

# 2015

EAST WEST BANCORP ANNUAL REPORT

 EAST WEST BANK  
Your financial bridge®

# 130+

## United States

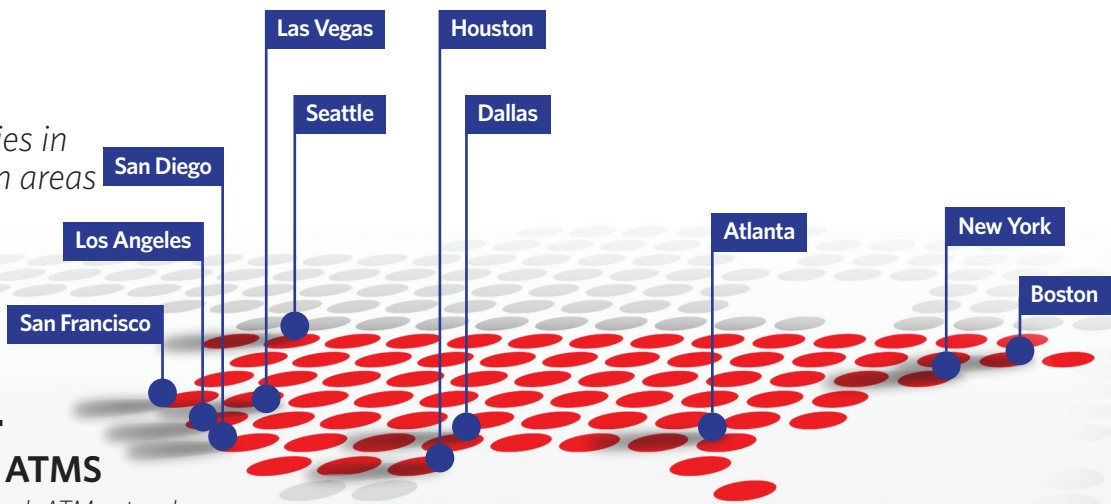
**120+**  
**LOCATIONS**

*Across 60+ cities in  
10 metropolitan areas*

**90**  
*Branches in*  
**CALIFORNIA**

**75,000+**  
*Surcharge Free* **ATMS**

*In addition to our branch ATM network, we  
also partner with Allpoint® and MoneyPass®  
to offer our customers access to a combined  
network of over 75,000 surcharge free ATMs.*



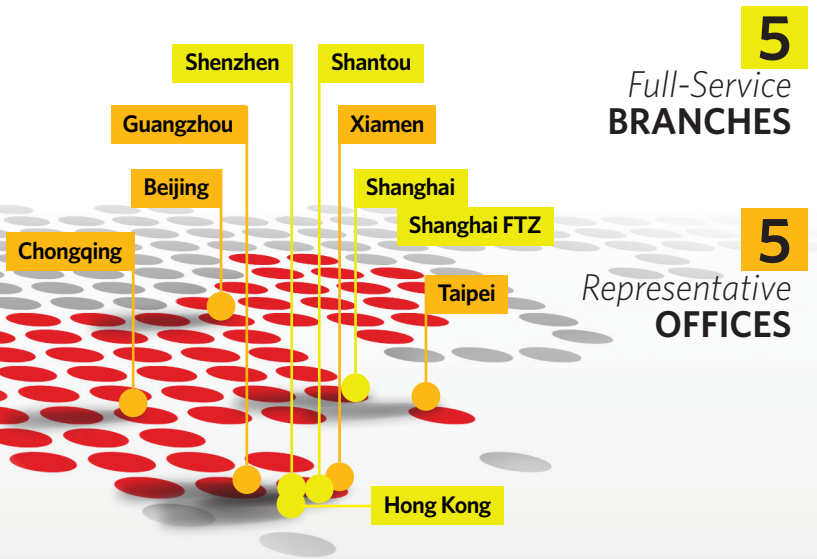
**42** YEARS OF  
OPERATING  
HISTORY

RANKED IN THE **TOP 15**  
AMERICA'S BEST  
BANKS BY FORBES

FOR 6 CONSECUTIVE YEARS (2010-2015)

