



# EAST WEST BANCORP

Nasdaq: EWBC

## Company Profile and Investment Overview

June 12, 2012

---

 EAST WEST BANK  
*Your Financial Bridge®*



# Notice

## Safe Harbor Statement

*This presentation may include forward-looking statements that involve inherent risks and uncertainties. East West Bancorp, Inc. cautions readers that a number of important factors could cause actual results to differ materially from those in any forward-looking statements. These factors include economic conditions and competition in the geographic and business areas in which East West Bancorp and its subsidiaries operate, inflation or deflation, fluctuation in interest rates, legislation and governmental regulations, investigation of acquired banks and other factors discussed in the company's filings with the SEC.*

# East West Bank

**The premier financial bridge  
between East and West**

Our Vision - To be recognized as the Premier Bridge between East and West, and acknowledged for delivering relationship driven financial solutions to an increasingly diverse and sophisticated customer base.

# East West Today

- **Top performing commercial bank with exclusive focus on U.S. and Greater China**
- **Record Earnings in 2011 and 2010**
  - ▶ Record net income of \$245 million in 2011 and \$165 million in 2010
  - ▶ Net income of \$68 million and ROE of 12.0% for first quarter 2012
- **Ranked among the largest 25 banks in the U.S. by market capitalization\***
  - ▶ 24<sup>th</sup> largest bank in the nation
  - ▶ Largest bank headquartered in Southern California
- **28<sup>th</sup> largest publicly traded bank in the U.S. based on total assets of \$21.7 billion\***
- **For the last two consecutive years, ranked in the top 10 of the 100 Best Banks in America by Forbes**
- **Over 120 full-service branch locations, covering all major U.S. Chinese-American communities and key regions in Greater China**
- **2,300 Employees**

\* Market capitalization as of May 21, 2012 and total assets as of March 31, 2012. Source: SNL Financial and includes all publicly traded banks.

# East West Bank Milestones

First S&L Serving Chinese-American Market in Southern California

Initiated Management Led Buyout Trading on NASDAQ

\$20 Bil in Total Assets & One of the 30 Largest Banks in the Nation

Well-positioned to Grow our Market Share and Profitability

1973

1980's-1990's

1995

1998-1999

2000-2007

2009

2010-2011

2012

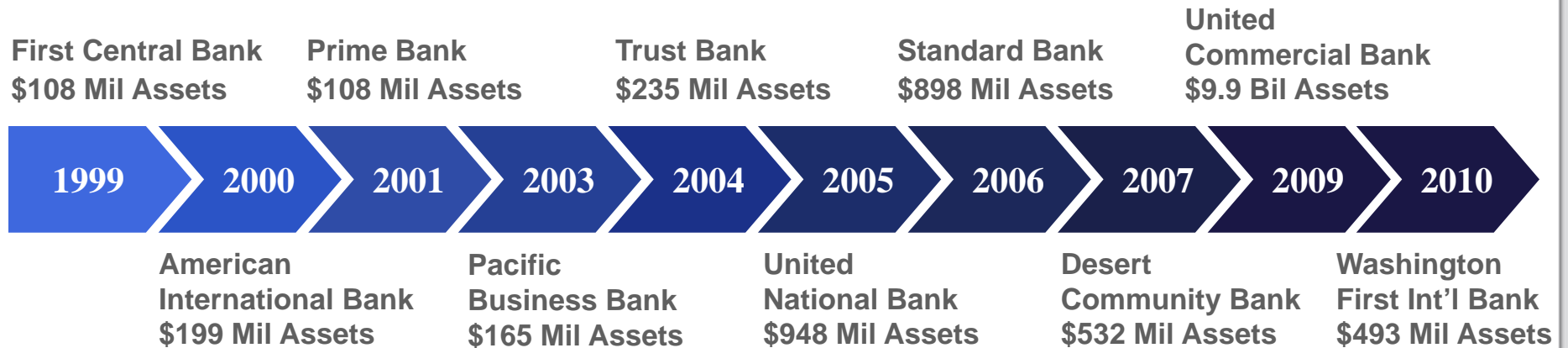
Expansion of Branch Network in California

