange income | 15,796 | 16,473 |
| Net gains on sales of investment securities | 4,089 | 10,922 |
| Net gains on sales of fixed assets | 360 | 352 |
| Ancillary loan fees | 4,993 | 4,686 |
| Other operating income | 24,139 | 17,405 |
| Total noninterest loss | \$ (29,861) | \$ (14,453) |
| Noninterest expense: | | |
| Compensation and employee benefits | \$ 114,358 | \$ 87,757 |
| Occupancy and equipment expense | 32,385 | 27,514 |
| Loan related expenses | 1,477 | 7,157 |
| Other real estate owned (gains on sale) expense | 2,117 | (2,172) |
| Deposit insurance premiums and regulatory assessments | 11,514 | 7,657 |
| Legal expense | 12,903 | 9,911 |
| Amortization of premiums on deposits acquired | 5,124 | 4,784 |
| Data processing | 11,140 | 4,637 |
| Consulting expense | 3,377 | 1,457 |
| Amortization of investments in affordable housing partnerships and other investments | 18,815 | 9,347 |
| Other operating expense | 39,116 | 32,726 |
| Total noninterest expense | \$ 252,326 | \$ 190,775 |

EAST WEST BANCORP, INC.
SELECTED FINANCIAL INFORMATION
(In thousands)
(unaudited)

| Average Balances | Quarter Ended | | |
|---|----------------------|-----------------------|----------------------|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Loans receivable | | | |
| Real estate - single family | \$ 3,272,711 | \$ 3,230,976 | \$ 2,444,883 |
| Real estate - multifamily | 1,121,258 | 1,056,092 | 924,552 |
| Real estate - commercial | 5,212,722 | 4,958,490 | 3,800,664 |
| Real estate - land and construction | 423,507 | 367,661 | 224,509 |
| Commercial | 6,375,743 | 5,771,525 | 4,478,848 |
| Consumer | 1,749,935 | 1,853,060 | 1,225,830 |
| Total loans receivable, excluding covered loans | 18,155,876 | 17,237,804 | 13,099,286 |
| Covered loans | 1,874,927 | 2,095,390 | 2,641,324 |
| Total loans receivable | 20,030,803 | 19,333,194 | 15,740,610 |
| Investment securities | 2,486,303 | 2,582,819 | 2,582,899 |
| Earning assets | 25,326,247 | 24,541,104 | 21,289,420 |
| Total assets | 27,131,412 | 26,330,186 | 22,994,664 |
| Deposits | | | |
| Noninterest-bearing demand | \$ 6,553,899 | \$ 6,121,649 | \$ 4,882,823 |
| Interest-bearing checking | 2,139,537 | 1,838,201 | 1,440,538 |
| Money market | 6,035,120 | 5,901,145 | 5,332,345 |
| Savings | 1,495,295 | 1,447,339 | 1,256,146 |
| Total core deposits | 16,223,851 | 15,308,334 | 12,911,852 |
| Time deposits | 6,288,684 | 6,263,607 | 5,993,464 |
| Total deposits | 22,512,535 | 21,571,941 | 18,905,316 |
| Interest-bearing liabilities | 17,520,676 | 17,155,357 | 15,468,377 |
| Stockholders' equity | 2,681,281 | 2,582,724 | 2,331,306 |
| Selected Ratios | | | |
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| For The Period | | | |
| Return on average assets | 1.24% | 1.18% | 1.29% |
| Return on average common equity | 12.56% | 12.05% | 12.59% |
| Interest rate spread | 4.02% | 4.06% | 4.09% |
| Net interest margin | 4.22% | 4.26% | 4.29% |
| Yield on earning assets | 4.66% | 4.73% | 4.81% |
| Cost of deposits | 0.28% | 0.30% | 0.33% |
| Cost of funds | 0.47% | 0.49% | 0.55% |
| Noninterest expense/average assets ⁽¹⁾ | 1.64% | 1.62% | 1.52% |
| Efficiency ratio ⁽²⁾ | 43.98% | 43.36% | 40.40% |

⁽¹⁾ Excludes the amortization of premiums on deposits acquired, amortization of investments in affordable housing partnerships and other investments, and integration and merger related expenses.