# LOCATIONS THROUGHOUT

## Greater China



**2,800**

ASSOCIATES AND GROWING



**\$32**

BILLION  
IN ASSETS



**LARGEST  
INDEPENDENT  
BANK**

HEADQUARTERED IN  
SOUTHERN CALIFORNIA



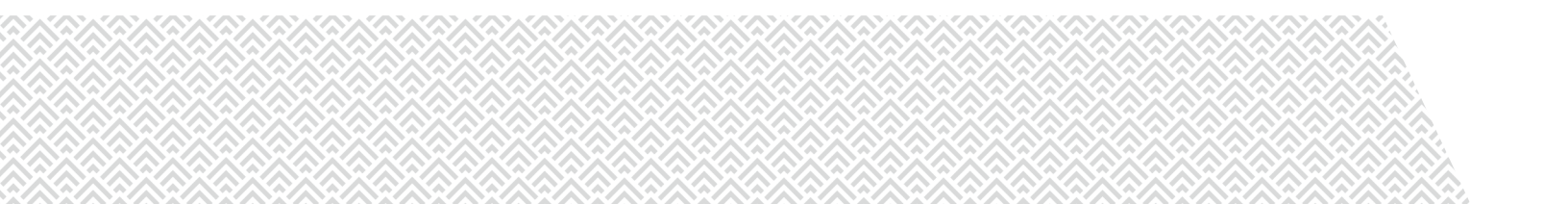


*A message from*  
**Dominic**  
*Chairman*  
*and CEO* **Ng**

Dear shareholders,

Relationship building has always been the foundation of East West Bank's core values. Our beyond banking approach stems from our commitment to provide innovative solutions for our customers. Our unparalleled connections, infrastructure, and deep understanding of finance and culture in both the United States and China allow us to tailor the creative solutions our customers need and to open opportunities across borders for them.

In 2015, we facilitated notable U.S. and China film industry transactions, as well as helped our technology, clean energy and emerging market industry customers in both the U.S. and China. In the dynamic cross-border market, we are excited by the future business prospects we see ahead.



East West continues to grow our customer base and our balance sheet profitably and prudently, while making investments to strengthen our internal infrastructure. We are examining all systems, controls and processes with a critical eye, and making the necessary upgrades to ensure that they are scalable for future growth. We have implemented a bank-wide “operational excellence” initiative – with our associates taking ownership to do the right thing, the right way, every time and relentlessly improving processes through teamwork and problem solving. By fostering a spirit of collaboration, we achieve measurable results.

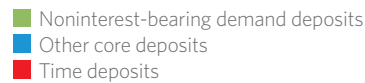
Looking forward to 2016 and beyond, I am confident that our balance sheet will remain healthy, and the value proposition we provide our customers will continue to be unparalleled. With a strong foundation, we can thrive and successfully build our business in any market environment and provide value for our shareholders for years to come.

### Record Earnings, Deposits and Loans in 2015

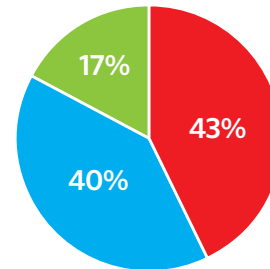
In 2015, East West achieved many new records, including our highest ever net income of \$384.7 million, up 11% from 2014 and diluted earnings per share of \$2.66, up 10% from a year ago. In fact, 2015 was the sixth year in a row that East West achieved record earnings.

As the bridge between the East and West, we continue to build market expertise, attract new customers and build lasting partnerships. As such, our loan portfolio increased to a record \$23.7 billion, up \$1.9 billion or 9% from last year. Similarly, our deposits also grew to a record \$27.5 billion, up \$3.5 billion or 14% from the prior year.

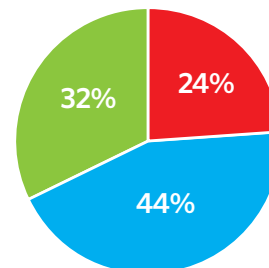
Five years ago in 2010, our deposit portfolio was comprised of 17% noninterest-bearing demand deposits, 40% other core deposits, and 43% time deposits. Over the past five years, we have steadily grown our lower cost commercial deposits and shifted away from higher cost time deposits. Today, we have progressed to a more balanced deposit portfolio of 32% noninterest-bearing demand deposits, 44% other core deposits and 24% time deposits.



#### 2010 DEPOSIT MIX



#### 2015 DEPOSIT MIX



Our conservative and disciplined approach to underwriting loans resulted in the continued improvement of the credit quality of our loan portfolio in 2015. Our nonperforming assets to total assets ratio at the end of 2015 decreased to 0.40%, an improvement from 0.46% from the prior year end, and net charge-offs to average loans for the full year 2015 was at a historic low of 0.01%, also an improvement from 0.18% for the full year of 2014. Classified loans have also decreased by 21% during the year, down to less than 3% of total loans outstanding as of December 31, 2015.

Overall, growth in profitability for the banking industry continues to be challenging, given the low interest rate environment. Although our net interest margin fell from 4.03% in 2014 to 3.35% in 2015, largely due to the lower accretion income associated with the loans acquired from the Federal Deposit Insurance Corporation (FDIC) assisted transaction of United Commercial Bank, we were able to increase revenue by 8% and increase both return on average assets and return on average equity to 1.27% and 12.74%, respectively.

