

NEWS RELEASE**FOR INVESTOR INQUIRIES, CONTACT:**

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**EAST WEST BANCORP REPORTS RECORD NET INCOME FOR FULL YEAR 2016
OF \$431.7 MILLION AND DILUTED EARNINGS PER SHARE OF \$2.97,
BOTH UP 12% FROM PRIOR YEAR**

Pasadena, California – January 25, 2017 – 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 its financial results for the fourth quarter and full year 2016. For the fourth quarter of 2016, net income was \$110.7 million or \$0.76 per diluted share. For the full year 2016, net income was \$431.7 million or \$2.97 per diluted share.

“East West is pleased to report record earnings of \$431.7 million or \$2.97 per diluted share for the full year 2016, an increase in diluted earnings per share of 12% from 2015. We delivered attractive returns of 1.30% on average assets and 13.1% on average equity,” stated Dominic Ng, Chairman and Chief Executive Officer of East West. “2016 marks the seventh consecutive year that East West has achieved record earnings. Our strength in providing cross-border expertise to clients across a number of industry specializations continues to drive growth and reinforces our niche as the financial bridge between the East and the West. Further, we continue to benefit from a strong footprint in some of the most dynamic metropolitan markets in the United States.”

“For the full year 2016, East West continued a track record of impressive growth in loans and deposits. Total loans grew \$1.8 billion or 8% to a record \$25.5 billion from \$23.7 billion as of December 31, 2015. Total deposits grew \$2.4 billion or 9% to a record \$29.9 billion as of December 31, 2016 from \$27.5 billion a year ago. Growth in 2016 was achieved through balanced, diversified loan originations across our business lines, supported by robust growth in core deposits, which increased by 16% year-over-year,” continued Ng.

“We believe that East West’s balance sheet is well positioned to benefit from a higher interest rate environment because of our asset and funding mix, driving net interest margin expansion and net interest income growth. We are optimistic about the new year and our ability to grow profitably and prudently,” concluded Ng.

HIGHLIGHTS OF RESULTS

- **Solid Earnings** – Net income of \$110.7 million for the fourth quarter of 2016 modestly increased by \$0.6 million compared to \$110.1 million for the third quarter of 2016; diluted earnings per share (“EPS”) of \$0.76 were unchanged linked quarter. Full year 2016 net income of \$431.7 million grew by 12% year-over-year from \$384.7 million; diluted full year 2016 EPS of \$2.97 also grew by 12% from \$2.66 in the previous year.
- **Solid Profitability** – Fourth quarter 2016 return on average assets was 1.27%, return on average equity was 12.9%, and return on average tangible equity was 15.3%; full year 2016 return on average assets was 1.30%, return on average equity was 13.1%, and return on average tangible equity was 15.7%. Fourth quarter 2016 adjusted¹ pre-tax, pre-provision profitability of 2.10% expanded by seven basis points from 2.03% in the previous quarter.
- **Solid Net Interest Income and Revenue Growth** – Net interest income totaled \$272.7 million for the fourth quarter of 2016, up \$18.6 million or 7% linked quarter. Year-over-year, net interest income grew \$25.8 million or 10% from \$246.9 million in the fourth quarter of 2015. Total revenue of \$321.5 million grew by 6% linked quarter and 10% year-over-year.
- **Record Assets** – Total assets as of December 31, 2016 reached a record \$34.8 billion, an increase of \$1.5 billion or 5% from \$33.3 billion as of September 30, 2016. Total assets grew by 8% year-over-year.
- **Record Loans** – Total gross loans of \$25.5 billion as of December 31, 2016 were up \$752.7 million or 12% annualized from \$24.8 billion as of September 30, 2016. The sequential quarter growth in loans was primarily driven by increases in commercial loans and commercial real estate loans. Total gross loans grew by 8% year-over-year.
- **Record Deposits** – Total deposits of \$29.9 billion as of December 31, 2016 were up \$1.3 billion or 18% annualized from \$28.6 billion as of September 30, 2016. The sequential quarter growth in deposits was primarily due to increases in noninterest-bearing demand deposits and money market deposits. Total deposits grew by 9% year-over-year. Noninterest-bearing deposits comprised 34% of total deposits as of December 31, 2016.
- **Asset Quality** – Asset quality was stable in the current quarter. Allowance for loan losses was essentially steady, at 1.02% of loans held-for-investment (“HFI”) as of December 31, 2016, compared to 1.03% as of September 30, 2016. Nonperforming assets decreased slightly to \$129.6 million or 0.37% of total assets as of December 31, 2016, compared to \$130.8 million or 0.39% of total assets as of September 30, 2016. The net charge-offs ratio dropped to 0.13% of average loans, annualized, in the current quarter, declining from 0.37% of average loans, annualized, in the previous quarter.
- **Capital Ratios** – Capital levels for East West continue to be solid. Tangible equity per common share as of December 31, 2016 was \$20.27, growth of 2% linked quarter and 12% year-over-year. As of December 31, 2016, the tangible equity to tangible assets ratio was 8.52%, the Common Equity Tier 1 (“CET1”) capital ratio was 10.9%, and the total risk-based capital ratio was 12.5%.

¹ Pre-tax, pre-provision income excludes the amortization of tax credit and other investments, the amortization of premiums on deposits acquired, and, in the fourth quarter of 2016, a one-time impact from the reversal of a legal accrual. See reconciliation of the GAAP to non-GAAP financial measures in Table 12.

QUARTERLY RESULTS SUMMARY

| (\$ in millions, except per share data) | Quarter Ended | | |
|---|-------------------|--------------------|-------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 |
| Net income | \$ 110.73 | \$ 110.14 | \$ 91.81 |
| Earnings per share (diluted) | \$ 0.76 | \$ 0.76 | \$ 0.63 |
| Tangible equity ⁽¹⁾ per common share | \$ 20.27 | \$ 19.92 | \$ 18.15 |
| Return on average assets ⁽²⁾ | 1.27% | 1.33% | 1.14% |
| Return on average equity ⁽²⁾ | 12.87% | 13.08% | 11.67% |
| Return on average tangible equity ⁽¹⁾⁽²⁾ | 15.29% | 15.55% | 14.13% |
| Adjusted pre-tax, pre-provision profitability ratio ⁽¹⁾⁽²⁾ | 2.10% | 2.03% | 2.03% |
| Net interest income | \$ 272.70 | \$ 254.15 | \$ 246.94 |
| Adjusted net interest income ⁽¹⁾ | \$ 261.10 | \$ 246.98 | \$ 232.08 |
| Net interest margin ⁽²⁾ | 3.31% | 3.26% | 3.26% |
| Adjusted net interest margin ⁽¹⁾⁽²⁾ | 3.17% | 3.16% | 3.06% |
| Cost of deposits ⁽²⁾ | 0.31% | 0.30% | 0.29% |
| Adjusted efficiency ratio ⁽¹⁾ | 43.16% | 44.77% | 43.99% |

(1) See reconciliation of the GAAP to non-GAAP financial measures in Tables 12, 13 and 14.

(2) Annualized.

MANAGEMENT OUTLOOK FOR 2017

Our current outlook for the expected full year 2017 results, compared to our full year 2016 results, is as follows:

- **End of Period Loan Growth:** increase at a percentage rate in the high single digits.
- **Net Interest Margin** (excluding the impact of ASC 310-30 discount accretion): between 3.20% - 3.40%.
- **Noninterest Expenses** (excluding tax credit amortization & deposit premium amortization): increase at a percentage rate in the low single digits.
- **Provision for Credit Losses:** in the range of \$40 million to \$50 million.
- **Tax Items:** projecting investment in tax-advantaged credits of \$90 million, and associated tax credit amortization expense of \$80 million.
- **Interest Rates:** our outlook incorporates the current forward rate curve; as such, it currently assumes three fed funds rate increases in the year 2017: in June, September, and December.

OPERATING RESULTS SUMMARY

Fourth Quarter 2016 Compared to Third Quarter 2016

Net Interest Income

Net interest income totaled \$272.7 million, an increase of \$18.6 million or 7% from \$254.1 million.

- Interest income from loans excluding ASC 310-30 discount accretion increased by \$12.4 million or 5%, ASC 310-30 discount accretion income increased by \$4.4 million, and interest income on other interest-earning assets increased by \$4.9 million or 20%. Interest expense increased by \$3.3 million or 12%.
- Average loans of \$25.0 billion grew by \$723.9 million or 12% annualized, up from \$24.3 billion.
- Average deposits of \$29.8 billion grew by \$1.6 billion or 22% annualized, up from \$28.3 billion. The strong deposit growth in excess of loan growth increased average interest-bearing cash and deposits with banks, which grew by \$671.2 million to \$2.3 billion, or 7% of average interest-earning assets, up from \$1.6 billion or 5% of average interest-earning assets in the previous quarter.