⁽²⁾ Represents noninterest expense, excluding the amortization of premiums on deposits acquired, amortization of investments in affordable housing partnerships and other investments, and integration and merger related expenses, divided by the aggregate of net interest income before provision for loan losses and noninterest income (loss).

EAST WEST BANCORP, INC.
SELECTED FINANCIAL INFORMATION
(In thousands)
(unaudited)

| Average Balances | Year To Date | |
|---|----------------------|----------------------|
| | June 30, 2014 | June 30, 2013 |
| Loans receivable | | |
| Real estate - single family | \$ 3,251,959 | \$ 2,350,511 |
| Real estate - multifamily | 1,088,855 | 909,959 |
| Real estate - commercial | 5,086,308 | 3,732,375 |
| Real estate - land and construction | 395,738 | 235,160 |
| Commercial | 6,075,303 | 4,343,461 |
| Consumer | 1,801,213 | 1,094,551 |
| Total loans receivable, excluding covered loans | 17,699,376 | 12,666,017 |
| Covered loans | 1,984,549 | 2,742,595 |
| Total loans receivable | 19,683,925 | 15,408,612 |
| Investment securities | 2,534,294 | 2,607,723 |
| Earning assets | 24,935,843 | 20,994,246 |
| Total assets | 26,733,013 | 22,786,806 |
| Deposits | | |
| Noninterest-bearing demand | \$ 6,338,968 | \$ 4,682,398 |
| Interest-bearing checking | 1,989,701 | 1,363,333 |
| Money market | 5,968,502 | 5,325,624 |
| Savings | 1,471,449 | 1,239,544 |
| Total core deposits | 15,768,620 | 12,610,899 |
| Time deposits | 6,276,215 | 6,030,904 |
| Total deposits | 22,044,835 | 18,641,803 |
| Interest-bearing liabilities | 17,339,025 | 15,405,152 |
| Stockholders' equity | 2,632,274 | 2,353,659 |

| Selected Ratios | Year To Date | |
|---|----------------------|----------------------|
| | June 30, 2014 | June 30, 2013 |
| For The Period | | |
| Return on average assets | 1.21% | 1.29% |
| Return on average common equity | 12.31% | 12.52% |
| Interest rate spread | 4.05% | 4.00% |
| Net interest margin | 4.24% | 4.20% |
| Yield on earning assets | 4.70% | 4.74% |
| Cost of deposits | 0.29% | 0.35% |
| Cost of funds | 0.48% | 0.57% |
| Noninterest expense/average assets ⁽¹⁾ | 1.63% | 1.56% |
| Efficiency ratio ⁽²⁾ | 43.68% | 41.81% |

⁽¹⁾ Excludes the amortization of premiums on deposits acquired, amortization of investments in affordable housing partnerships and other investments, and integration and merger related expenses.

⁽²⁾ Represents noninterest expense, excluding the amortization of premiums on deposits acquired, amortization of investments in affordable housing partnerships and other investments, and integration and merger related expenses, divided by the aggregate of net interest income before provision for loan losses and noninterest income (loss).

EAST WEST BANCORP, INC.
QUARTER TO DATE AVERAGE BALANCES, YIELDS AND RATES PAID
(In thousands)
(unaudited)