Although there may be some disappointment in our 2016 earnings guidance and forecasted expenses, we believe that the investments made in 2015 and those that will be made in 2016, will pay dividends over the long term. We expect that our investments in people, systems, infrastructure and technology will lead to higher expenditures in the next year or so which is likely one of the reasons why our strong financial results did not have as much impact on our stock performance. We firmly believe in the long-term outlook of our Company and view stock price fluctuations as a normal part of the market cycle. We are confident that as our investments begin to materialize in all areas of our business, our stock price will adjust accordingly.

### China's Economic Transition

Many people are concerned about the slowdown in China's economy. Both the Chinese stock market drop and renminbi devaluation created much anxiety in 2015, causing an over-reaction in the U.S. and the rest of the world. However, if you examine the economic indicators over a longer period of time, you can see that China is undergoing a market correction, rather than a deep-rooted crisis.

In my view there is no cause for alarm: the drop in China's GDP growth is intentional and a direct result of the major reforms put forth by the Chinese leadership. Over the years, China's double-digit GDP growth was taken for granted, but it was unsustainable. China has to transition its economy away from investments, heavy industrial manufacturing, and foreign exports, and shift to a domestic consumer-driven economy with a focus on environmental protection. It is a positive step that is essential for the long-term health of China's economy.

In the past few decades, China has relied on traditional heavy industrial manufacturing and lower-value exports. However, now it is undergoing a transformation to spur higher-value exports that target emerging markets, open sectors for private investors, and promote domestic consumption with

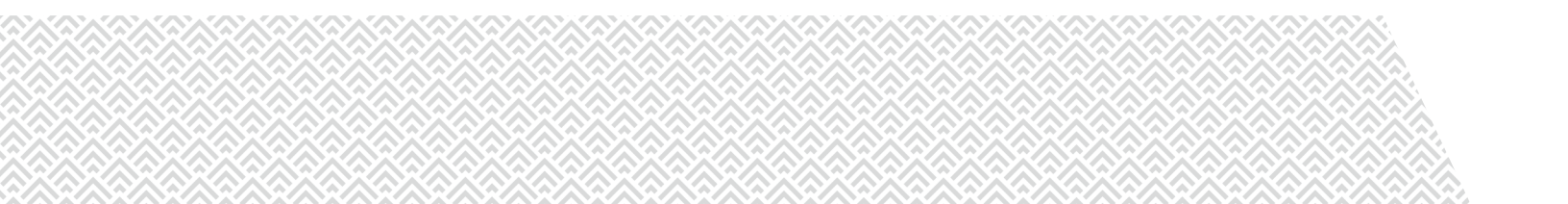
a growing middle-class. This strategy is working well, with domestic spending accounting for 66.4% of China's GDP in 2015, up 15.4% from 2014.

At East West Bank, we are focused on building expertise and a customer base in growing sectors such as technology, clean energy, agriculture, entertainment, digital media, life science and healthcare. We believe these sectors are key in expanding bilateral trade and investment between the U.S. and China. Chinese internet companies such as Baidu, Alibaba and Tencent; clean energy companies such as BYD; technology companies such as Huawei and Xiaomi; and entertainment studios such as Huayi Brothers and Bona Film, all have double digit revenue growth.

U.S.-based companies in the consumer goods sector are also enjoying strong revenue growth from Chinese domestic consumer markets. Apple, Nike and Disney are just a few of the U.S.-based companies that have benefited from the rise of China's middle class.

Trade and investment activities between the U.S. and China have continued to be robust. China is still the fastest-growing export market for the U.S., and investment from China into the U.S. continues to steadily increase. Chinese investors who are looking for strategic investments in the U.S. are now focused beyond the real estate market and are actively investing in the entertainment, technology, life science and automotive industries. As these investors and companies play a bigger role in the global market, strategic business opportunities will continue to flow to the U.S.

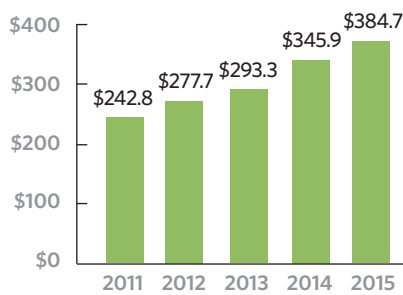
From our perspective, East West Bank is well positioned for growth compared to many of our peers. As one of a handful of U.S.-based banks with a full-service banking license in China, our deep industry expertise and cross-border relationships are a competitive advantage as we actively help our customers manage risk and navigate the changes that are happening in China.