Converted to a State Chartered Commercial Bank

Complemented Organic Growth with Acquisition Activities

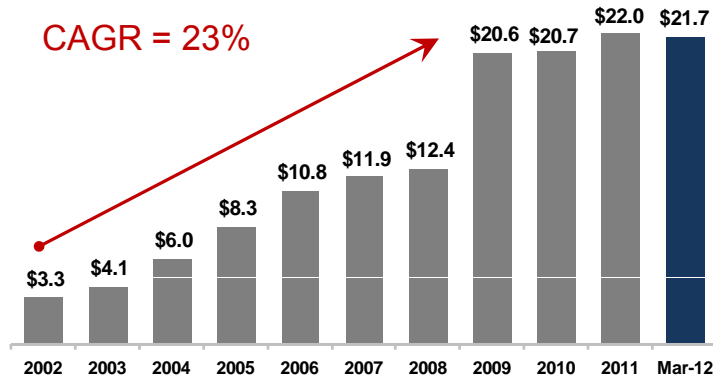
Strong Asset and Earnings Growth

# Successful Acquisition History

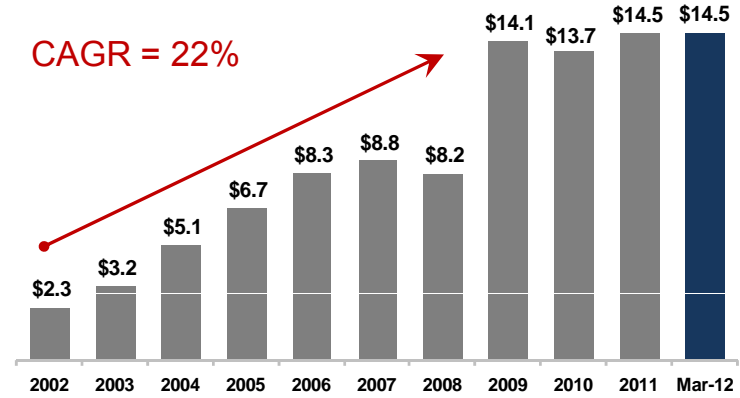


# Strong Growth and Performance

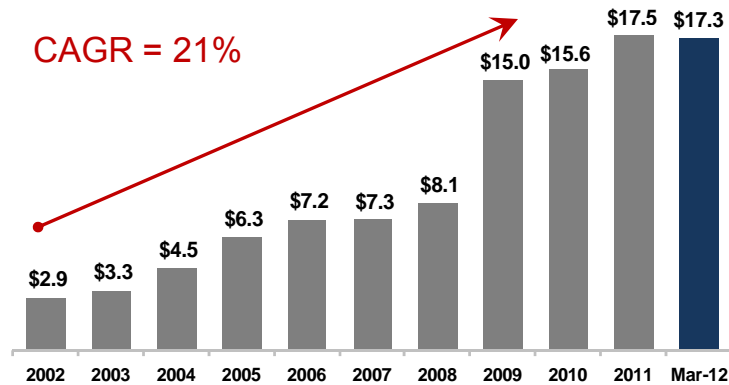
Total Assets (in billions)



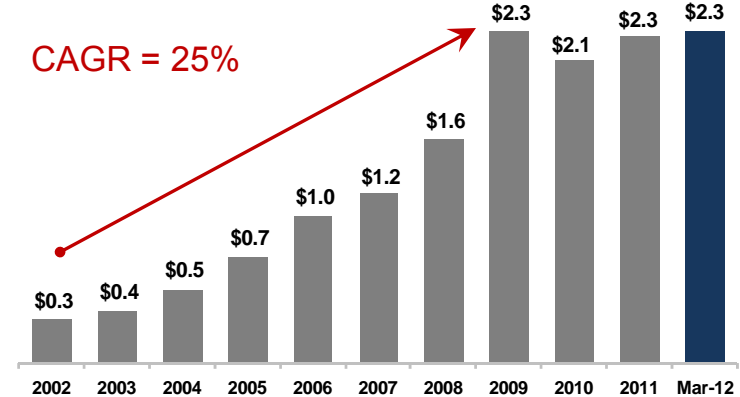
Total Loans (in billions)