| | Quarter Ended | | | | | |
|--|----------------------|-------------------|----------------------|----------------------|-------------------|----------------------|
| | June 30, 2014 | | | June 30, 2013 | | |
| | Average Volume | Interest | Yield ⁽¹⁾ | Average Volume | Interest | Yield ⁽¹⁾ |
| ASSETS | | | | | | |
| Interest-earning assets: | | | | | | |
| Due from banks and short-term investments | \$ 1,481,361 | \$ 6,354 | 1.72% | \$ 1,247,457 | \$ 4,292 | 1.38% |
| Securities purchased under resale agreements | 1,230,769 | 4,559 | 1.49% | 1,578,846 | 5,435 | 1.38% |
| Investment securities available-for-sale | 2,486,303 | 12,490 | 2.01% | 2,582,899 | 9,594 | 1.49% |
| Loans receivable, excluding covered loans | 18,155,876 | 190,763 | 4.21% | 13,099,286 | 141,904 | 4.35% |
| Covered loans | 1,874,927 | 78,721 | 16.84% | 2,641,324 | 92,386 | 14.03% |
| Federal Home Loan Bank and Federal Reserve Bank stock | 97,011 | 1,555 | 6.43% | 139,608 | 1,742 | 5.00% |
| Total interest-earning assets | <u>25,326,247</u> | <u>294,442</u> | <u>4.66%</u> | <u>21,289,420</u> | <u>255,353</u> | <u>4.81%</u> |
| Noninterest-earning assets: | | | | | | |
| Cash and cash equivalents | 305,151 | | | 265,915 | | |
| Allowance for loan losses | (254,282) | | | (238,702) | | |
| Other assets | 1,754,296 | | | 1,678,031 | | |
| Total assets | <u>\$ 27,131,412</u> | | | <u>\$ 22,994,664</u> | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Checking accounts | \$ 2,139,537 | \$ 1,216 | 0.23% | \$ 1,440,538 | \$ 876 | 0.24% |
| Money market accounts | 6,035,120 | 3,982 | 0.26% | 5,332,345 | 3,875 | 0.29% |
| Savings deposits | 1,495,295 | 635 | 0.17% | 1,256,146 | 512 | 0.16% |
| Time deposits | 6,288,684 | 9,736 | 0.62% | 5,993,464 | 10,475 | 0.70% |
| Federal funds purchased and other borrowings | 315 | — | — | 29 | — | — |
| Federal Home Loan Bank advances | 315,805 | 1,015 | 1.29% | 313,677 | 1,047 | 1.34% |
| Securities sold under repurchase agreements | 1,005,280 | 10,189 | 4.07% | 995,000 | 10,217 | 4.12% |
| Long-term debt | 240,640 | 1,219 | 2.03% | 137,178 | 707 | 2.07% |
| Total interest-bearing liabilities | <u>17,520,676</u> | <u>27,992</u> | <u>0.64%</u> | <u>15,468,377</u> | <u>27,709</u> | <u>0.72%</u> |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 6,553,899 | | | 4,882,823 | | |
| Other liabilities | 375,556 | | | 312,158 | | |
| Stockholders' equity | 2,681,281 | | | 2,331,306 | | |
| Total liabilities and stockholders' equity | <u>\$ 27,131,412</u> | | | <u>\$ 22,994,664</u> | | |
| Interest rate spread | | | 4.02% | | | 4.09% |
| Net interest income and net interest margin | | <u>\$ 266,450</u> | 4.22% | | <u>\$ 227,644</u> | 4.29% |
| Net interest income and net interest margin, adjusted ⁽²⁾ | | <u>\$ 218,352</u> | 3.46% | | <u>\$ 192,170</u> | 3.62% |

⁽¹⁾ Annualized.

⁽²⁾ Amounts considering the net impact of covered loan activity and amortization of the FDIC indemnification asset of \$48.1 million and \$35.5 million for the three months ended June 30, 2014 and 2013, respectively.

EAST WEST BANCORP, INC.
YEAR TO DATE AVERAGE BALANCES, YIELDS AND RATES PAID
(In thousands)
(unaudited)

