EAST WEST BANK

East West Bancorp, Inc.

Annual Dodd-Frank Act Stress Test Results Disclosure
Supervisory Severely Adverse Scenario

6/26/2015

Important Considerations

The 2015 Dodd-Frank Act Stress Test ("DFAST") results present certain projected financial measures for East West Bancorp, Inc. (the "Company" or "East West") and East West Bank (the "Bank") under hypothetical economic and financial conditions, market scenarios and other assumptions described herein. Investors should not rely on these results as forecasts of actual financial results for East West Bancorp, Inc. or East West Bank. Our future financial results and conditions will be influenced by actual economic and financial conditions and other factors described in our Annual Report on 10-K for the year ended December 31, 2014, and in subsequent quarterly reports filed with the Securities and Exchange Commission ("SEC") and available at http://www.sec.gov.

The regulations establishing DFAST require us to disclose certain projected financial measures that have not been prepared under U.S. generally accepted accounting principles ("GAAP"). The Company's actual financial information, prepared under GAAP, is available in reports filed with the SEC.

East West Disclosure

Company-Run Stress Test Results and Process

- Per the Dodd-Frank Act, East West is required to consider the results of its Company-run stress test as part of its capital planning process and publicly disclose the results.

- The Company-run stress test spans a nine quarter forecast horizon, starting in 4Q14 and ending in 4Q16.

- Under the Dodd-Frank Act, the only capital actions included in the Company-run stress test are quarterly common dividend payments equal to East West's trailing four quarter average as of September 30, 2014.

- Capital actions referred to in this disclosure are not consistent with the Company's planned capital actions.

- Disclosure requirements include:
  1. Summarized quantitative results of the Company-run stress test under the Supervisory Severely Adverse scenario for the bank holding company and bank
  2. Most significant causes for changes in the regulatory ratios
  3. Types of risks included in Company-run stress test
  4. Description of stress test methodologies

- This analysis used a hypothetical stressed scenario provided by the Board of the Governors of the Federal Reserve System ("FRB"). For additional information on the Supervisory Severely Adverse scenario, please see the 2015 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule, published by the FRB on October 23, 2014.

- The FRB published in the Federal Register on October 11, 2013, a document adopting a final rule for the implementation of Basel III that revises the FRB's risk-based and leverage capital requirements for banking organizations from Basel I. There is a five year phase in for Basel III requirements which commenced January 1, 2015. Thus, the stress test capital ratios will be calculated under the new Basel III requirements for all quarters except for the first quarter of the scenario (Q4 2014).

Risks & Methodology Included in Company-Run Stress Test

The Company identifies, measures, monitors and manages inherent risks faced by the institution. The Company's risk management process supports a risk-based approach to identify the key risks at East West which include: a) credit risk; b) market and interest rate risk; and, c) operational risk. Below is further detail of how East West defines and estimates these risks. Additionally, the Company assesses capital adequacy by reviewing each economic variable within the supervisory scenarios under the DFAST and estimating potential impacts on profitability and level of capital under the economic setting in the supervisory scenarios based on the Company's risk profile, historical performance and management's experience.

Credit Risk

East West originates loans, including residential real estate, commercial real estate, commercial and industrial, consumer, and other extensions of credit, all of which expose East West to credit risk. Credit risk can arise from obligor nonperformance and default risk, underwriting risk, industry risk, counterparty risk, environmental risk, concentration risk, or documentation risk. Credit risk in the loan portfolio is considered a significant risk to the Company. The failure of East West's borrowers and counterparties to meet their obligations, which becomes more likely in a stressed economy, increases the likelihood of credit losses. East West manages this risk through continuous monitoring with the objective of sustaining a high-quality credit portfolio that provides for stable credit costs and manageable volatility through an economic cycle.

Market & Interest Rate Risk

Market risk for the Company is defined as the risk to the Company's financial condition resulting from adverse changes in the value of its holdings arising from movements in interest rates, foreign exchange rates, equity prices, or commodity prices. Although the Company holds foreign currencies and offers foreign exchange products to customers, the potential risk to capital from changes in foreign exchange rates is not significant. The Company does not generally hold the outright positions as these positions are hedged. As the Company is not significantly involved in trading activities and the majority of the balance sheet is held at cost, the potential market risk impact on capital adequacy is mainly limited to the effect of changes in interest rates on investments securities values. However, it should be noted that this is largely mitigated by the election to opt out of the inclusion of Accumulated Other Comprehensive Income ("AOCI") in regulatory capital calculations.