Deposits (in billions)



Stockholders' Equity (in billions)



# Top 25 Banks by Market Capitalization

| <b>Rank</b> | <b>Company</b>                | <b>Market Cap<br/>at 3/31/12<br/>(in Billions)</b> | <b>Rank</b> | <b>Company</b>                | <b>Market Cap<br/>at 3/31/12<br/>(in Billions)</b> |
|-------------|-------------------------------|--|-------------|-------------------------------|--|
| 1           | Wells Fargo & Co.             | \$180.99   | 14          | M&T Bank Corp.                | \$10.99  |
| 2           | JPMorgan Chase & Co.          | 175.74   | 15          | Regions Financial Corp.       | 9.31   |
| 3           | Citigroup Inc.                | 107.17   | 16          | KeyCorp                       | 8.13   |
| 4           | Bank of America Corp.         | 103.12   | 17          | Comerica Inc.                 | 6.38   |
| 5           | U.S. Bancorp                  | 60.21  | 18          | Huntington Bancshares Inc.    | 5.57   |
| 6           | PNC Financial Services Group  | 34.05  | 19          | First Republic Bank           | 4.29   |
| 7           | Capital One Financial Corp.   | 32.34  | 20          | Zions Bancorp.                | 3.95   |
| 8           | Bank of New York Mellon Corp. | 28.78  | 21          | BOK Financial Corp.           | 3.83   |
| 9           | State Street Corp.            | 22.28  | 22          | Commerce Bancshares Inc.      | 3.59   |
| 10          | BB&T Corp.                    | 21.93  | 23          | Cullen/Frost Bankers Inc.     | 3.57   |
| 11          | SunTrust Banks Inc.           | 13.01  | 24          | First Niagara Finl Group      | 3.46   |
| 12          | Fifth Third Bancorp           | 12.92  | <b>25</b>   | <b>East West Bancorp Inc.</b> | <b>\$3.35</b>                                      |
| 13          | Northern Trust Corp.          | 11.44  |             |                               |  |

Source: SNL Financial and includes all publicly traded banks.