| | Year To Date | | | | | |
|--|----------------------|-------------------|----------------------|----------------------|-------------------|----------------------|
| | June 30, 2014 | | | June 30, 2013 | | |
| | Average Volume | Interest | Yield ⁽¹⁾ | Average Volume | Interest | Yield ⁽¹⁾ |
| ASSETS | | | | | | |
| Interest-earning assets: | | | | | | |
| Due from banks and short-term investments | \$ 1,326,696 | \$ 11,956 | 1.82% | \$ 1,227,261 | \$ 8,568 | 1.41% |
| Securities purchased under resale agreements | 1,285,912 | 9,412 | 1.48% | 1,603,591 | 10,964 | 1.38% |
| Investment securities available-for-sale | 2,534,294 | 24,766 | 1.97% | 2,607,723 | 19,804 | 1.53% |
| Loans receivable, excluding covered loans | 17,699,376 | 371,672 | 4.23% | 12,666,017 | 272,872 | 4.34% |
| Covered loans | 1,984,549 | 159,383 | 16.20% | 2,742,595 | 178,577 | 13.13% |
| Federal Home Loan Bank and Federal Reserve Bank stock | 105,016 | 3,426 | 6.58% | 147,059 | 2,991 | 4.10% |
| Total interest-earning assets | <u>24,935,843</u> | <u>580,615</u> | <u>4.70%</u> | <u>20,994,246</u> | <u>493,776</u> | <u>4.74%</u> |
| Noninterest-earning assets: | | | | | | |
| Cash and cash equivalents | 308,192 | | | 308,725 | | |
| Allowance for loan losses | (255,016) | | | (237,501) | | |
| Other assets | 1,743,994 | | | 1,721,336 | | |
| Total assets | <u>\$ 26,733,013</u> | | | <u>\$ 22,786,806</u> | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Checking accounts | \$ 1,989,701 | \$ 2,197 | 0.22% | \$ 1,363,333 | \$ 1,765 | 0.26% |
| Money market accounts | 5,968,502 | 7,765 | 0.26% | 5,325,624 | 8,213 | 0.31% |
| Savings deposits | 1,471,449 | 1,260 | 0.17% | 1,239,544 | 1,054 | 0.17% |
| Time deposits | 6,276,215 | 20,229 | 0.65% | 6,030,904 | 21,560 | 0.72% |
| Federal funds purchased and other borrowings | 205 | — | — | 153 | — | — |
| Federal Home Loan Bank advances | 383,469 | 2,060 | 1.08% | 313,416 | 2,086 | 1.34% |
| Securities sold under repurchase agreements | 1,007,160 | 20,267 | 4.06% | 995,000 | 20,746 | 4.20% |
| Long-term debt | 242,324 | 2,421 | 2.01% | 137,178 | 1,417 | 2.08% |
| Total interest-bearing liabilities | <u>17,339,025</u> | <u>56,199</u> | <u>0.65%</u> | <u>15,405,152</u> | <u>56,841</u> | <u>0.74%</u> |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 6,338,968 | | | 4,682,398 | | |
| Other liabilities | 422,746 | | | 345,597 | | |
| Stockholders' equity | 2,632,274 | | | 2,353,659 | | |
| Total liabilities and stockholders' equity | <u>\$ 26,733,013</u> | | | <u>\$ 22,786,806</u> | | |
| Interest rate spread | | | 4.05% | | | 4.00% |
| Net interest income and net interest margin | | <u>\$ 524,416</u> | 4.24% | | <u>\$ 436,935</u> | 4.20% |
| Net interest income and net interest margin, adjusted ⁽²⁾ | | <u>\$ 427,316</u> | 3.46% | | <u>\$ 376,790</u> | 3.62% |

⁽¹⁾ Annualized.

⁽²⁾ Amounts considering the net impact of covered loan activity and amortization of the FDIC indemnification asset of \$97.1 million and \$60.1 million for the six months ended June 30, 2014 and 2013, respectively.

EAST WEST BANCORP, INC.
QUARTERLY ALLOWANCE FOR LOAN LOSSES RECAP
(In thousands)
(unaudited)