Interest rate risk for East West is the potential impact of adverse fluctuations in interest rates on net interest income and fair market value. The Company's magnitude of potential impact is largely dependent upon its ability to actively manage the risk. East West considers interest rate risk to be among the more significant risks that could have a material effect on the Company's financial condition and results of operations given that interest rates are a significant determinant of the Company's revenues and funding sources.

Operational Risk

Operational risk for East West is the risk of potential losses due to inadequate information systems, breaches in customer and Company data, operational and financial reporting weaknesses, breaches in internal controls, fraud, unforeseen catastrophes, or noncompliance with state and federal banking laws. These losses may be caused by events such as fraudulent activity, breaches of customer privacy, business disruptions, vendors that do not perform their responsibilities, cyber security attacks, litigation and regulatory fines and penalties. Operational risk also considers unforeseen catastrophes such as natural disasters (i.e. earthquake) that are not driven directly by the economy, but are included as they could potentially occur. The estimate of operational risk is included as a reduction to the forecast of pre-provision net revenue. The Company manages operational risk by developing written policies and procedures covering all major aspects of operations and compliance, implementing third-party reviews and audits of all major areas of the Bank, providing adequate training for all Bank personnel, obtaining appropriate insurance to cover certain types of operational losses, and developing and implementing an overall operational contingency plan.

Capital Stress Testing Methodology
East West's capital plan and stress test originates from the Company's budget dated September 30, 2014, which includes a financial forecast for the remainder of 2014 and for the next two years. This is prior to any consideration and incorporation of the FRB's supervisory scenarios. East West's primary consideration for loss forecasting in adverse scenarios is to project credible losses that are appropriately sensitive to macroeconomic shocks. Loss forecasting relies on a set of economic assumptions that, in the Severely Adverse scenario, are meant to produce significant loss estimates with a corresponding stress on capital levels. The Company's overall approach to credit risk is a disaggregation of the portfolio based on real estate collateral type and for non-real estate commercial loans based on aggregated loan risk profile, guarantee, and other supporting collateral. The disaggregated loan portfolios are analyzed to estimate the expected losses in each scenario. The overall approach to market risk is assessing the change in value of the investment portfolio, derivatives and foreign exchange holdings due to the change in economic scenarios. As the Company is not highly involved in trading activities and the majority of the balance sheet is held at cost, the most significant market risk that could affect capital adequacy is limited to the effect of declines in the market value of investment securities, and to a lesser degree the derivative and foreign exchange holdings. As mentioned above, the Company has elected to opt out of inclusion of AOCI in regulatory calculations, thereby largely minimizing the effect of market volatility on the Company's regulatory capital calculations. The overall approach to estimating interest rate risk utilizes the Company's Asset-Liability Management ("ALM") model. The ALM model enables balance sheet and income statement forecasts under each stressed scenario based on the projected growth rate of the assets and liabilities, as well as, projected interest rates. These interest rates are derived from the supervisory scenario yield curves corresponding to the underlying index attributed to specific assets and liabilities. Operational risk can result in significant costs to banking organizations through fraudulent activity, breaches of customer privacy, business disruptions, vendors that do not perform their responsibilities, cyber security attacks, litigation and regulatory fines and penalties. Thus, management used internal and external reports and risk analyses to determine the levels of losses in the scenarios due to operational risks.

The previously described methodologies translate identified risks into potential revenue and loss projections over the nine quarter planning horizon. These projections are then aggregated into a net income or loss estimate over the planning horizon. These estimates then drive the regulatory capital estimations, forecasted risk weighted assets and overall forecast of capital ratios. The resulting regulatory capital ratios are then analyzed against management's targeted levels which become a key driver of the Company and Bank's capital adequacy assessment.

Description of the Severely Adverse Scenario

The Supervisory Severely Adverse scenario is characterized by a substantial weakening in global economic activity, accompanied by large reductions in asset prices. In the scenario, the U.S. corporate sector experiences increases in financial distress that are even larger than would be expected in a severe recession, together with a widening in corporate bond spreads and a decline in equity prices. In the United States, the Severely Adverse scenario features a severe recession in which the unemployment rate peaks at historical high. Property valuation shows substantial depreciation. Corporate spreads and market volatility spike before the economy is stabilized.