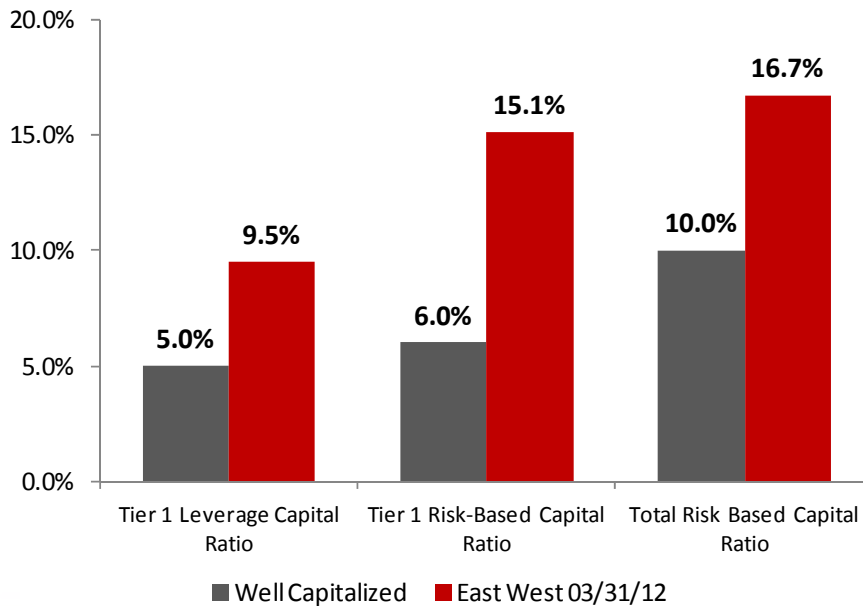




# Strong Capital Generation

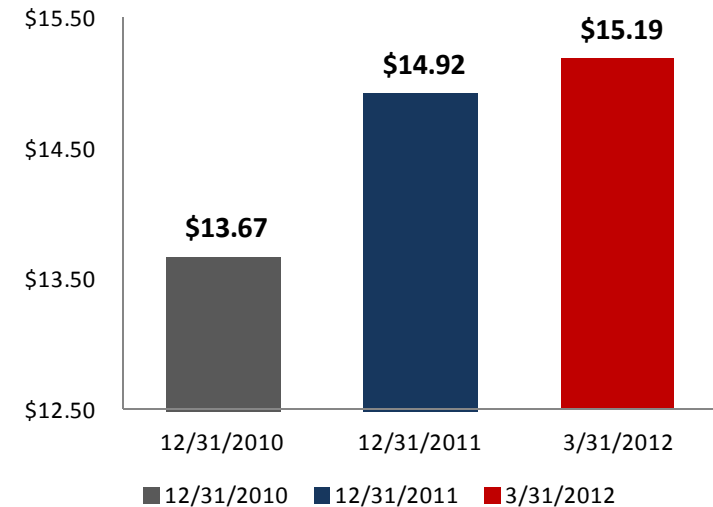
## East West Capital Levels Compared to Well Capitalized Guidelines

East West has excess capital above the well capitalized requirement by \$900 million or more



## Book Value Growth Dec 2010 to March 2012

East West has grown book value per common share by 11% since 2010



# Active Capital Management

- **Capital Management Goals:**

- ▶ Ensure excellent capital levels to support organic growth
- ▶ Provide a strong return to our shareholders

- **Recent Capital Actions Taken:**

- ▶ 2010 – Repaid \$306.5 million of TARP preferred stock
- ▶ 2011 – Called or bought back \$23.1 million of junior subordinated debt which carried high interest rates

- **2012 Actions Taken to Create Shareholder Value:**

- ▶ 2012 – 100% Increase in annual dividend from \$0.20 to \$0.40 per share
- ▶ 2012 – Announced stock buyback program up to \$200.0 million of common stock and repurchased 4.6 million shares at \$101 million in Q1 2012

# Our Distribution Channel

- Leading retail presence in Asian communities.
- Commercial banking centers strategically located.
- In-store branches through 99 Ranch Markets, largest Asian supermarket chain.
- Only Chinese-American focused bank with full service banking offices in U.S. and China.

## U.S. – 120 Branches:

### **California – 98 Branches:**

#### **Northern California – 32 Locations:**

30 Full Service Branches

2 In-Store 99 Ranch Market Branch

#### **Southern California – 66 Locations:**

57 Full Service Branches

9 In-Store 99 Ranch Market Branches

**New York – 8 Branches**

**Georgia – 5 Branches**

**Massachusetts – 3 Branches**

**Texas – 2 Branches**

**Washington – 4 Branches**

## Greater China – 7 Locations:

### **Full Service Branches - 3**

Hong Kong, Shanghai and  
Shantou

### **Representative Offices -**

Beijing, Guangzhou,  
Shenzhen and Taipei



# Making the U.S. – Greater China Connection

- **East West Bank is one of a very few U.S. banks with full service branches in China and exclusive focus on the U.S. and Greater China markets**
- **Bridge Banking – our strategy and point of difference**
  - ▶ Growing business and bilateral trade between the 2 largest economies in the world, the U.S. and China
  - ▶ GDP growth in China has increased more than 10x since 1978\*
  - ▶ The U.S. is China's largest export market and its 4<sup>th</sup> largest supplier of imports\*
- **Growing Chinese overseas investments in American companies**
- **American companies also have increased investment and growth opportunities in Greater China**
- **East West Bank continues to be the Bank of Choice for new immigrant Chinese-Americans**

\* Source: the CIA World Factbook (2012) and PRC General Administration of Customs, China's Customs Statistics



# Making the U.S. – Greater China Connection

- **East West Bank has the specialized skills, expertise and infrastructure that enable customers to satisfy business and financial needs in the U.S. and Greater China to:**
  - ▶ Bridge Chinese investors with American business owners
  - ▶ Provide credit facilities for Chinese companies with growing presence in the U.S.
  - ▶ Bridge U.S. based customers with partners, manufacturers and customers in China
  - ▶ Provide customers with local currency deposit accounts in both the U.S. and China
- **East West Bank is expanding dedicated teams focused on growth areas for Bridge Banking Business, including the markets of:**
  - ▶ Tech and Clean Tech
  - ▶ Entertainment and Media
  - ▶ Agriculture
  - ▶ Automotive and Aviation