| | Quarter Ended | | |
|--|--------------------------|--------------------------|--------------------------|
| | 6/30/2014 | 3/31/2014 | 6/30/2013 |
| NON-COVERED LOANS | | | |
| Allowance for non-covered loans, beginning of period | \$ 245,618 | \$ 241,930 | \$ 228,796 |
| Provision allocation for unfunded loan commitments and letters of credit | (829) | (215) | 432 |
| Provision for (reversal of) loan losses, excluding covered loans | 8,944 | 7,954 | 8,277 |
| Net Charge-offs/(Recoveries): | | | |
| Residential | (2) | 146 | 247 |
| Commercial real estate ⁽¹⁾ | 763 | (509) | (298) |
| Commercial | 6,506 | 4,414 | 3,211 |
| Consumer | (2) | — | 865 |
| Total net charge-offs | <u>7,265</u> | <u>4,051</u> | <u>4,025</u> |
| Allowance for non-covered loans, end of period ⁽²⁾ | <u>\$ 246,468</u> | <u>\$ 245,618</u> | <u>\$ 233,480</u> |
| COVERED LOANS | | | |
| Allowance for covered loans not accounted under ASC 310-30, beginning of period ⁽³⁾ | \$ 4,316 | \$ 5,476 | \$ 8,118 |
| Provision for (reversal of) loan losses on covered loans not accounted under ASC 310-30 | 70 | (954) | 186 |
| Total net charge-offs | <u>694</u> | <u>206</u> | <u>1,204</u> |
| Allowance for covered loans not accounted under ASC 310-30, end of period ⁽³⁾ | <u>\$ 3,692</u> | <u>\$ 4,316</u> | <u>\$ 7,100</u> |
| Allowance for covered loans accounted under ASC 310-30, beginning of period ⁽⁴⁾ | \$ 2,202 | \$ 2,269 | \$ 1,992 |
| (Reversal of) provision for loan losses on covered loans accounted under ASC 310-30 | <u>(1,014)</u> | <u>(67)</u> | <u>537</u> |
| Allowance for covered loans accounted under ASC 310-30, end of period ⁽⁴⁾ | <u>\$ 1,188</u> | <u>\$ 2,202</u> | <u>\$ 2,529</u> |
| Total allowance for covered loans, end of period | <u>\$ 4,880</u> | <u>\$ 6,518</u> | <u>\$ 9,629</u> |
| UNFUNDED LOAN COMMITMENTS AND LETTERS OF CREDIT | | | |
| Allowance balance, beginning of period | \$ 11,497 | \$ 11,282 | \$ 8,721 |
| Provision for (reversal of) unfunded loan commitments and letters of credit | <u>829</u> | <u>215</u> | <u>(432)</u> |
| Allowance balance, end of period | <u>\$ 12,326</u> | <u>\$ 11,497</u> | <u>\$ 8,289</u> |
| GRAND TOTAL, END OF PERIOD | <u>\$ 263,674</u> | <u>\$ 263,633</u> | <u>\$ 251,398</u> |

⁽¹⁾ Includes a charge-off of \$523 thousand related to a non-covered loan accounted for under ASC 310-30 for the three months ended June 30, 2014.

⁽²⁾ Includes an allowance of \$370 thousand related to non-covered loans accounted for under ASC 310-30 as of June 30, 2014.

⁽³⁾ This allowance is related to subsequent drawdowns on commitments that were in existence as of the acquisition dates of WFIB and UCB and are covered under the loss-share agreements with the FDIC. Allowance on these subsequent drawdowns is included as part of the allowance for loan losses.

⁽⁴⁾ This allowance is related to loans covered under the loss-share agreements with the FDIC, accounted for under ASC 310-30.

EAST WEST BANCORP, INC.
QUARTERLY CREDIT QUALITY ANALYSIS
(In thousands)
(unaudited)

Non-Performing Assets, Excluding Covered Assets

| | <u>6/30/2014</u> | <u>3/31/2014</u> | <u>6/30/2013</u> |
|--|-------------------|-------------------|-------------------|
| Nonaccrual Loan Type | | | |
| Real estate - single family | \$ 8,481 | \$ 14,068 | \$ 7,210 |
| Real estate - multifamily | 25,498 | 22,690 | 30,226 |
| Real estate - commercial | 43,146 | 47,756 | 17,271 |
| Real estate - land and construction | 14,325 | 17,926 | 11,201 |
| Commercial | 23,973 | 27,075 | 45,327 |
| Consumer | 3,499 | 3,011 | 796 |
| Total non-covered nonaccrual loans | <u>\$ 118,922</u> | <u>\$ 132,526</u> | <u>\$ 112,031</u> |
| Other real estate owned, net | 42,458 | 28,421 | 21,433 |
| Total non-performing assets, excluding covered assets | <u>\$ 161,380</u> | <u>\$ 160,947</u> | <u>\$ 133,464</u> |
| | | | |
| Nonperforming assets to total assets ⁽¹⁾ | 0.59% | 0.59% | 0.57% |
| Allowance for loan losses on non-covered loans to total gross non-covered loans held for investment at end of period | 1.35% | 1.42% | 1.73% |
| Allowance for loan losses on non-covered loans and unfunded loan commitments to total gross non-covered loans held for investment at end of period | 1.42% | 1.49% | 1.79% |
| Allowance on non-covered loans to non-covered nonaccrual loans at end of period | 207.25% | 185.34% | 208.41% |
| Nonaccrual loans to total loans ⁽²⁾ | 0.58% | 0.67% | 0.69% |
| Net charge-offs on non-covered loans to average total non-covered loans ⁽³⁾ | 0.16% | 0.10% | 0.12% |

⁽¹⁾ Nonperforming assets exclude covered loans and covered REOs. Total assets include covered assets.