Net Interest Margin

The net interest margin (“NIM”) expanded by five basis points to 3.31% from 3.26%. The sequential quarter NIM expansion primarily reflects the increase in accretion income; excluding the impact of ASC 310-30 discount accretion, NIM was 3.17% versus 3.16%.

- Interest rates moved higher in the fourth quarter of 2016, improving earning asset yields. Loan yields excluding the impact of ASC 310-30 discount accretion expanded by eight basis points to 4.13% from 4.05%. Over 75% of East West’s loan portfolio is variable rate.
- The yield on investment securities expanded by 16 basis points to 1.79%, reflecting the repricing of floating rate investments and purchases of securities at higher yields.
- Net interest margin expansion, however, was tempered by higher balances of interest-bearing cash and deposits with banks, the yield on which was unchanged at 0.79%.
- Reflecting the increasing contribution of non-interest bearing demand deposits in the funding mix, the all-in cost of deposits was 0.31%, a sequential quarter increase of one basis point.

Noninterest Income

Total noninterest income of \$48.8 million decreased \$0.5 million or 1% from \$49.3 million. Excluding net gains on sales of loans and securities and changes to the FDIC indemnification asset, total fees and operating income of \$47.8 million increased by \$2.4 million or 5% from \$45.4 million in the third quarter of 2016, as presented in the following table for the quarters ended December 31, 2016, September 30, 2016 and December 31, 2015.

| (\$ in thousands) | Quarter Ended | | |
|--|-------------------|--------------------|-------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 |
| Branch fees | \$ 10,195 | \$ 10,408 | \$ 10,338 |
| Letters of credit fees and foreign exchange income | 14,356 | 10,908 | 13,986 |
| Ancillary loan fees | 5,355 | 6,135 | 4,722 |
| Wealth management fees | 3,378 | 4,033 | 3,958 |
| Derivative fees and other income | 7,003 | 5,790 | 4,756 |
| Other fees and operating income | 7,499 | 8,119 | 7,202 |
| Total fees and operating income | \$ 47,786 | \$ 45,393 | \$ 44,962 |

Noninterest Expense & Effective Tax Rate

Noninterest expense totaled \$149.9 million, comprised of \$138.7 million of adjusted² noninterest expense, \$22.7 million of tax credit amortization, \$1.9 million of deposit premium amortization, and a \$13.4 million reversal of a legal accrual related to the settlement of a lawsuit.

- Adjusted² noninterest expense of \$138.7 million increased by \$2.9 million or 2% linked quarter. The adjusted² efficiency ratio of 43.2% improved by 161 basis points from 44.8%.
- The Company's effective tax rate was 31.3%, compared to an effective tax rate of 10.8% in the previous quarter. Amortization expense of tax credits and other investments was \$22.7 million in the fourth quarter of 2016, a decrease of \$9.9 million from \$32.6 million in the third quarter of 2016. The lower effective tax rate and conversely, higher amortization of tax credits and other investments in the third quarter compared to the fourth quarter of 2016 was due to the increased level of investment in tax-advantaged credits in renewable energy projects, and also a \$3.0 million favorable state tax settlement in the third quarter of 2016.
- For the full year 2016, the effective tax rate was 24.6% compared to 33.5% for the full year 2015.

CREDIT QUALITY

Asset quality was stable in the current quarter.

- The allowance for loan losses totaled \$260.5 million as of December 31, 2016, or 1.02% of loans HFI, compared to \$255.8 million or 1.03% of loans HFI, and \$265.0 million or 1.12% of loans HFI as of September 30, 2016 and December 31, 2015, respectively.
- The Company recorded a provision for credit losses of \$10.5 million in the current quarter, compared to \$9.5 million in the third quarter of 2016, and a reversal of provision for credit losses of \$2.0 million in the fourth quarter of 2015.
- In the fourth quarter of 2016, net charge-offs were \$8.0 million or 0.13% of average loans, annualized, declining from net charge-offs of \$22.5 million or 0.37% of average loans, annualized, in the previous quarter and compared to net recoveries of \$3.8 million in the prior year quarter.
- Nonperforming assets decreased by \$1.3 million or 1% linked quarter to \$129.6 million or 0.37% of total assets as of December 31, 2016, compared to 0.39% as of September 30, 2016 and 0.40% as of December 31, 2015.

² Adjusted noninterest expense excludes the amortization of tax credit and other investments, the amortization of premiums on deposits acquired, and, in the fourth quarter of 2016, a one-time impact from the reversal of a legal accrual. See reconciliation of the GAAP to non-GAAP financial measures in Table 12.

CAPITAL STRENGTH

Capital levels for East West continue to be solid. Tangible equity per common share as of December 31, 2016 was \$20.27, an increase of 2% linked quarter and 12% year-over-year. The following table presents regulatory capital ratios for the quarters ended December 31, 2016, September 30, 2016 and December 31, 2015.

| Regulatory Capital Metrics (\$ in millions) | Basel III | | | | | |
|--|----------------------------------|--------------------|-------------------|---------------------------------|--|---|
| | December 31, 2016 ^(a) | September 30, 2016 | December 31, 2015 | Minimum Regulatory Requirements | Well Capitalized Regulatory Requirements | Fully Phased-in Minimum Regulatory Requirements |
| CET1 capital ratio | 10.9% | 10.9% | 10.5% | 4.5% | 6.5% | 7.0% |
| Tier 1 risk-based capital ratio | 10.9% | 10.9% | 10.6% | 6.0% | 8.0% | 8.5% |
| Total risk-based capital ratio | 12.5% | 12.5% | 12.2% | 8.0% | 10.0% | 10.5% |
| Tier 1 leverage capital ratio | 8.7% | 8.9% | 8.5% | 4.0% | 5.0% | 4.0% |
| Risk-Weighted Assets ("RWA") ^(b) | \$ 27,228 | \$ 26,480 | \$ 25,233 | N/A | N/A | N/A |

N/A Not applicable.

- (a) The Company's December 31, 2016 regulatory capital ratios and RWA are preliminary.
- (b) Under regulatory guidelines, on-balance sheet assets and credit equivalent amounts of derivatives and off-balance sheet items are assigned to one of several broad risk categories based on the nature of the obligor, or, if relevant, the guarantor or the nature of any collateral. The aggregate dollar value in each risk category is then multiplied by the risk weight associated with that category. The resulting weighted values from each of the risk categories are aggregated for determining total RWA.

DIVIDEND PAYOUT AND CAPITAL ACTIONS

East West's Board of Directors has declared first quarter 2017 dividends for the Company's common stock. The common stock cash dividend of \$0.20 per share is payable on February 15, 2017 to shareholders of record on February 1, 2017.

Conference Call

East West will host a conference call to discuss fourth quarter and full year 2016 earnings with the public on Thursday, January 26, 2017 at 8:30 a.m. PST/11:30 a.m. EST. The public and investment community are invited to listen as management discusses fourth quarter and full year 2016 results and operating developments. The following dial-in information is provided for participation in the conference call: Calls within the U.S. – (877) 506-6399; Calls within Canada – (855) 669-9657; International calls – (412) 902-6699. A listen-only live broadcast of the call will also be available on the Investor Relations page of the Company's website at www.eastwestbank.com/investors.

A replay of the conference call will be available on January 26, 2017 at 11:30 a.m. PST through February 26, 2017. The replay numbers are: within the U.S. – (877) 344-7529; within Canada – (855) 669-9658; International calls – (412) 317-0088; and the replay access code is: 10098676.