# First Quarter 2012 Highlights

- **Strong Earnings**
  - ▶ Net income was \$68 million or \$0.45 per share
  - ▶ EPS increased 22% from first quarter 2011
- **Growing ROA and ROE**
  - ▶ ROA increased to 1.26% from 1.07% in first quarter 2011
  - ▶ ROE increased to 12.01% from 10.50% in first quarter 2011
- **Strong Adjusted Net Interest Margin of 4.21%\***
- **Cost of Deposits Down 19 bps from Q1 2011 to 0.47%**
- **Strong Expense Control with Efficiency Ratio of 44%**

\* The net interest margin excludes the net impact of covered loan dispositions and amortization of the FDIC indemnification asset.



# First Quarter 2012 Highlights

- **Strong Loan Growth**
  - ▶ Commercial & trade finance loans grew to \$3.2 billion
  - ▶ Single family loans grew to \$2.0 billion
- **Core Deposit Growth**
  - ▶ Core deposits grew to \$10.6 billion
  - ▶ Demand deposits grew 6% to a record \$3.7 billion
- **Strengthening Asset Quality**
  - ▶ Net charge-offs down 53% from fourth quarter 2011 to \$10.3 million for the first quarter of 2012
  - ▶ Nonperforming assets down to 0.77% of total assets



# Key Focus for 2012 and Beyond

- Growing C&I loans as a percentage of total loans
- Building fee-based business lines, i.e. F/X and cash management
- Maintaining strong and stable net interest margin
- Growing core deposits and improving deposit mix
- Maintaining low NPA/total assets and total delinquency ratios
- Increasing profitability and expanding market footprint
- Remaining disciplined on expense management
- Actively manage capital to deliver long term shareholder value