⁽²⁾ Nonaccrual loans exclude covered loans. Total loans include covered loans.

⁽³⁾ Annualized.

EAST WEST BANCORP, INC.
GAAP TO NON-GAAP RECONCILIATION
(In thousands)
(unaudited)

The tangible common equity to risk weighted assets and tangible common equity to tangible assets ratios are non-GAAP disclosures. The Company uses certain non-GAAP financial measures to provide supplemental information regarding the Company's performance to provide additional disclosure. As the use of tangible common equity to tangible assets ratio is more prevalent in the banking industry and with banking regulators and analysts, we have included the tangible common equity to risk-weighted assets and tangible common equity to tangible assets ratios.

| | |
|---|----------------------|
| | As of |
| | June 30, 2014 |
| Stockholders' equity | <u>\$ 2,701,024</u> |
| Less: | |
| Goodwill and other intangible assets | <u>(510,401)</u> |
| Tangible equity | <u>\$ 2,190,623</u> |
| | |
| Risk-weighted assets | <u>20,567,621</u> |
| | |
| Tangible equity to risk-weighted assets ratio | <u>10.7%</u> |
| | |
| | As of |
| | June 30, 2014 |
| Total assets | <u>\$ 27,557,105</u> |
| Less: | |
| Goodwill and other intangible assets | <u>(510,401)</u> |
| Tangible assets | <u>\$ 27,046,704</u> |
| | |
| Tangible equity to tangible assets ratio | 8.1% |

EAST WEST BANCORP, INC.
GAAP TO NON-GAAP RECONCILIATION
(In thousands, except per share amounts)
(unaudited)

Net income per diluted share excluding integration and merger related expenses is a non-GAAP disclosure. The Company uses certain non-GAAP financial measures to provide supplemental information regarding the Company's performance to provide additional disclosure. These integration and merger expenses are non-core in nature. The Company believes that presenting net income per diluted share excluding integration and merger related expenses provides more clarity to the users of financial statements and assists in the comparison with prior periods.

| | Quarter Ended | | |
|--|----------------------|-----------------------|----------------------|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Net income per diluted share | \$ 0.58 | \$ 0.54 | \$ 0.52 |
| Integration and merger related expenses, net of tax | 1,050 | 6,134 | \$ — |
| Shares used to compute diluted earnings per share | <u>143,689</u> | <u>142,632</u> | <u>137,816</u> |
| Integration and merger related expenses per diluted share | \$ 0.01 | \$ 0.04 | \$ — |
| Net income per diluted share excluding integration and merger related expenses | <u>\$ 0.59</u> | <u>\$ 0.58</u> | <u>\$ 0.52</u> |

| | Year Ended | |
|--|----------------------|----------------------|
| | June 30, 2014 | June 30, 2013 |
| Net income per diluted share | \$ 1.12 | \$ 1.03 |
| Integration and merger related expenses, net of tax | \$ 7,184 | \$ — |
| Shares used to compute diluted earnings per share | <u>143,158</u> | <u>141,573</u> |
| Integration and merger related expenses per diluted share | \$ 0.05 | \$ — |
| Net income per diluted share excluding integration and merger related expenses | <u>\$ 1.17</u> | <u>\$ 1.03</u> |

EAST WEST BANCORP, INC.
GAAP TO NON-GAAP RECONCILIATION
(In thousands)
(unaudited)

Noninterest expense excluding amounts (payable to) reimbursable by the FDIC and integration and merger related expenses is a non-GAAP disclosure. The Company uses certain non-GAAP financial measures to provide supplemental information regarding the Company's performance to provide additional disclosure. These are noninterest expense line items that are non-core in nature. The Company believes that presenting noninterest expense excluding reimbursable amounts and integration and merger related expenses provides more clarity to the users of financial statements regarding the core noninterest expense amounts.