About East West

East West Bancorp, Inc. is a publicly owned company with total assets of \$34.8 billion 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, Massachusetts, Nevada, New York, Texas and Washington. In Greater China, East West’s presence includes full service branches in Hong Kong, Shanghai, Shantou and Shenzhen, and representative offices in Beijing, Chongqing, Guangzhou, Taipei and Xiamen. For more information on East West, 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 “likely result in,” “expects,” “anticipates,” “estimates,” “forecasts,” “projects,” “intends to,” or may include other similar words or phrases, such as “believes,” “plans,” “trend,” “objective,” “continues,” “remains,” or similar expressions, or future or conditional verbs, such as “will,” “would,” “should,” “could,” “may,” “might,” “can,” or similar verbs. These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those projected. These risks and uncertainties, some of which are beyond our control, include, but are not limited to, our ability to compete effectively against other financial institutions in our banking markets; 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, employment levels, rate of growth and general business conditions; changes in government interest rate policies; changes in laws or the regulatory environment including regulatory reform initiatives and policies of the U.S. Department of Treasury, the Board of Governors of the Federal Reserve Board System, the Federal Deposit Insurance Corporation, the U.S. Securities and Exchange Commission, the Consumer Financial Protection Bureau and California Department of Business Oversight — Division of Financial Institutions; heightened regulatory and governmental oversight and scrutiny of the Company’s business practices, including dealings with retail customers; changes in the economy of and monetary policy in the People’s Republic of China; changes in income tax laws and regulations; changes in accounting standards as may be required by the Financial Accounting Standards Board or other regulatory agencies and their impact on critical accounting policies and assumptions; changes in the equity and debt securities markets; future credit quality and performance, including our expectations regarding future credit losses and allowance levels; fluctuations of our stock price; fluctuations in foreign currency exchange rates; success and timing of our business strategies; our ability to adopt and successfully integrate new technologies into our business in a strategic manner; impact of reputational risk from negative publicity, fines and penalties and other negative consequences from regulatory violations and legal actions; impact of potential federal tax increases and spending cuts; impact of adverse judgments or settlements in litigation or of regulatory enforcement actions; changes in our ability to receive dividends from our subsidiaries; impact of political developments, wars or other hostilities that may disrupt or increase volatility in securities or otherwise affect economic conditions; impact of natural or man-made disasters or calamities or conflicts; continuing consolidation in the financial services industry; our capital requirements and our ability to generate capital internally or raise capital on favorable terms; impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act on our business, business practices and cost of operations; impact of adverse changes to our credit ratings from the major credit rating agencies; impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber attacks; and other similar matters which could result in, among other things, confidential and/or proprietary information being disclosed or misused; adequacy of our risk management framework, disclosure controls and procedures and internal control over financial reporting; the effect of the current low interest rate environment or changes in interest rates on our net interest income and net interest margin; the effect of changes in the level of checking or savings account deposits on our funding costs and net interest margin; a recurrence of significant turbulence or disruption in the capital or financial markets, which could result in, among other things, a reduction in the availability of funding or increased funding costs, reduced investor demand for mortgage loans and declines in asset values and/ or recognition of other-than-temporary impairment on securities held in our available-for-sale investment securities portfolio; 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, 2015, 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, the Company's results could differ materially from those expressed in, implied or projected by such forward-looking statements. The Company assumes no obligation to update such forward-looking statements.

EAST WEST BANCORP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(\$ in thousands, except per share data)
(unaudited)

Table 1

| | | | | December 31, 2016 % Change | |
|--|----------------------|-----------------------|----------------------|-------------------------------|-------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | Qtr-o-Qtr | Yr-o-Yr |
| Assets | | | | | |
| Cash and due from banks | \$ 460,559 | \$ 344,746 | \$ 340,717 | 33.6% | 35.2% |
| Interest-bearing cash with banks | 1,417,944 | 1,322,086 | 1,020,170 | 7.3 | 39.0 |
| Cash and cash equivalents | 1,878,503 | 1,666,832 | 1,360,887 | 12.7 | 38.0 |
| Interest-bearing deposits with banks | 323,148 | 307,473 | 299,916 | 5.1 | 7.7 |
| Securities purchased under resale agreements ("resale agreements") ⁽¹⁾ | 2,000,000 | 1,500,000 | 1,600,000 | 33.3 | 25.0 |
| Investment securities | 3,479,766 | 3,391,085 | 3,773,226 | 2.6 | (7.8) |
| Loans held-for-sale | 23,076 | 47,719 | 31,958 | (51.6) | (27.8) |
| Loans held-for-investment (net of allowance for loan losses of \$260,520, \$255,812 and \$264,959) | 25,242,619 | 24,476,150 | 23,378,789 | 3.1 | 8.0 |
| Investments in qualified affordable housing partnerships, net | 183,917 | 173,045 | 193,978 | 6.3 | (5.2) |
| Investments in tax credit and other investments, net | 173,260 | 172,197 | 187,456 | 0.6 | (7.6) |
| Goodwill | 469,433 | 469,433 | 469,433 | — | — |
| Other assets | 1,015,118 | 1,051,341 | 1,055,279 | (3.4) | (3.8) |
| Total assets | \$ 34,788,840 | \$ 33,255,275 | \$ 32,350,922 | 4.6% | 7.5% |
| Liabilities and Stockholders' Equity | | | | | |
| Customer deposits | \$ 29,890,983 | \$ 28,592,441 | \$ 27,475,981 | 4.5% | 8.8% |
| Short-term borrowings | 60,050 | 36,992 | — | 62.3 | NM |
| Federal Home Loan Bank ("FHLB") advances | 321,643 | 321,084 | 1,019,424 | 0.2 | (68.4) |
| Securities sold under repurchase agreements ("repurchase agreements") ⁽¹⁾ | 350,000 | 200,000 | — | 75.0 | NM |
| Long-term debt | 186,327 | 191,265 | 206,084 | (2.6) | (9.6) |
| Accrued expenses and other liabilities | 552,096 | 535,439 | 526,483 | 3.1 | 4.9 |
| Total liabilities | 31,361,099 | 29,877,221 | 29,227,972 | 5.0 | 7.3 |
| Stockholders' equity | 3,427,741 | 3,378,054 | 3,122,950 | 1.5 | 9.8 |
| Total liabilities and stockholders' equity | \$ 34,788,840 | \$ 33,255,275 | \$ 32,350,922 | 4.6% | 7.5% |
| Book value per common share | \$ 23.78 | \$ 23.44 | \$ 21.70 | 1.5% | 9.6% |
| Tangible equity ⁽²⁾ per common share | \$ 20.27 | \$ 19.92 | \$ 18.15 | 1.8 | 11.7 |
| Tangible equity to tangible assets ratio ⁽²⁾ | 8.52 % | 8.77 % | 8.20 % | (2.9) | 3.9 |
| Number of common shares at period-end (in thousands) | 144,167 | 144,133 | 143,909 | — | 0.2 |

NM Not Meaningful.

(1) Resale and repurchase agreements are reported net pursuant to Accounting Standards Codification ("ASC") 210-20-45, Balance Sheet Offsetting. As of December 31, 2016, September 30, 2016, and December 31, 2015, \$100.0 million, \$250.0 million and \$450.0 million out of \$450.0 million of gross repurchase agreements were eligible for netting against resale agreements, respectively.

(2) See reconciliation of the GAAP to non-GAAP financial measures in Table 14.

EAST WEST BANCORP, INC.
TOTAL LOANS AND DEPOSITS DETAIL
(\$ in thousands)
(unaudited)

Table 2

| | | | | December 31, 2016 % Change | |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | Qtr-o-Qtr | Yr-o-Yr |
| Loans: | | | | | |
| Real estate - commercial | \$ 8,021,459 | \$ 7,780,775 | \$ 7,478,474 | 3.1% | 7.3% |
| Real estate - land and construction | 678,536 | 734,304 | 632,275 | (7.6) | 7.3 |
| Commercial | 9,661,021 | 9,358,045 | 9,003,007 | 3.2 | 7.3 |
| Real estate - single-family | 3,480,124 | 3,351,867 | 3,066,919 | 3.8 | 13.5 |
| Real estate - multifamily | 1,585,090 | 1,420,126 | 1,522,995 | 11.6 | 4.1 |
| Consumer | 2,075,706 | 2,079,474 | 1,956,091 | (0.2) | 6.1 |
| Total loans held-for-investment ⁽¹⁾ | <u>25,501,936</u> | <u>24,724,591</u> | <u>23,659,761</u> | 3.1 | 7.8 |
| Loans held-for-sale | 23,076 | 47,719 | 31,958 | (51.6) | (27.8) |
| Total loans ⁽¹⁾ , including loans held-for-sale | <u>25,525,012</u> | <u>24,772,310</u> | <u>23,691,719</u> | 3.0 | 7.7 |
| Unearned fees, premiums and discounts, net | 1,203 | 7,371 | (16,013) | (83.7) | NM |
| Allowance for loan losses | (260,520) | (255,812) | (264,959) | 1.8 | (1.7) |
| Net loans ⁽¹⁾ | <u>\$ 25,265,695</u> | <u>\$ 24,523,869</u> | <u>\$ 23,410,747</u> | 3.0% | 7.9% |
| Customer deposits: | | | | | |
| Noninterest-bearing demand | \$ 10,183,946 | \$ 9,524,021 | \$ 8,656,805 | 6.9% | 17.6% |
| Interest-bearing checking | 3,674,417 | 3,550,101 | 3,336,293 | 3.5 | 10.1 |
| Money market | 8,174,854 | 7,684,085 | 6,932,962 | 6.4 | 17.9 |
| Savings | 2,242,497 | 2,235,847 | 1,933,026 | 0.3 | 16.0 |
| Total core deposits | <u>24,275,714</u> | <u>22,994,054</u> | <u>20,859,086</u> | 5.6 | 16.4 |
| Time deposits | 5,615,269 | 5,598,387 | 6,616,895 | 0.3 | (15.1) |
| Total deposits | <u>\$ 29,890,983</u> | <u>\$ 28,592,441</u> | <u>\$ 27,475,981</u> | 4.5% | 8.8% |

NM Not Meaningful.