East West Bancorp, Inc. Supervisory Severely Adverse Scenario Results – Net Income

Projected Net Revenue, Losses and Net Income ($ in Thousands)	Cumulative Hypothetical Results Over 9 Quarters		Percent of Average Assets (a)
Pre-provision net revenue (b)	$	601,015	2.16%
Other revenue/ (expense)		0	0.00%
Less			
Provisions		1,144,707	4.11%
Realized gains/(losses) on securities - AFS		(988)	0.00%
Trading and counterparty losses		0	0.00%
Other losses/gains		0	0.00%
Equals			
Net income/ (loss) before taxes	$	(544,680)	-1.95%
Taxes (Benefit)		(202,495)	-0.73%
Net income/ (loss)	$	(342,185)	-1.22%

(a) Average assets are nine-quarter average assets.
(b) Pre-provision net revenue ("PPNR") is defined as net interest income plus non-interest income minus non-interest expense. The Bank includes losses from operational risk events and other real estate owned ("OREO") costs in PPNR.

East West Bancorp, Inc. Supervisory Severely Adverse Scenario Results – Loan Losses

Projected Loan Losses by Type of Loans ($ in Thousands)	Cumulative Hypothetical Results Over 9 Quarters		Portfolio Loss Rates (a)
Total Loan losses	**$**	**999,905**	**4.89%**
First lien mortgages		79,137	2.23%
Junior liens		477	17.65%
Home equity lines of credit (b)		33,331	2.92%
Commercial and industrial (c)		420,796	6.49%
Other construction		67,342	17.88%
Multi-family		38,939	2.72%
1-4 family construction		15,430	13.61%
Commercial real estate, domestic		325,684	5.43%
Other consumer (d)		913	11.65%
Other loans (e)		17,856	1.75%

(a) Average loan balances used to calculate portfolio loss rates are calculated over nine quarters.
(b) The home equity lines of credit portfolio is largely comprised of first lien positions.
(c) Commercial and industrial loans include trade finance loans.
(d) Other consumer loans include automobile loans.
(e) Other loans include loans to depositories and other financial institutions, agricultural loans, and insurance premium financing loans.

East West Bancorp, Inc. Supervisory Severely Adverse Scenario Results – Capital Ratios and Risk-Weighted Assets

Projected Stress Capital Ratios (a)	Actual Q3 2014	Stressed Capital Ratios (b) Q4 2016 (c)
Common equity tier 1 capital ratio (%) (d)	N.A.	7.35%
Tier 1 risk-based capital ratio (%) (e)	10.87%	7.35%
Total risk-based capital ratio (%) (e)	12.45%	9.28%
Tier 1 leverage ratio (%) (e)	8.47%	6.03%

Actual Q3 2014 and Projected Q4 2016 Risk-Weighted Assets ($ in thousands)	Actual	Projected Q4 2016	
	Q3 2014 General Approach (Basel I)	General Approach (Basel I)	Regulatory Capital Rules Standardized Approach (Basel III)
Risk-weighted Assets	$ 21,501,374	$ 21,327,358	$ 22,097,636

(a) Projected DFAST stressed capital ratios include common dividend payments equal to East West’s trailing four quarter average as of September 30, 2014.

(b) The capital ratios are calculated using capital action assumptions provided within the DFAST rule. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses, revenues, net income before taxes, or capital ratios.