| | Quarter Ended | | |
|---|----------------------|-----------------------|----------------------|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Total noninterest expense | \$ 127,899 | \$ 124,427 | \$ 94,420 |
| Less: | | | |
| Amounts (payable to) reimbursable by the FDIC on covered assets (80% of actual expense amount) ⁽¹⁾ | (1,580) | 2,015 | 2,910 |
| Integration and merger related expenses | 1,811 | 10,576 | — |
| Noninterest expense excluding amounts (payable to) reimbursable by the FDIC and integration and merger related expenses | <u>\$ 127,668</u> | <u>\$ 111,836</u> | <u>\$ 91,510</u> |

⁽¹⁾ Pursuant to the loss-share agreements, the FDIC reimburses the Company 80% of eligible losses with respect to covered assets. The FDIC also shares in 80% of the recoveries or gains with respect to covered assets. During the three months ended June 30, 2014, the Company had a net \$1.6 million payable to the FDIC.

| | Year To Date | |
|--|----------------------|----------------------|
| | June 30, 2014 | June 30, 2013 |
| Total noninterest expense | \$ 252,326 | \$ 190,775 |
| Less: | | |
| Amounts reimbursable by the FDIC on covered assets (80% of actual expense amount) | 435 | 2,849 |
| Integration and merger related expenses | 12,387 | — |
| Noninterest expense excluding amounts reimbursable by the FDIC and integration and merger related expenses | <u>\$ 251,891</u> | <u>\$ 187,926</u> |

EAST WEST BANCORP, INC.
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 to provide additional disclosure. The efficiency ratio represents noninterest expense, excluding the amortization of premiums on deposits acquired, amortization of investments in affordable housing partnerships and other investments, and integration and merger related expenses, divided by the aggregate of net interest income before provision for loan losses and noninterest income (loss). As such, the Company believes that presenting the efficiency ratio provides additional clarity to the users of financial statements regarding the comparability to prior periods and the ongoing performance of the Company.

| | Quarter Ended | | |
|--|----------------------|-----------------------|----------------------|
| | June 30, 2014 | March 31, 2014 | June 30, 2013 |
| Total noninterest expense | \$ 127,899 | \$ 124,427 | \$ 94,420 |
| Less: | | | |
| Integration and merger related expenses | (1,811) | (10,576) | — |
| Amortization of premiums on deposits acquired | (2,624) | (2,500) | (2,375) |
| Amortization of investments in affordable housing partnerships and other investments | (12,851) | (5,964) | (5,064) |
| Noninterest expense, as adjusted | <u>\$ 110,613</u> | <u>\$ 105,387</u> | <u>\$ 86,981</u> |
| Net interest income before provision for loan losses | \$ 266,450 | \$ 257,966 | \$ 227,644 |
| Noninterest loss | (14,945) | (14,916) | (12,354) |
| Net interest income and noninterest loss | <u>\$ 251,505</u> | <u>\$ 243,050</u> | <u>\$ 215,290</u> |
| Efficiency Ratio | 43.98% | 43.36% | 40.40% |
| | | | |
| | Year To Date | | |
| | June 30, 2014 | June 30, 2013 | |
| Total noninterest expense | \$ 252,326 | \$ 190,775 | |
| Less: | | | |
| Integration and merger related expenses | (12,387) | — | |
| Amortization of premiums on deposits acquired | (5,124) | (4,784) | |
| Amortization of investments in affordable housing partnerships and other investments | (18,815) | (9,347) | |
| Noninterest expense, as adjusted | <u>\$ 216,000</u> | <u>\$ 176,644</u> | |
| Net interest income before provision for loan losses | \$ 524,416 | \$ 436,935 | |
| Noninterest loss | (29,861) | (14,453) | |
| Net interest income and noninterest loss excluding non-recurring items | <u>\$ 494,555</u> | <u>\$ 422,482</u> | |
| Efficiency Ratio | 43.68% | 41.81% | |

EAST WEST BANCORP, INC.
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 to provide additional disclosure. The net interest income on covered loans includes amounts that are non-core in nature. As such, the Company believes that presenting the net interest income on covered loans considering such non-core items provides additional clarity to the users of financial statements regarding the covered loan yield, comparability to prior periods and the ongoing performance of the Company.

| | Quarter Ended June 30, 2014 | | |
|--|------------------------------------|-----------|----------------------|
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Covered loans | \$ 1,874,927 | \$ 78,721 | 16.84% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (48,098) | |
| Covered loans considering net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 30,623 | 6.55% |
| | | | |
| | Quarter Ended June 30, 2013 | | |
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Covered loans | \$ 2,641,324 | \$ 92,386 | 14.03% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (35,474) | |
| Covered loans considering net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 56,912 | 8.64% |

⁽¹⁾ Annualized.