(1) Includes ASC 310-30 discount of \$49.4 million, \$56.4 million and \$80.1 million as of December 31, 2016, September 30, 2016 and December 31, 2015, respectively.

EAST WEST BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(\$ in thousands, except per share data)
(unaudited)

Table 3

| | Quarter Ended | | | December 31, 2016 % Change | |
|---|----------------------|-----------------------|----------------------|-------------------------------|--------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | Qtr-o-Qtr | Yr-o-Yr |
| | | | | | |
| Interest and dividend income | \$ 302,127 | \$ 280,317 | \$ 270,477 | 7.8% | 11.7% |
| Interest expense | 29,425 | 26,169 | 23,536 | 12.4 | 25.0 |
| Net interest income before provision for (reversal of) credit | 272,702 | 254,148 | 246,941 | 7.3 | 10.4 |
| Provision for (reversal of) credit losses | 10,461 | 9,525 | (2,000) | 9.8 | NM |
| Net interest income after provision for (reversal of) credit losses | 262,241 | 244,623 | 248,941 | 7.2 | 5.3 |
| Noninterest income | 48,800 | 49,341 | 44,483 | (1.1) | 9.7 |
| Noninterest expense | 149,904 | 170,500 | 144,939 | (12.1) | 3.4 |
| Income before income taxes | 161,137 | 123,464 | 148,485 | 30.5 | 8.5 |
| Income tax expense | 50,403 | 13,321 | 56,680 | 278.4 | (11.1) |
| Net income | \$ 110,734 | \$ 110,143 | \$ 91,805 | 0.5% | 20.6% |
| Earnings per share | | | | | |
| - Basic | \$ 0.77 | \$ 0.76 | \$ 0.64 | 1.3% | 20.3% |
| - Diluted | \$ 0.76 | \$ 0.76 | \$ 0.63 | — | 20.6 |
| Weighted average number of shares outstanding (in thousands) | | | | | |
| - Basic | 144,166 | 144,122 | 143,900 | —% | 0.2% |
| - Diluted | 145,428 | 145,238 | 144,686 | 0.1 | 0.5 |
| | Quarter Ended | | | December 31, 2016 % Change | |
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | Qtr-o-Qtr | Yr-o-Yr |
| Noninterest income: | | | | | |
| Branch fees | \$ 10,195 | \$ 10,408 | \$ 10,338 | (2.0)% | (1.4)% |
| Letters of credit fees and foreign exchange income | 14,356 | 10,908 | 13,986 | 31.6 | 2.6 |
| Ancillary loan fees | 5,355 | 6,135 | 4,722 | (12.7) | 13.4 |
| Wealth management fees | 3,378 | 4,033 | 3,958 | (16.2) | (14.7) |
| Derivative fees and other income | 7,003 | 5,790 | 4,756 | 20.9 | 47.2 |
| Net (losses) gains on sales of loans | (880) | 2,158 | 5,155 | NM | NM |
| Net gains on sales of available-for-sale investment securities | 1,894 | 1,790 | 13,373 | 5.8 | (85.8) |
| Changes in Federal Deposit Insurance Corporation ("FDIC") indemnification asset and receivable/navable | — | — | (19,007) | NM | NM |
| Other fees and operating income | 7,499 | 8,119 | 7,202 | (7.6) | 4.1 |
| Total noninterest income | \$ 48,800 | \$ 49,341 | \$ 44,483 | (1.1)% | 9.7% |
| Noninterest expense: | | | | | |
| Compensation and employee benefits | \$ 79,949 | \$ 75,042 | \$ 68,895 | 6.5% | 16.0% |
| Occupancy and equipment expense | 15,834 | 15,456 | 15,302 | 2.4 | 3.5 |
| Deposit insurance premiums and regulatory assessments | 5,938 | 6,450 | 5,049 | (7.9) | 17.6 |
| Other real estate owned ("OREO") expense (income) | (10) | (67) | (1,433) | (85.1) | (99.3) |
| Legal expense | (9,873) | 5,361 | 3,270 | NM | NM |
| Data processing | 2,971 | 2,729 | 2,589 | 8.9 | 14.8 |
| Consulting expense | 3,715 | 4,594 | 7,638 | (19.1) | (51.4) |
| Deposit related expenses | 2,719 | 3,082 | 2,977 | (11.8) | (8.7) |
| Computer software expense | 3,647 | 3,331 | 2,256 | 9.5 | 61.7 |
| Other operating expense | 20,438 | 19,881 | 21,645 | 2.8 | (5.6) |
| Amortization of tax credit and other investments | 22,667 | 32,618 | 14,555 | (30.5) | 55.7 |
| Amortization of premiums on deposits acquired | 1,909 | 2,023 | 2,196 | (5.6) | (13.1) |
| Total noninterest expense | \$ 149,904 | \$ 170,500 | \$ 144,939 | (12.1)% | 3.4% |

NM Not Meaningful.

EAST WEST BANCORP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(\$ in thousands, except per share data)
(unaudited)

Table 4

| | Year Ended | | December 31, 2016 |
|---|-------------------|-------------------|-------------------|
| | December 31, 2016 | December 31, 2015 | % Change |
| | | | Yr-o-Yr |
| Interest and dividend income | \$ 1,137,481 | \$ 1,053,815 | 7.9% |
| Interest expense | 104,843 | 103,376 | 1.4 |
| Net interest income before provision for credit losses | 1,032,638 | 950,439 | 8.6 |
| Provision for credit losses | 27,479 | 14,217 | 93.3 |
| Net interest income after provision for credit losses | 1,005,159 | 936,222 | 7.4 |
| Noninterest income | 182,918 | 183,383 | (0.3) |
| Noninterest expense | 615,889 | 540,884 | 13.9 |
| Income before income taxes | 572,188 | 578,721 | (1.1) |
| Income tax expense | 140,511 | 194,044 | (27.6) |
| Net income | \$ 431,677 | \$ 384,677 | 12.2% |
| Earnings per share | | | |
| - Basic | \$ 3.00 | \$ 2.67 | 12.4% |
| - Diluted | \$ 2.97 | \$ 2.66 | 11.7 |
| Weighted average number of shares outstanding (in thousands) | | | |
| - Basic | 144,087 | 143,818 | 0.2% |
| - Diluted | 145,172 | 144,512 | 0.5 |
| | | | |
| | Year Ended | | December 31, 2016 |
| | December 31, 2016 | December 31, 2015 | % Change |
| | | | Yr-o-Yr |
| Noninterest income: | | | |
| Branch fees | \$ 41,178 | \$ 39,495 | 4.3% |
| Letters of credit fees and foreign exchange income | 45,760 | 38,985 | 17.4 |
| Ancillary loan fees | 19,352 | 15,029 | 28.8 |
| Wealth management fees | 13,240 | 18,268 | (27.5) |
| Derivative fees and other income | 16,781 | 16,493 | 1.7 |
| Net gains on sales of loans | 6,087 | 24,874 | (75.5) |
| Net gains on sales of available-for-sale investment securities | 10,362 | 40,367 | (74.3) |
| Changes in FDIC indemnification asset and receivable/payable | — | (37,980) | NM |
| Other fees and operating income | 30,158 | 27,852 | 8.3 |
| Total noninterest income | \$ 182,918 | \$ 183,383 | (0.3)% |
| Noninterest expense: | | | |
| Compensation and employee benefits | \$ 300,115 | \$ 262,193 | 14.5% |
| Occupancy and equipment expense | 61,453 | 61,292 | 0.3 |
| Deposit insurance premiums and regulatory assessments | 23,279 | 18,772 | 24.0 |
| OREO expense (income) | 1,474 | (8,914) | NM |
| Legal expense | 2,841 | 16,373 | (82.6) |
| Data processing | 11,683 | 10,185 | 14.7 |
| Consulting expense | 22,742 | 17,234 | 32.0 |
| Deposit related expenses | 10,394 | 10,379 | 0.1 |
| Computer software expense | 12,914 | 8,660 | 49.1 |
| Other operating expense | 77,462 | 77,538 | (0.1) |
| Amortization of tax credit and other investments | 83,446 | 36,120 | 131.0 |
| Amortization of premiums on deposits acquired | 8,086 | 9,234 | (12.4) |
| Repurchase agreements' extinguishment costs | — | 21,818 | NM |
| Total noninterest expense | \$ 615,889 | \$ 540,884 | 13.9% |

NM Not Meaningful.