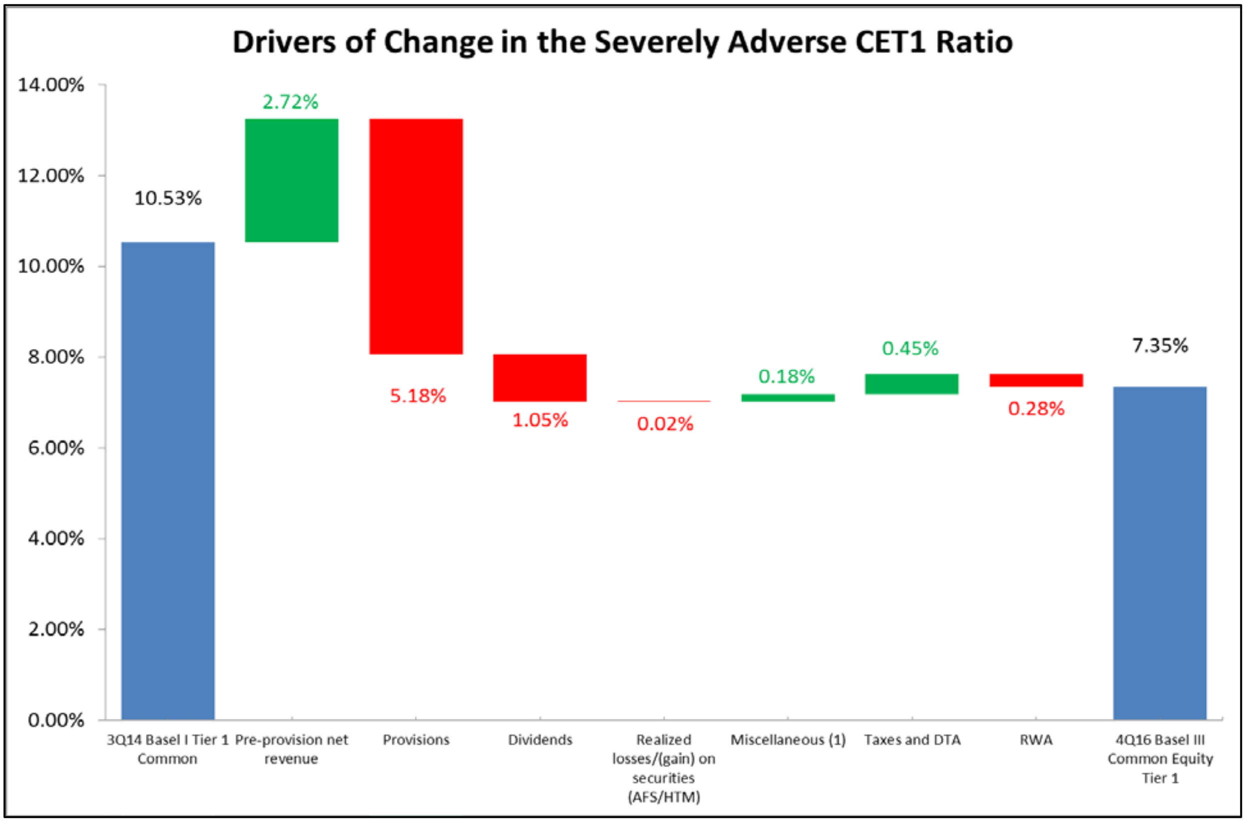
(c) Represents the lowest value over the forecast horizon.

(d) The requirement for East West to calculate and report the Common Equity Tier 1 Capital Ratio began January 1, 2015.

(e) Q3 2014 and Q4 2014 capital ratios are calculated using the general risk-based capital rules under current regulatory rules. From Q1 2015 to Q4 2016, the capital ratios are calculated under the Regulatory Capital Rules' risk-based "standardized approach" utilizing transition provisions where applicable.