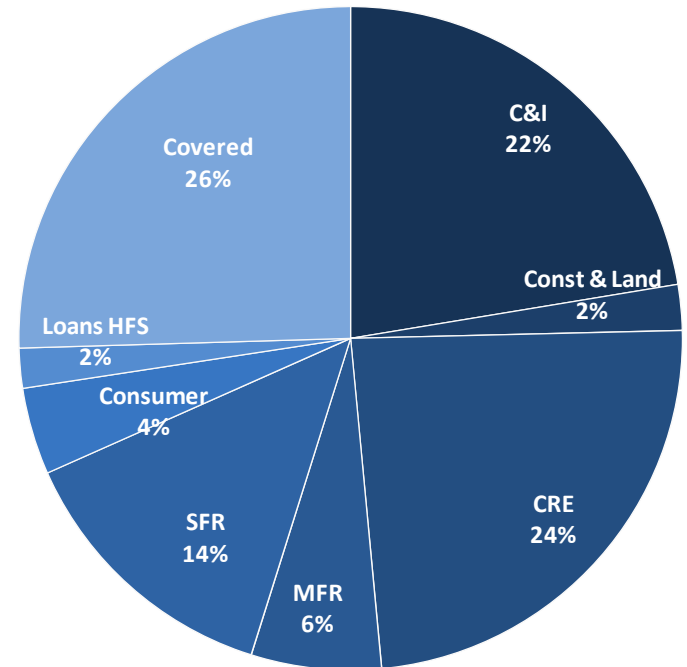


# Strong Loan Growth

Strong noncovered C&I loan growth of \$1.26 billion or 64% from 2010

| (in billions)<br>Loan Category | 3/31/12      | 12/31/11     | 12/31/10     | Change from<br>12/31/10 - 3/31/12 |           |
|--------------------------------|--------------|--------------|--------------|-----------------------------------|-----------|
|                                |              |              |              | \$                                | %         |
| SFR                            | 1.95         | 1.80         | 1.12         | 0.83                              | 74%       |
| C&I & Trade Finance            | 3.24         | 3.14         | 1.98         | 1.26                              | 64%       |
| CRE                            | 3.45         | 3.49         | 3.39         | 0.06                              | 2%        |
| MFR                            | 0.92         | 0.93         | 0.98         | -0.06                             | -6%       |
| Consumer                       | 0.61         | 0.58         | 0.73         | -0.12                             | -16%      |
| Const & Land                   | 0.32         | 0.35         | 0.51         | -0.19                             | -37%      |
| Covered                        | 3.68         | 3.92         | 4.80         | -1.12                             | -23%      |
| Loans Held for Sale            | 0.28         | 0.28         | 0.22         | 0.06                              | 28%       |
| <b>Total Loans</b>             | <b>14.46</b> | <b>14.49</b> | <b>13.73</b> | <b>0.73</b>                       | <b>5%</b> |

3/31/12 Loan Portfolio Mix



# Strong Credit Quality

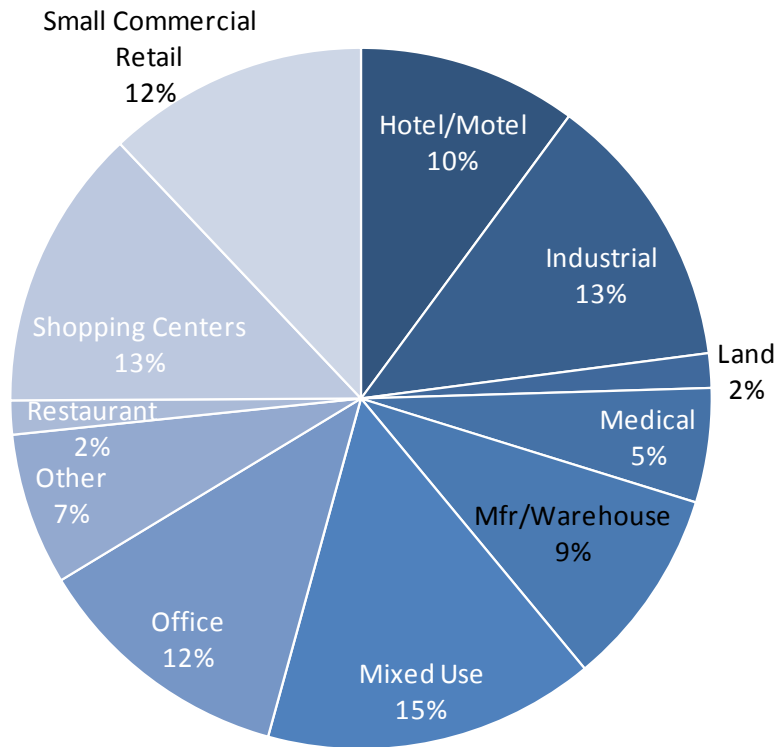
(Dollars in millions)

|  | 3/31/12 | 12/31/11 |
|--|---------|----------|
| <b>NPAS</b>                            |         |          |
| Total NPAs                             | \$167.1 | \$175.0  |
| NPA to Total Assets                    | 0.77%   | 0.80%    |
| Nonaccrual loans to total loans        | 0.83%   | 1.00%    |
| <b>Allowance for Loan Losses</b>       |         |          |
| ALLL to non-covered nonaccrual loans   | 177.36% | 144.11%  |
| ALLL to total gross non-covered loans* | 2.04%   | 2.04%    |
| <b>Credit Costs</b>                    |         |          |
| Quarterly Annualized Charge-off %*     | 0.39%   | 0.85%    |
| Quarterly Provision for Loan Losses    | \$18.10 | \$20.00  |

- Asset Quality Continues to Remain High
- NPAs have remained under 1% of total assets for 10 consecutive quarters
- Net Chargeoffs Continues to Decline while ALLL level remains strong



# Diversified Commercial Real Estate Portfolio



## Non-covered CRE Loans as of 3/31/12

|                        |               |
|------------------------|---------------|
| Loan Balance           | \$3.5 Billion |
| Average Loan Size      | \$1.3 Million |
| Average LTV            | 53%*          |
| Average Seasoning      | 5 Years       |
| Q1 2012 CRE Chargeoffs | 0.50%**       |