EAST WEST BANCORP, INC.
SELECTED FINANCIAL INFORMATION
(\$ in thousands)
(unaudited)

Table 5

| Average Balances | Quarter Ended | | | December 31, 2016 % Change | |
|--|------------------------------|-------------------------------|------------------------------|---|----------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | Qtr-o-Qtr | Yr-o-Yr |
| | | | | | |
| Loans: | | | | | |
| Real estate - commercial | \$ 7,869,979 | \$ 7,768,534 | \$ 7,282,106 | 1.3% | 8.1% |
| Real estate - land and construction | 734,081 | 706,406 | 634,601 | 3.9 | 15.7 |
| Commercial | 9,454,884 | 9,169,433 | 8,590,810 | 3.1 | 10.1 |
| Real estate - single-family | 3,407,615 | 3,203,603 | 3,183,770 | 6.4 | 7.0 |
| Real estate - multifamily | 1,467,978 | 1,371,871 | 1,502,009 | 7.0 | (2.3) |
| Consumer | 2,098,659 | 2,089,466 | 1,932,481 | 0.4 | 8.6 |
| Total loans | \$ 25,033,196 | \$ 24,309,313 | \$ 23,125,777 | 3.0% | 8.2% |
| Investment securities | \$ 3,551,863 | \$ 3,273,861 | \$ 3,255,976 | 8.5% | 9.1% |
| Interest-earning assets | \$ 32,736,669 | \$ 31,055,354 | \$ 30,020,404 | 5.4% | 9.0% |
| Total assets | \$ 34,679,137 | \$ 32,906,533 | \$ 31,944,102 | 5.4% | 8.6% |
| Customer deposits: | | | | | |
| Noninterest-bearing demand | \$ 10,159,022 | \$ 9,413,031 | \$ 8,809,031 | 7.9% | 15.3% |
| Interest-bearing checking | 3,641,320 | 3,553,477 | 3,178,877 | 2.5 | 14.5 |
| Money market | 8,157,508 | 7,548,835 | 7,079,586 | 8.1 | 15.2 |
| Savings | 2,284,282 | 2,133,036 | 1,909,838 | 7.1 | 19.6 |
| Total core deposits | 24,242,132 | 22,648,379 | 20,977,332 | 7.0 | 15.6 |
| Time deposits | 5,584,838 | 5,627,084 | 6,582,823 | (0.8) | (15.2) |
| Total deposits | \$ 29,826,970 | \$ 28,275,463 | \$ 27,560,155 | 5.5% | 8.2% |
| Interest-bearing liabilities | \$ 20,522,442 | \$ 19,611,482 | \$ 19,349,119 | 4.6% | 6.1% |
| Stockholders' equity | \$ 3,423,405 | \$ 3,349,241 | \$ 3,121,332 | 2.2% | 9.7% |
| Selected Ratios ⁽¹⁾ | Quarter Ended | | | December 31, 2016 Basis Point Change | |
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | Qtr-o-Qtr | Yr-o-Yr |
| Return on average assets | 1.27% | 1.33% | 1.14% | (6) bps | 13 bps |
| Return on average equity | 12.87% | 13.08% | 11.67% | (21) | 120 |
| Return on average tangible equity ⁽²⁾ | 15.29% | 15.55% | 14.13% | (26) | 116 |
| Interest rate spread | 3.10% | 3.06% | 3.09% | 4 | 1 |
| Net interest margin | 3.31% | 3.26% | 3.26% | 5 | 5 |
| Adjusted net interest margin ⁽²⁾ | 3.17% | 3.16% | 3.06% | 1 | 11 |
| Yield on average interest-earning assets | 3.67% | 3.59% | 3.57% | 8 | 10 |
| Cost of interest-bearing deposits | 0.48% | 0.44% | 0.42% | 4 | 6 |
| Cost of deposits | 0.31% | 0.30% | 0.29% | 1 | 2 |
| Cost of funds | 0.38% | 0.36% | 0.33% | 2 | 5 |
| Adjusted pre-tax, pre-provision profitability ratio ⁽²⁾ | 2.10% | 2.03% | 2.03% | 7 | 7 |
| Adjusted noninterest expense/average assets ⁽²⁾ | 1.59% | 1.64% | 1.59% | (5) | — |
| Adjusted efficiency ratio ⁽²⁾ | 43.16% | 44.77% | 43.99% | (161) bps | (83) bps |

(1) Annualized except for efficiency ratio.

(2) See reconciliation of the GAAP to non-GAAP financial measures in Tables 12, 13 and 14.

EAST WEST BANCORP, INC.
SELECTED FINANCIAL INFORMATION
(\$ in thousands)
(unaudited)

Table 6

| Average Balances | Year Ended | | December 31, 2016 |
|--|--------------------------|--------------------------|---------------------------|
| | December 31, 2016 | December 31, 2015 | % Change |
| | | | Yr-o-Yr |
| Loans: | | | |
| Real estate - commercial | \$ 7,795,690 | \$ 6,781,671 | 15.0% |
| Real estate - land and construction | 681,937 | 597,171 | 14.2 |
| Commercial | 9,091,532 | 8,140,624 | 11.7 |
| Real estate - single-family | 3,184,834 | 3,510,864 | (9.3) |
| Real estate - multifamily | 1,433,142 | 1,476,747 | (3.0) |
| Consumer | 2,077,760 | 1,769,512 | 17.4 |
| Total loans | \$ 24,264,895 | \$ 22,276,589 | 8.9% |
| Investment securities | \$ 3,355,086 | \$ 2,847,655 | 17.8% |
| Interest-earning assets | \$ 31,296,775 | \$ 28,390,582 | 10.2% |
| Total assets | \$ 33,169,373 | \$ 30,328,457 | 9.4% |
| Customer deposits: | | | |
| Noninterest-bearing demand | \$ 9,371,481 | \$ 7,928,460 | 18.2% |
| Interest-bearing checking | 3,495,094 | 2,795,379 | 25.0 |
| Money market | 7,679,695 | 6,763,979 | 13.5 |
| Savings | 2,104,060 | 1,785,085 | 17.9 |
| Total core deposits | 22,650,330 | 19,272,903 | 17.5 |
| Time deposits | 5,852,042 | 6,482,697 | (9.7) |
| Total deposits | \$ 28,502,372 | \$ 25,755,600 | 10.7% |
| Interest-bearing liabilities | \$ 19,947,414 | \$ 18,781,466 | 6.2% |
| Stockholders' equity | \$ 3,305,929 | \$ 3,019,095 | 9.5% |
| Selected Ratios | Year Ended | | December 31, 2016 |
| | December 31, 2016 | December 31, 2015 | Basis Point Change |
| | | | Yr-o-Yr |
| Return on average assets | 1.30 % | 1.27 % | 3 bps |
| Return on average equity | 13.06 % | 12.74 % | 32 |
| Return on average tangible equity ⁽¹⁾ | 15.68 % | 15.58 % | 10 |
| Interest rate spread | 3.10 % | 3.16 % | (6) |
| Net interest margin | 3.30 % | 3.35 % | (5) |
| Adjusted net interest margin ⁽¹⁾ | 3.15 % | 3.12 % | 3 |
| Yield on average interest-earning assets | 3.63 % | 3.71 % | (8) |
| Cost of interest-bearing deposits | 0.44 % | 0.41 % | 3 |
| Cost of deposits | 0.30 % | 0.29 % | 1 |
| Cost of funds | 0.36 % | 0.39 % | (3) |
| Adjusted pre-tax, pre-provision profitability ratio ⁽¹⁾ | 2.04 % | 2.18 % | (14) |
| Adjusted noninterest expense/average assets ⁽¹⁾ | 1.62 % | 1.56 % | 6 |
| Adjusted efficiency ratio ⁽¹⁾ | 44.24 % | 41.78 % | 246 bps |

(1) See reconciliation of the GAAP to non-GAAP financial measures in Tables 12, 13 and 14.