Most Significant Causes for Changes in East West Bancorp, Inc. Capital Ratios

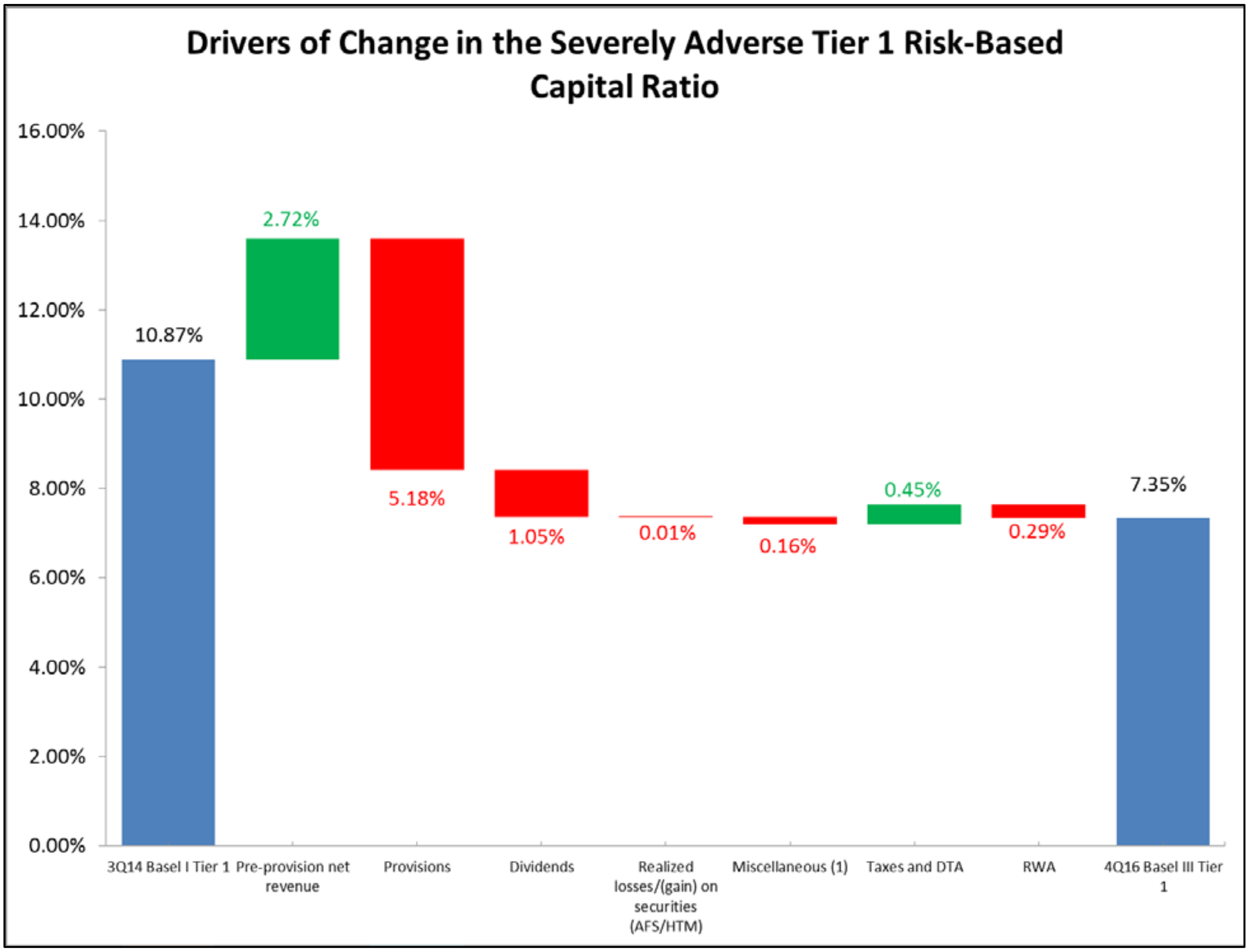
I. Common Equity Tier 1 Capital Ratio



(1) Miscellaneous includes impact of Basel III, stock compensation and all other gains and losses.

The provision for loan losses has the greatest negative impact of 5.18%, to the Common Equity Tier 1 Capital Ratio over the 9 quarters for the Supervisory Severely Adverse scenario. The high level of provision is due to the rapid deterioration in credit and the resulting escalated levels of loan charge-offs. Additionally, the $0.18 a quarter or $0.72 a year per share of dividends has a negative impact on the ratio over the 9 quarters of 1.05%. The greatest positive impact of 2.72% to the ratio over the 9 quarters is a result of the PPNR. Overall, the Common Equity Tier 1 Capital Ratio is 10.53% as of September 30, 2014, and decreases in the Severely Adverse scenario to 7.35% at the end of the planning horizon.