# Financial Snapshot

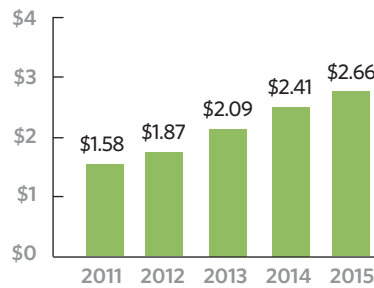
## NET INCOME <sup>1</sup>

\$ in millions



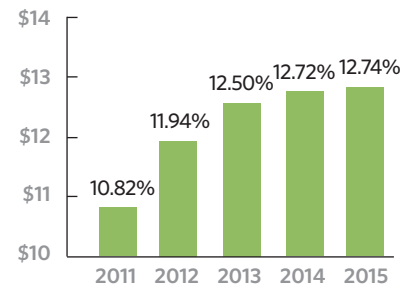
Sixth consecutive year of record net income **\$384.7 million**

## DILUTED EARNINGS PER COMMON SHARE <sup>1</sup>



Sixth consecutive year of record diluted earnings per share **\$2.66**

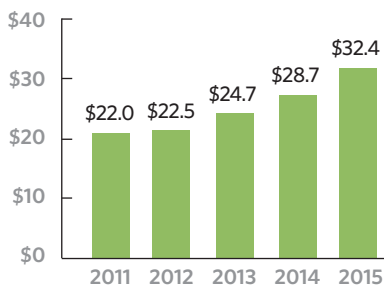
## RETURN ON AVERAGE EQUITY <sup>1</sup>



Return on Equity of **12.74%**

## TOTAL ASSETS <sup>1</sup>

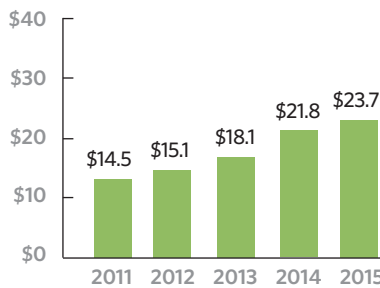
\$ in billions



Record Assets of **\$32.4 billion**

## TOTAL LOANS

\$ in billions



Record Loans of **\$23.7 billion**

## TOTAL DEPOSITS

\$ in billions



Record Deposits of **\$27.5 billion**

<sup>1</sup> Prior periods were restated to reflect the retrospective application of adopting the new accounting guidance related to the Company's investments in qualified affordable housing projects Accounting Standards Update (ASU) 2014-01.

Ultimately, our role and business value goes “beyond banking.” As the bridge between the East and West, we build closer relationships and facilitate strategic partnerships between the U.S. and China, helping to increase trust and understanding between two global super powers. “Beyond banking” is an important and unique purpose that we at East West Bank work hard to advance every day.

### Improving our BSA/AML Program

Although 2015 was eventful for East West in many ways, including the achievement of record growth and earnings, it was also a year where we turned our focus inward to strengthen our infrastructure, and to ensure continued strong growth and performance for many years to come. In November 2015, East West entered into a Written Agreement with one of our primary regulators, the Federal Reserve Bank of San Francisco. The Written Agreement established terms and timeframes of our commitment to enhance our compliance with the Bank Secrecy Act and anti-money laundering (BSA/AML) laws and regulations.

We responded in good faith to the Written Agreement with a commitment to make the appropriate changes and to take the necessary measures to ensure a foundation for strong risk management.

Overall, the Written Agreement relates to making improvements in our technology, software, and internal processes. We have not been asked by regulators to exit any customer or business segments because of this Written Agreement, nor have we been asked by regulators to change the financial products and services we offer. We have already added significant resources to meet the requirements under the Written Agreement and expect to complete the installation of a new robust monitoring system by the end of 2016. We are re-examining our internal governance, processes and controls for areas of improvement and are

working diligently to ensure that enhancements are implemented.

At East West Bank, we are committed to complying with all rules and regulations that govern our industry. Working towards meeting the terms and timeframes in the Written Agreement will be a critical strategic goal for 2016 and we are committed to making the investments and having the focus necessary to do so.