EAST WEST BANCORP, INC.
QUARTER-TO-DATE AVERAGE BALANCES, YIELDS AND RATES
(\$ in thousands)
(unaudited)

Table 7

| | Quarter Ended | | | | | |
|--|----------------------|----------------|--------------------------------------|----------------------|----------------|--------------------------------------|
| | December 31, 2016 | | | September 30, 2016 | | |
| | Average Balance | Interest | Average Yield/Rate ⁽¹⁾ | Average Balance | Interest | Average Yield/Rate ⁽¹⁾ |
| Assets | | | | | | |
| Interest-earning assets: | | | | | | |
| Interest-bearing cash and deposits with banks | \$ 2,264,787 | \$ 4,486 | 0.79 % | \$ 1,593,577 | \$ 3,168 | 0.79 % |
| Resale agreements ⁽²⁾ | 1,814,130 | 8,068 | 1.77 % | 1,805,978 | 7,834 | 1.73 % |
| Investment securities | 3,551,863 | 15,966 | 1.79 % | 3,273,861 | 13,388 | 1.63 % |
| Loans | 25,033,196 | 272,188 | 4.33 % | 24,309,313 | 255,316 | 4.18 % |
| FHLB and Federal Reserve Bank stock | 72,693 | 1,419 | 7.77 % | 72,625 | 611 | 3.35 % |
| Total interest-earning assets | 32,736,669 | 302,127 | 3.67 % | 31,055,354 | 280,317 | 3.59 % |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 410,919 | | | 354,053 | | |
| Allowance for loan losses | (258,978) | | | (266,763) | | |
| Other assets | 1,790,527 | | | 1,763,889 | | |
| Total assets | \$ 34,679,137 | | | \$ 32,906,533 | | |
| Liabilities and Stockholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Checking deposits | \$ 3,641,320 | \$ 3,582 | 0.39 % | \$ 3,553,477 | \$ 3,253 | 0.36 % |
| Money market deposits | 8,157,508 | 7,799 | 0.38 % | 7,548,835 | 6,663 | 0.35 % |
| Savings deposits | 2,284,282 | 1,512 | 0.26 % | 2,133,036 | 1,160 | 0.22 % |
| Time deposits | 5,584,838 | 10,623 | 0.76 % | 5,627,084 | 9,973 | 0.71 % |
| Federal funds purchased and other short-term borrowings | 44,079 | 323 | 2.92 % | 32,137 | 212 | 2.62 % |
| FHLB advances | 321,357 | 1,432 | 1.77 % | 320,743 | 1,361 | 1.69 % |
| Repurchase agreements ⁽²⁾ | 297,826 | 2,863 | 3.82 % | 200,000 | 2,319 | 4.61 % |
| Long-term debt | 191,232 | 1,291 | 2.69 % | 196,170 | 1,228 | 2.49 % |
| Total interest-bearing liabilities | 20,522,442 | 29,425 | 0.57 % | 19,611,482 | 26,169 | 0.53 % |
| Noninterest-bearing liabilities and stockholders' equity: | | | | | | |
| Demand deposits | 10,159,022 | | | 9,413,031 | | |
| Accrued expenses and other liabilities | 574,268 | | | 532,779 | | |
| Stockholders' equity | 3,423,405 | | | 3,349,241 | | |
| Total liabilities and stockholders' equity | \$ 34,679,137 | | | \$ 32,906,533 | | |
| Interest rate spread | | | 3.10 % | | | 3.06 % |
| Net interest income and net interest margin | \$ 272,702 | | 3.31 % | \$ 254,148 | | 3.26 % |
| Adjusted net interest income and net interest margin ⁽³⁾ | \$ 261,101 | | 3.17 % | \$ 246,984 | | 3.16 % |

(1) Annualized.

(2) Average balances of resale and repurchase agreements are reported net, pursuant to ASC 210-20-45, *Balance Sheet Offsetting*.

(3) See reconciliation of the GAAP to non-GAAP financial measures in Table 13.

EAST WEST BANCORP, INC.
QUARTER-TO-DATE AVERAGE BALANCES, YIELDS AND RATES
(\$ in thousands)
(unaudited)

Table 8

| | Quarter Ended | | | | | |
|--|----------------------|----------------|--------------------------------------|----------------------|----------------|--------------------------------------|
| | December 31, 2016 | | | December 31, 2015 | | |
| | Average Balance | Interest | Average Yield/Rate ⁽¹⁾ | Average Balance | Interest | Average Yield/Rate ⁽¹⁾ |
| Assets | | | | | | |
| Interest-earning assets: | | | | | | |
| Interest-bearing cash and deposits with banks | \$ 2,264,787 | \$ 4,486 | 0.79 % | \$ 2,085,641 | \$ 3,397 | 0.65 % |
| Resale agreements ⁽²⁾ | 1,814,130 | 8,068 | 1.77 % | 1,479,891 | 5,859 | 1.57 % |
| Investment securities | 3,551,863 | 15,966 | 1.79 % | 3,255,976 | 11,428 | 1.39 % |
| Loans | 25,033,196 | 272,188 | 4.33 % | 23,125,777 | 248,638 | 4.27 % |
| FHLB and Federal Reserve Bank stock | 72,693 | 1,419 | 7.77 % | 73,119 | 1,155 | 6.27 % |
| Total interest-earning assets | 32,736,669 | 302,127 | 3.67 % | 30,020,404 | 270,477 | 3.57 % |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 410,919 | | | 376,538 | | |
| Allowance for loan losses | (258,978) | | | (268,870) | | |
| Other assets | 1,790,527 | | | 1,816,030 | | |
| Total assets | \$ 34,679,137 | | | \$ 31,944,102 | | |
| Liabilities and Stockholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Checking deposits | \$ 3,641,320 | \$ 3,582 | 0.39 % | \$ 3,178,877 | \$ 2,604 | 0.32 % |
| Money market deposits | 8,157,508 | 7,799 | 0.38 % | 7,079,586 | 5,155 | 0.29 % |
| Savings deposits | 2,284,282 | 1,512 | 0.26 % | 1,909,838 | 952 | 0.20 % |
| Time deposits | 5,584,838 | 10,623 | 0.76 % | 6,582,823 | 11,117 | 0.67 % |
| Federal funds purchased and other short-term borrowings | 44,079 | 323 | 2.92 % | 1,624 | 5 | 1.22 % |
| FHLB advances | 321,357 | 1,432 | 1.77 % | 333,207 | 1,114 | 1.33 % |
| Repurchase agreements ⁽²⁾ | 297,826 | 2,863 | 3.82 % | 52,174 | 1,413 | 10.74 % |
| Long-term debt | 191,232 | 1,291 | 2.69 % | 210,990 | 1,176 | 2.21 % |
| Total interest-bearing liabilities | 20,522,442 | 29,425 | 0.57 % | 19,349,119 | 23,536 | 0.48 % |
| Noninterest-bearing liabilities and stockholders' equity: | | | | | | |
| Demand deposits | 10,159,022 | | | 8,809,031 | | |
| Accrued expenses and other liabilities | 574,268 | | | 664,620 | | |
| Stockholders' equity | 3,423,405 | | | 3,121,332 | | |
| Total liabilities and stockholders' equity | \$ 34,679,137 | | | \$ 31,944,102 | | |
| Interest rate spread | | | 3.10 % | | | 3.09 % |
| Net interest income and net interest margin | \$ 272,702 | | 3.31 % | \$ 246,941 | | 3.26 % |
| Adjusted net interest income and net interest margin ⁽³⁾ | \$ 261,101 | | 3.17 % | \$ 232,075 | | 3.06 % |

(1) Annualized.

(2) Average balances of resale and repurchase agreements are reported net, pursuant to ASC 210-20-45, *Balance Sheet Offsetting*.

(3) See reconciliation of the GAAP to non-GAAP financial measures in Table 13.

EAST WEST BANCORP, INC.
YEAR-TO-DATE AVERAGE BALANCES, YIELDS AND RATES
(\$ in thousands)
(unaudited)