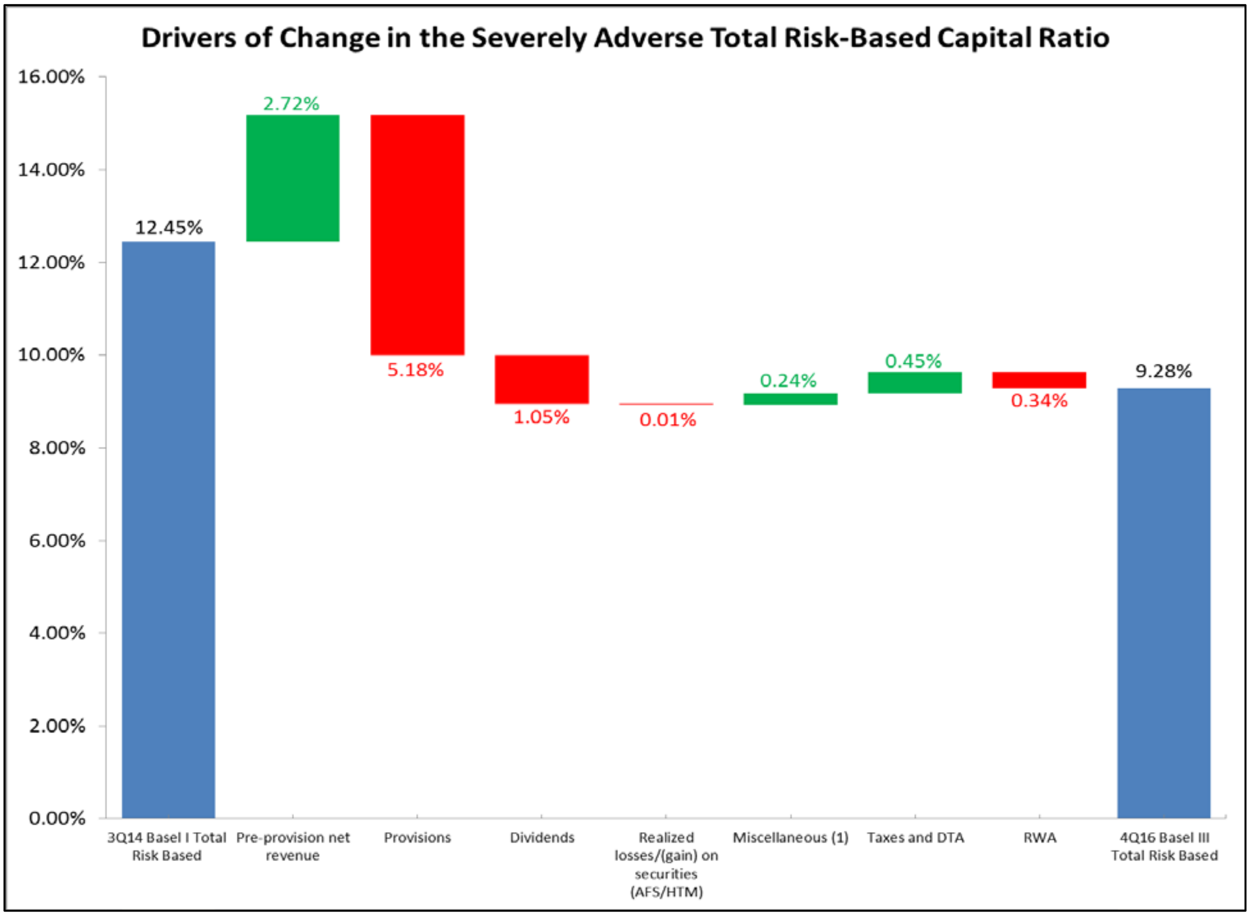
II. Tier 1 Risk-Based Capital Ratio



(1) Miscellaneous includes impact of Basel III, stock compensation and all other gains and losses.

Overall, the Tier 1 Risk-Based Capital Ratio is 10.87% as of September 30, 2014 and decreases in the Severely Adverse scenario to 7.35% at the end of the planning horizon. The main difference in this ratio as of September 30, 2014 as compared to the Common Equity Tier 1 Capital Ratio is the Basel III phase-out of the trust preferred securities from Tier 1 capital to Tier 2 capital which is included in the decrease of the miscellaneous category above. The trust preferred securities are not included in Common Equity Tier 1 Capital and under Basel III are fully phased out of Tier 1 capital on January 1, 2016.