(Dollars in millions)

| CLTV Distribution at March 31, 2012 | # of Loans   | Loan Balance    | % Of Total  | Cumulative % Of Total |
|-------------------------------------|--------------|-----------------|-------------|-----------------------|
| Less than 50%                       | 1,285        | \$ 1,358        | 39%         | 39%                   |
| 50% to 55%                          | 340          | 406             | 12%         | 51%                   |
| 55% to 60%                          | 374          | 539             | 16%         | 67%                   |
| 60% to 65%                          | 302          | 502             | 15%         | 81%                   |
| 65% to 70%                          | 144          | 307             | 9%          | 90%                   |
| <b>70% to 75%</b>                   | <b>67</b>    | <b>101</b>      | <b>3%</b>   | <b>93%</b>            |
| 75% and Above                       | 84           | 240             | 7%          | 100%                  |
| <b>Total Loans</b>                  | <b>2,596</b> | <b>\$ 3,452</b> | <b>100%</b> |                       |

\* Based on original appraisal.

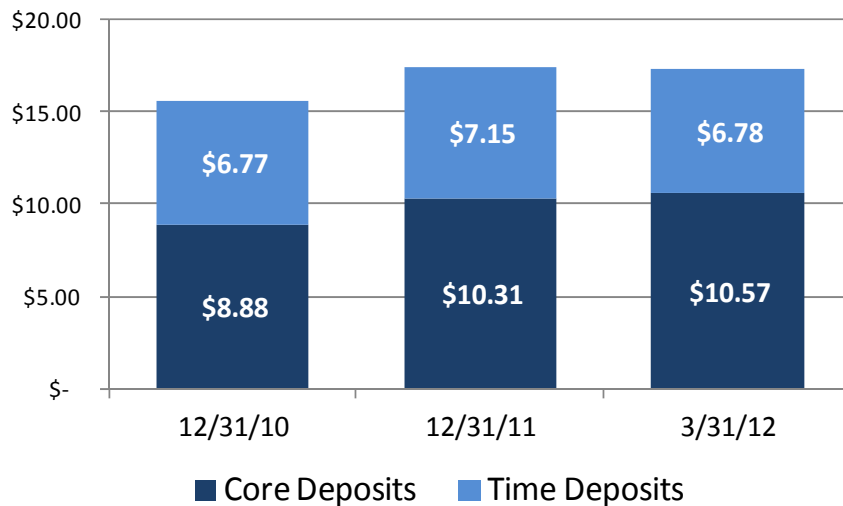
\*\* Annualized.



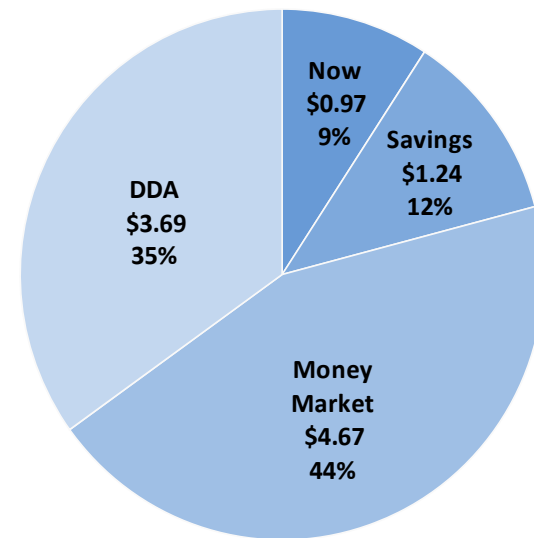
# Strong Deposit Growth

- Total deposits of \$17.3 billion as of March 31, 2012, an increase of \$1.7 billion from 2010
- In the first quarter of 2012:
  - ▶ Core deposits grew to a record \$10.6 billion
  - ▶ Demand deposits increased \$197.3 million or 6% to a record \$3.7 billion

(Dollars in billions)



Core Deposits - March 31, 2012



# Summary

- Strengthened position as the leading Asian-American bank
- Financially bridge Asian and mainstream customers
- Strong financial performance and balance sheet
- Focusing on growing core earnings and fee income
- Large California, domestic, and China growth opportunity
- Only Asian-American focused bank with full service banking offices in U.S. and China



# Thank You