Table 9

| | Year Ended | | | | | |
|--|----------------------|------------------|-----------------------|----------------------|------------------|-----------------------|
| | December 31, 2016 | | | December 31, 2015 | | |
| | Average Balance | Interest | Average Yield/Rate | Average Balance | Interest | Average Yield/Rate |
| Assets | | | | | | |
| Interest-earning assets: | | | | | | |
| Interest-bearing cash and deposits with banks | \$ 1,893,064 | \$ 14,731 | 0.78 % | \$ 1,851,604 | \$ 17,939 | 0.97 % |
| Resale agreements ⁽¹⁾ | 1,708,470 | 30,547 | 1.79 % | 1,337,274 | 19,799 | 1.48 % |
| Investment securities | 3,355,086 | 53,399 | 1.59 % | 2,847,655 | 41,375 | 1.45 % |
| Loans | 24,264,895 | 1,035,377 | 4.27 % | 22,276,589 | 968,625 | 4.35 % |
| FHLB and Federal Reserve Bank stock | 75,260 | 3,427 | 4.55 % | 77,460 | 6,077 | 7.85 % |
| Total interest-earning assets | 31,296,775 | 1,137,481 | 3.63 % | 28,390,582 | 1,053,815 | 3.71 % |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 365,104 | | | 342,606 | | |
| Allowance for loan losses | (262,804) | | | (263,143) | | |
| Other assets | 1,770,298 | | | 1,858,412 | | |
| Total assets | \$ 33,169,373 | | | \$ 30,328,457 | | |
| Liabilities and Stockholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Checking deposits | \$ 3,495,094 | \$ 12,640 | 0.36 % | \$ 2,795,379 | \$ 8,453 | 0.30 % |
| Money market deposits | 7,679,695 | 27,094 | 0.35 % | 6,763,979 | 18,988 | 0.28 % |
| Savings deposits | 2,104,060 | 4,719 | 0.22 % | 1,785,085 | 3,468 | 0.19 % |
| Time deposits | 5,852,042 | 39,771 | 0.68 % | 6,482,697 | 42,596 | 0.66 % |
| Federal funds purchased and other short-term borrowings | 25,591 | 713 | 2.79 % | 4,797 | 58 | 1.21 % |
| FHLB advances | 380,868 | 5,585 | 1.47 % | 327,080 | 4,270 | 1.31 % |
| Repurchase agreements ⁽¹⁾ | 211,475 | 9,304 | 4.40 % | 404,096 | 20,907 | 5.17 % |
| Long-term debt | 198,589 | 5,017 | 2.53 % | 218,353 | 4,636 | 2.12 % |
| Total interest-bearing liabilities | 19,947,414 | 104,843 | 0.53 % | 18,781,466 | 103,376 | 0.55 % |
| Noninterest-bearing liabilities and stockholders' equity: | | | | | | |
| Demand deposits | 9,371,481 | | | 7,928,460 | | |
| Accrued expenses and other liabilities | 544,549 | | | 599,436 | | |
| Stockholders' equity | 3,305,929 | | | 3,019,095 | | |
| Total liabilities and stockholders' equity | \$ 33,169,373 | | | \$ 30,328,457 | | |
| Interest rate spread | | | 3.10 % | | | 3.16 % |
| Net interest income and net interest margin | \$ 1,032,638 | | 3.30 % | \$ 950,439 | | 3.35 % |
| Adjusted net interest income and net interest margin ⁽²⁾ | \$ 987,214 | | 3.15 % | \$ 889,185 | | 3.12 % |

(1) Average balances of resale and repurchase agreements are reported net, pursuant to ASC 210-20-45, *Balance Sheet Offsetting*.

(2) See reconciliation of the GAAP to non-GAAP financial measures in Table 13.

EAST WEST BANCORP, INC.
ALLOWANCE FOR CREDIT LOSSES
(\$ in thousands)
(unaudited)

Table 10

| | Quarter Ended | | | Year Ended | |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| Non-Purchased Credit Impaired (“Non-PCI”) Loans | | | | | |
| Allowance for non-PCI loans, beginning of period | \$ 255,656 | \$ 266,511 | \$ 263,889 | \$ 264,600 | \$ 260,965 |
| Provision for (reversal of) loan losses on non-PCI loans | 12,707 | 11,615 | (3,135) | 31,959 | 6,924 |
| Net charge-offs (recoveries): | | | | | |
| Commercial real estate | (741) | (325) | (5,815) | (1,110) | (5,590) |
| Commercial | 9,584 | 23,531 | 2,089 | 39,286 | 11,641 |
| Residential | (829) | (625) | (111) | (1,711) | (2,935) |
| Consumer | (53) | (111) | (9) | (308) | 173 |
| Total net charge-offs (recoveries) | 7,961 | 22,470 | (3,846) | 36,157 | 3,289 |
| Allowance for non-PCI loans, end of period | 260,402 | 255,656 | 264,600 | 260,402 | 264,600 |
| Purchased Credit Impaired (“PCI”) Loans | | | | | |
| Allowance for PCI loans, beginning of period | 156 | 257 | 541 | 359 | 714 |
| Reversal of provision for loan losses on PCI loans | (38) | (101) | (182) | (241) | (355) |
| Allowance for PCI loans, end of period | 118 | 156 | 359 | 118 | 359 |
| Allowance for loan losses | 260,520 | 255,812 | 264,959 | 260,520 | 264,959 |
| Unfunded Credit Facilities | | | | | |
| Allowance for unfunded credit reserves, beginning of period | 18,329 | 20,318 | 19,043 | 20,360 | 12,712 |
| (Reversal of) provision for unfunded credit reserves | (2,208) | (1,989) | 1,317 | (4,239) | 7,648 |
| Allowance for unfunded credit reserves, end of period | 16,121 | 18,329 | 20,360 | 16,121 | 20,360 |
| Allowance for credit losses | \$ 276,641 | \$ 274,141 | \$ 285,319 | \$ 276,641 | \$ 285,319 |

EAST WEST BANCORP, INC.

CREDIT QUALITY

(\$ in thousands)

(unaudited)

Table 11

| Non-PCI Nonperforming Assets | December 31, 2016 | September 30, 2016 | December 31, 2015 |
|---|-------------------|--------------------|-------------------|
| Nonaccrual loans: | | | |
| Real estate - commercial | \$ 26,907 | \$ 29,180 | \$ 29,345 |
| Real estate - land and construction | 5,326 | 5,740 | 700 |
| Commercial | 81,256 | 64,435 | 64,883 |
| Real estate - single-family | 4,214 | 5,796 | 8,759 |
| Real estate - multifamily | 2,984 | 13,554 | 16,268 |
| Consumer | 2,130 | 3,514 | 1,743 |
| Total nonaccrual loans | 122,817 | 122,219 | 121,698 |
| OREO, net | 6,745 | 8,622 | 7,034 |
| Total nonperforming assets | \$ 129,562 | \$ 130,841 | \$ 128,732 |
| Credit Quality Ratios | December 31, 2016 | September 30, 2016 | December 31, 2015 |
| Non-PCI nonperforming assets to total assets ⁽¹⁾ | 0.37 % | 0.39 % | 0.40 % |
| Non-PCI nonaccrual loans to loans held-for-investment ⁽¹⁾ | 0.48 % | 0.49 % | 0.51 % |
| Allowance for loan losses to loans held-for-investment ⁽¹⁾ | 1.02 % | 1.03 % | 1.12 % |
| Allowance for loan losses to non-PCI nonaccrual loans | 212.12 % | 209.31 % | 217.72 % |
| Quarterly provision for (reversal of) loan losses ⁽²⁾ to average loans held-for-investment | 0.20 % | 0.19 % | (0.06) % |
| Full-year provision for loan losses to average loans held-for-investment | 0.13 % | NM | 0.03 % |
| Quarterly net charge-offs (recoveries) ⁽²⁾ to average loans held-for-investment | 0.13 % | 0.37 % | (0.07) % |
| Full-year net charge-offs to average loans held-for-investment | 0.15 % | NM | 0.01 % |

NM Not Meaningful.

(1) Total assets and loans held-for-investment include PCI loans of \$642.4 million, \$717.6 million and \$970.4 million as of December 31, 2016, September 30, 2016, and December 31, 2015, respectively.

(2) Annualized.

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

Table 12

Adjusted pre-tax, pre-provision profitability ratio represents the aggregate of net interest income and noninterest income less adjusted noninterest expense, divided by average assets. Adjusted noninterest expense excludes the reversal of a legal accrual, the amortization of tax credit and other investments, the amortization of premiums on deposits acquired and repurchase agreements' extinguishment costs (where applicable). The ratios presented below provide clarity to financial statement users regarding the ongoing performance of the Company and allows comparability to prior periods.

| | Quarter Ended | | |
|---|-------------------|--------------------|-------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 |
| Net interest income before provision for (reversal of) credit losses | \$ 272,702 | \$ 254,148 | \$ 246,941 |
| Noninterest income | 48,800 | 49,341 | 44,483 |
| Net interest income and noninterest income | \$ 321,502 | \$ 303,489 | \$ 291,424 |
| Total noninterest expense | \$ 149,904 | \$ 170,500 | \$ 144,939 |
| Less: Legal accrual reversal | 13,417 | — | — |
| Amortization of tax credit and other investments | (22,667) | (32,618) | (14,555) |
| Amortization of premiums on deposits acquired | (1,909) | (2,023) | (2,196) |
| Adjusted noninterest expense | \$ 138,745 | \$ 135,859 | \$ 128,188 |
| Adjusted pre-tax, pre-provision income | \$ 182,757 | \$ 167,630 | \$ 163,236 |
| Average assets | \$ 34,679,137 | \$ 32,906,533 | \$ 31,944,102 |
| Adjusted pre-tax, pre-provision profitability ratio ⁽¹⁾ | 2.10 % | 2.03 % | 2.03 % |
| Adjusted noninterest expense ⁽¹⁾/average assets | 1.59 % | 1.64 % | 1.59 % |

| | Year Ended | |
|--|---------------------|---------------------|
| | December 31, 2016 | December 31, 2015 |
| Net interest income before provision for credit losses | \$ 1,032,638 | \$ 950,439 |
| Noninterest income | 182,918 | 183,383 |
| Net interest income and noninterest income | \$ 1,215,556 | \$ 1,133,822 |
| Total noninterest expense | \$ 615,889 | \$ 540,884 |
| Less: Legal accrual reversal | 13,417 | — |
| Amortization of tax credit and other investments | (83,446) | (36,120) |
| Amortization of premiums on deposits acquired | (8,086) | (9,234) |
| Repurchase agreements' extinguishment costs | — | (21,818) |
| Adjusted noninterest expense | \$ 537,774 | \$ 473,712 |
| Adjusted pre-tax, pre-provision income | \$ 677,782 | \$ 660,110 |
| Average assets | \$ 33,169,373 | \$ 30,328,457 |
| Adjusted pre-tax, pre-provision profitability ratio | 2.04 % | 2.18 % |
| Adjusted noninterest expense/average assets | 1.62 % | 1.56 % |