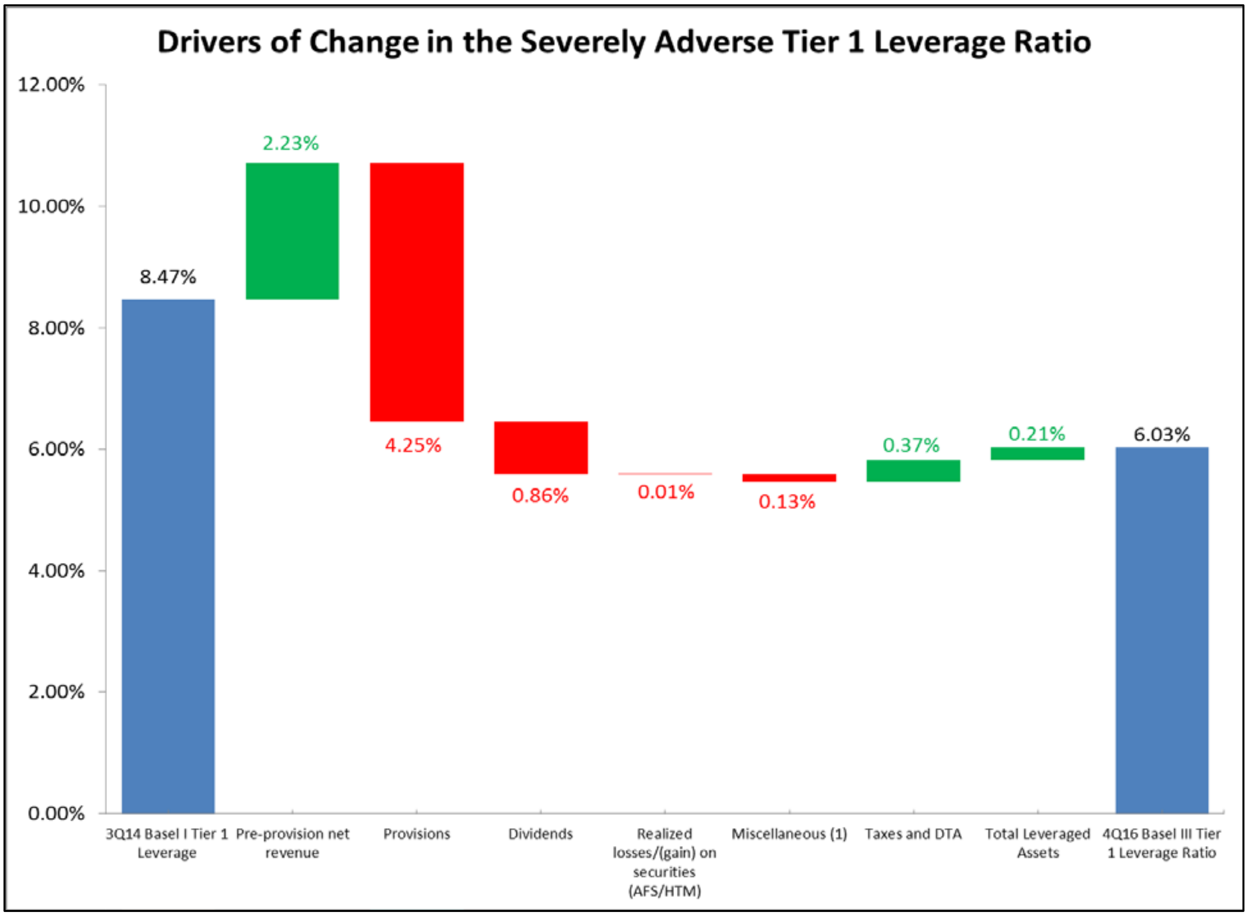
III. Total Risk-Based Capital Ratio



(1) Miscellaneous includes impact of Basel III, stock compensation and all other gains and losses.

The provision for loan losses has the greatest negative impact of 5.18%, to the Total Risk-Based Capital Ratio over the 9 quarters for the Supervisory Severely Adverse scenario. The high level of provision is due to the rapid deterioration in credit and the resulting escalated levels of loan charge-offs. Additionally, the $0.18 a quarter or $0.72 a year per share of dividends has a negative impact on the ratio over the 9 quarters of 1.05%. The greatest positive impact of 2.72% to the ratio over the 9 quarters is a result of the PPNR. Overall, the Total Risk-Based Capital Ratio is 12.45% as of September 30, 2014, and decreases in the Severely Adverse scenario to 9.28% at the end of the planning horizon.

IV. Tier 1 Leverage Ratio



(1) Miscellaneous includes impact of Basel III, stock compensation and all other gains and losses.

The provision for loan losses has the greatest negative impact of 4.25%, to the Tier 1 Leverage Ratio over the 9 quarters for the Supervisory Severely Adverse scenario. The high level of provision is due to the rapid deterioration in credit and the resulting escalated levels of loan charge-offs. Additionally, the $0.18 a quarter or $0.72 a year per share of dividends has a negative impact on the ratio over the 9 quarters of 0.86%. The greatest positive impact of 2.23% to the ratio over the 9 quarters is a result of the PPNR. Additionally, the changes in the deferred tax asset and total leveraged assets positively impact the Tier 1 Leverage Ratio. Overall, the Tier 1 Leverage Ratio is 8.47% as of September 30, 2014, and decreases in the Severely Adverse scenario to 6.03% at the end of the planning horizon.