EAST WEST BANCORP, INC.
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 to provide additional disclosure. The net interest income on covered loans includes amounts that are non-core in nature. As such, the Company believes that presenting the net interest income on covered loans considering such non-core items provides additional clarity to the users of financial statements regarding the covered loan yield, comparability to prior periods and the ongoing performance of the Company.

| | Year to Date June 30, 2014 | | |
|--|-----------------------------------|------------|----------------------|
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Covered loans | \$ 1,984,549 | \$ 159,383 | 16.20% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (97,100) | |
| Covered loans considering the net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 62,283 | 6.33% |
| | Year to Date June 30, 2013 | | |
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Covered loans | \$ 2,742,595 | \$ 178,577 | 13.13% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (60,145) | |
| Covered loans considering the net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 118,432 | 8.71% |

⁽¹⁾ Annualized.

EAST WEST BANCORP, INC.
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 to provide additional disclosure. The net interest margin includes amounts that are non-core in nature. As such, the Company believes that presenting the net interest income and net interest margin considering such non-core items provides additional clarity to the users of financial statements regarding the core net interest income and net interest margin, comparability to prior periods and the ongoing performance of the Company.

| | Quarter Ended June 30, 2014 | | |
|--|------------------------------------|------------|----------------------|
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Total interest-earning assets | \$ 25,326,247 | \$ 294,442 | 4.66% |
| Net interest income and net interest margin | | 266,450 | 4.22% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (48,098) | |
| Adjusted net interest income and net interest margin, considering the net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 218,352 | 3.46% |

| | Quarter Ended March 31, 2014 | | |
|--|-------------------------------------|------------|----------------------|
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Total interest-earning assets | \$ 24,541,104 | \$ 286,173 | 4.73% |
| Net interest income and net interest margin | | 257,966 | 4.26% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (49,001) | |
| Adjusted net interest income and net interest margin, considering the net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 208,965 | 3.45% |

| | Quarter Ended June 30, 2013 | | |
|--|------------------------------------|------------|----------------------|
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Total interest-earning assets | \$ 21,289,420 | \$ 255,353 | 4.81% |
| Net interest income and net interest margin | | 227,644 | 4.29% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (35,474) | |
| Adjusted net interest income and net interest margin, considering the net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 192,170 | 3.62% |

⁽¹⁾ Annualized.

EAST WEST BANCORP, INC.
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 to provide additional disclosure. The net interest margin includes amounts that are non-core in nature. As such, the Company believes that presenting the net interest income and net interest margin considering such non-core items provides additional clarity to the users of financial statements regarding the core net interest income and net interest margin, comparability to prior periods and the ongoing performance of the Company.

| | Year to Date June 30, 2014 | | |
|---|-----------------------------------|------------|----------------------|
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Total interest-earning assets | \$ 24,935,843 | \$ 580,615 | 4.70% |
| Net interest income and net interest margin | | 524,416 | 4.24% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (97,100) | |
| Net interest income and net interest margin, considering the net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 427,316 | 3.46% |
| | Year to Date June 30, 2013 | | |
| | Average Volume | Interest | Yield ⁽¹⁾ |
| Total interest-earning assets | \$ 20,994,246 | \$ 493,776 | 4.74% |
| Net interest income and net interest margin | | 436,935 | 4.20% |
| Less net impact of covered loan activity and amortization of the FDIC indemnification asset | | (60,145) | |
| Net interest income and net interest margin, considering the net impact of covered loan activity and amortization of the FDIC indemnification asset | | \$ 376,790 | 3.62% |

⁽¹⁾ Annualized.