Adjusted efficiency ratio represents adjusted noninterest expense divided by the aggregate of net interest income and noninterest income. The Company believes that presenting the adjusted efficiency ratio shows the trend in recurring overhead-related noninterest expense relative to recurring net revenues. This provides clarity to financial statement users regarding the ongoing performance of the Company and allows comparability to prior periods.

| | Quarter Ended | | |
|--|-------------------|--------------------|-------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 |
| Adjusted noninterest expense | \$ 138,745 | \$ 135,859 | \$ 128,188 |
| Net interest income and noninterest income | \$ 321,502 | \$ 303,489 | \$ 291,424 |
| Adjusted efficiency ratio | 43.16 % | 44.77 % | 43.99 % |

| | Year Ended | |
|--|-------------------|-------------------|
| | December 31, 2016 | December 31, 2015 |
| Adjusted noninterest expense | \$ 537,774 | \$ 473,712 |
| Net interest income and noninterest income | \$ 1,215,556 | \$ 1,133,822 |
| Adjusted efficiency ratio | 44.24 % | 41.78 % |

(1) Annualized.

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

Table 13

The Company believes that presenting the adjusted average loan yields and adjusted net interest margin that exclude the ASC 310-30 impacts provides clarity to financial statement users regarding the ongoing performance of the Company and allows comparability to prior periods.

| | Quarter Ended | | | Year Ended | |
|---|-----------------------------|-----------------------------|-----------------------------|----------------------|----------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| Yield on Average Loans | | | | | |
| Interest income on loans | \$ 272,188 | \$ 255,316 | \$ 248,638 | \$ 1,035,377 | \$ 968,625 |
| Less: ASC 310-30 discount accretion income | (11,601) | (7,164) | (14,866) | (45,424) | (61,254) |
| Adjusted interest income on loans | \$ 260,587 | \$ 248,152 | \$ 233,772 | \$ 989,953 | \$ 907,371 |
| | | | | | |
| Average loans | \$ 25,033,196 | \$ 24,309,313 | \$ 23,125,777 | \$ 24,264,895 | \$ 22,276,589 |
| Add: ASC 310-30 discount | 54,664 | 60,091 | 88,362 | 64,324 | 108,350 |
| Adjusted average loans | \$ 25,087,860 | \$ 24,369,404 | \$ 23,214,139 | \$ 24,329,219 | \$ 22,384,939 |
| | | | | | |
| Average loan yields | 4.33 %⁽¹⁾ | 4.18 %⁽¹⁾ | 4.27 %⁽¹⁾ | 4.27 % | 4.35 % |
| Adjusted average loan yields | 4.13 %⁽¹⁾ | 4.05 %⁽¹⁾ | 4.00 %⁽¹⁾ | 4.07 % | 4.05 % |
| Net Interest Margin | | | | | |
| Net interest income | \$ 272,702 | \$ 254,148 | \$ 246,941 | \$ 1,032,638 | \$ 950,439 |
| Less: ASC 310-30 discount accretion income | (11,601) | (7,164) | (14,866) | (45,424) | (61,254) |
| Adjusted net interest income | \$ 261,101 | \$ 246,984 | \$ 232,075 | \$ 987,214 | \$ 889,185 |
| | | | | | |
| Average interest-earning assets | \$ 32,736,669 | \$ 31,055,354 | \$ 30,020,404 | \$ 31,296,775 | \$ 28,390,582 |
| Add: ASC 310-30 discount | 54,664 | 60,091 | 88,362 | 64,324 | 108,350 |
| Adjusted average interest-earning assets | \$ 32,791,333 | \$ 31,115,445 | \$ 30,108,766 | \$ 31,361,099 | \$ 28,498,932 |
| | | | | | |
| Net interest margin | 3.31 %⁽¹⁾ | 3.26 %⁽¹⁾ | 3.26 %⁽¹⁾ | 3.30 % | 3.35 % |
| Adjusted net interest margin | 3.17 %⁽¹⁾ | 3.16 %⁽¹⁾ | 3.06 %⁽¹⁾ | 3.15 % | 3.12 % |

(1) Annualized.

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

Table 14

The Company uses certain non-GAAP financial measures to provide supplemental information regarding the Company's performance. Tangible equity and tangible equity to tangible assets ratios are non-GAAP disclosures. Tangible equity represents stockholders' equity which has been reduced by goodwill and other intangible assets. Given that the use of such measures and ratios are more prevalent in the banking industry, and used by banking regulators and analysts, the Company has included them for discussion.

| | December 31, 2016 | September 30, 2016 | December 31, 2015 |
|---|----------------------|----------------------|----------------------|
| Stockholders' equity | \$ 3,427,741 | \$ 3,378,054 | \$ 3,122,950 |
| Less: Goodwill | (469,433) | (469,433) | (469,433) |
| Other intangible assets ⁽¹⁾ | (35,670) | (37,195) | (41,598) |
| Tangible equity | \$ 2,922,638 | \$ 2,871,426 | \$ 2,611,919 |
| Total assets | \$ 34,788,840 | \$ 33,255,275 | \$ 32,350,922 |
| Less: Goodwill | (469,433) | (469,433) | (469,433) |
| Other intangible assets ⁽¹⁾ | (35,670) | (37,195) | (41,598) |
| Tangible assets | \$ 34,283,737 | \$ 32,748,647 | \$ 31,839,891 |
| Tangible equity to tangible assets ratio | 8.52 % | 8.77 % | 8.20 % |

Return on average tangible equity represents tangible net income divided by average tangible equity. Tangible net income excludes the amortization of premiums on deposits acquired, net of tax, and the amortization (accretion) of mortgage servicing assets, net of tax. The ratios presented below provide clarity to financial statement users regarding the ongoing performance of the Company and allows comparability to prior periods.

| | Quarter Ended | | |
|---|---------------------|---------------------|---------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 |
| Net Income | \$ 110,734 | \$ 110,143 | \$ 91,805 |
| Add: Amortization of premium on deposit acquired, net of tax | 1,312 | 1,805 | 1,358 |
| Amortization (accretion) of mortgage servicing assets, net of tax | 126 | (813) | (210) |
| Tangible net income | \$ 112,172 | \$ 111,135 | \$ 92,953 |
| Average stockholders' equity | \$ 3,423,405 | \$ 3,349,241 | \$ 3,121,332 |
| Less: Average goodwill | (469,433) | (469,433) | (469,433) |
| Average other intangible assets ⁽¹⁾ | (36,354) | (37,412) | (41,813) |
| Average tangible equity | \$ 2,917,618 | \$ 2,842,396 | \$ 2,610,086 |
| Return on average tangible equity ⁽²⁾ | 15.29 % | 15.55 % | 14.13 % |

| | Year Ended | |
|---|---------------------|---------------------|
| | December 31, 2016 | December 31, 2015 |
| Net Income | \$ 431,677 | \$ 384,677 |
| Add: Amortization of premium on deposit acquired, net of tax | 6,100 | 6,138 |
| Amortization (accretion) of mortgage servicing assets, net of tax | 935 | (215) |
| Tangible net income | \$ 438,712 | \$ 390,600 |
| Average stockholders' equity | \$ 3,305,929 | \$ 3,019,095 |
| Less: Average goodwill | (469,433) | (469,433) |
| Average other intangible assets ⁽¹⁾ | (38,386) | (42,976) |
| Average tangible equity | \$ 2,798,110 | \$ 2,506,686 |
| Return on average tangible equity | 15.68 % | 15.58 % |

(1) Includes premiums on deposits acquired and mortgage servicing assets.

(2) Annualized.