Capital Distributions: Dividends

As the applicable regulatory guidance requires DFAST institutions to project capital distributions over the entire 9 quarter planning horizon, the projected capital ratios in the Severely Adverse scenario reflect a quarterly dividend distribution of $0.18 per share during such time. However, in the case of a hypothetical stressed scenario such as the Severely Adverse scenario, East West would likely take capital actions similar to historical actions taken during the last recession, including reducing dividends and raising capital. As presented in the charts above, a significant impact to the capital ratios for East West is the dividend payment which reduces the Common Equity Tier 1 Capital Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio by 1.05% and the Tier 1 Leverage Ratio by 0.86%.

East West Bank Supervisory Severely Adverse Scenario Results – Net Income

Projected Net Revenue, Losses and Net Income ($ in Thousands)	Cumulative Hypothetical Results Over 9 Quarters		Percent of Average Assets (a)
Pre-provision net revenue (b)	$	600,045	2.16%
Other revenue/ (expense)		0	0.00%
Less			
Provisions		1,144,707	4.12%
Realized gains/(losses) on securities - AFS		1,236	0.00%
Trading and counterparty losses		0	0.00%
Other losses/gains		0	0.00%
Equals			
Net income/ (loss) before taxes	$	(543,427)	-1.96%
Taxes (Benefit)		(202,361)	-0.73%
Net income/ (loss)	$	(341,066)	-1.23%

(a) Average assets are nine-quarter average assets.
(b) The Bank includes losses from operational risk events and OREO costs in PPNR.

East West Bank Supervisory Severely Adverse Scenario Results – Loan Losses

Projected Loan Losses by Type of Loans ($ in Thousands)	Cumulative Hypothetical Results Over 9 Quarters		Portfolio Loss Rates (a)
Total Loan losses	**$**	**999,905**	**4.89%**
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East West Bank Supervisory Severely Adverse Scenario Results – Capital Ratios and Risk-Weighted Assets

Projected Stress Capital Ratios	Actual	Stressed Capital Ratios (a)
	Q3 2014	Q4 2016 (b)
Common equity tier 1 capital ratio (%) (c)	N.A	7.57%
Tier 1 risk-based capital ratio (%) (d)	10.39%	7.57%
Total risk-based capital ratio (%) (d)	11.63%	8.83%
Tier 1 leverage ratio (%) (d)	8.08%	6.22%

Actual Q3 2014 and Projected Q4 2016 Risk-Weighted Assets ($ in thousands)	Actual	Projected Q4 2016	
	Q3 2014 General Approach (Basel I)	General Approach (Basel I)	Regulatory Capital Rules Standardized Approach (Basel III)
Risk-weighted Assets	$ 21,377,365	$ 21,300,978	$ 22,067,226

(a) The capital ratios are calculated using capital action assumptions provided within the DFAST rule. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts of expected losses, revenues, net income before taxes, or capital ratios.
(b) Represents the lowest value over the forecast horizon.
(c) The requirement for East West to calculate and report the Common Equity Tier 1 Capital Ratio began January 1, 2015.
(d) Q3 2014 and Q4 2014 capital ratios are calculated using the general risk-based capital rules under current regulatory rules. From Q1 2015 to Q4 2016, the capital ratios are calculated under the Regulatory Capital Rules' risk-based "standardized approach" utilizing transition provisions where applicable.

Forward-Looking Statements

This disclosure includes forward-looking statements within the meaning of the "Safe-Harbor" provisions of the Private Securities Litigation Reform Act of 1995, which are necessarily subject to risk and uncertainty. Actual results could differ materially due to actual economic factors and various risks, including those set forth from time to time in our filings with the SEC. This disclosure contains forward looking statements relating to our Dodd-Frank Act Stress Test Results, including projections of our financial condition and results, under the hypothetical Severely Adverse scenario prescribed to us by our regulators. The projections contained within are not intended to reflect our expectations about future economic conditions or our forecasted results. The Company's future financial results and condition will be influenced by actual economic and financial conditions and various other factors as described in its reports filed with the Securities and Exchange Commission and available at www.sec.gov. You should not place undue reliance on forward-looking statements and we undertake no obligation, except as required by law, to update any such statements.