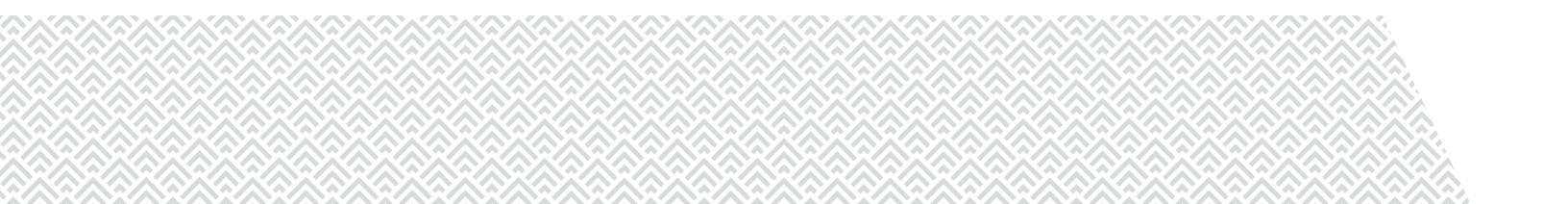
### Investing in Innovation, Security and Growth

As our customers and their businesses become global, they demand faster, real-time banking services and products. To equip our business customers with better technology-based solutions, we recently added two new advanced online banking platforms to our suite of treasury management products: *businessBridge®Premier* and *positivePayPlus*. These secure and effective tools help our commercial depository customers reduce the time required to manage their daily financial activities so that more time can be devoted to growing their businesses.

*businessBridge®Premier* is a new online banking platform with customizable features that allow businesses to access critical information with just one click. Users are able to access vital real-time account balance and transaction information, make payments and generate reports, easily and quickly.

*positivePayPlus* protects businesses from check fraud and unauthorized electronic transactions. This advanced suite of fraud protection services helps businesses strengthen their risk management controls.

The response to both products has been very positive as customers recognize the new systems’ breadth of capabilities, efficiency, and ease of use. The launch of these products puts East West Bank ahead of many of our peers. Our innovative tools provide customers a strong foundation to grow their businesses.





## Looking Ahead

With six consecutive years of record earnings, East West Bank's unique focus and strategy in the U.S. and Greater China continues to pay dividends. Demand for our knowledge, services and capabilities is growing on both sides of the Pacific. Although we may experience short-term growing pains due to increased regulatory expectations and market sentiments, the investments we make in people, technology, and the communities we serve will allow us to capitalize on future business opportunities. We will maintain focus on high-growth industries, stay ahead of market developments, and continue to thrive in the years to come.

## Acknowledgements

After more than 25 years of distinguished service at East West Bank, Julia Gouw, President and Chief Operating Officer of East West Bank retired from the Company and the board at the end of March 2016. Julia began her career at East West in 1989 as the Controller, and soon after was appointed Chief Financial Officer, a position she held until 2008. In late 2009, I asked Julia to come out from her retirement to rejoin East West as the President and Chief Operating Officer to lead the integration of East West's acquisition of United Commercial Bank. The complex integration was completed within six months, allowing the bank to immediately focus on strategic organic growth. We thank Julia for all her valuable contributions to the success of the Company over the last 25 years. We will miss her dearly and wish her all the best as she starts a new chapter of her life.

We were pleased to welcome Lester M. Sussman to our board of directors in October 2015. Les is Senior Practice Director of Resources Global Professionals providing corporate governance, risk management and compliance services to

clients globally. Les brings to our board a deep understanding of corporate governance and more than 30 years of experience in financial services. Les serves on the board's Audit Committee and Risk Oversight Committee.

To our shareholders, we thank you for your continued confidence in our Company. I am proud of the achievements we made in 2015 and look forward to delivering value for you in 2016 and beyond.

Lastly, I want to acknowledge the true pillars of East West – our 2,800 associates who go above and beyond for the Company every day. Thank you for your efforts on behalf of our proud East West Family.

Sincerely,



Dominic Ng  
Chairman and Chief Executive Officer

## Cross-Border Expertise

*Thinking about expanding your business on either side of the Pacific?  
Let us be a part of the solution to your bridge banking needs.*

### **Our Strengths in the U.S. and Greater China**

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Largest U.S. bank serving the Asian community

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Knowledge and experience in:

- Culture
  - Geography
  - Economics
  - Business practices
- 

Well connected with business leaders and service professionals

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Cross-border banking products and services

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Long-term relationship building

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### **Exceptional Value**

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Our extensive network makes banking convenient, efficient and accessible

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We guide customers through the intricacies of complicated business transactions and offer a comprehensive viewpoint

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By identifying partners, investors and resources for our customers, we broaden opportunities

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Customized solutions meet the unique financial needs of our customers across various industries

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Aside from providing our customers with banking products, our beyond banking approach helps customers assimilate seamlessly into a new country

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Our bridge banking strategy allows you to confidently rely on us. We leverage our extensive networks to help businesses meet cross-border banking needs and achieve financial goals.

Here are just some of the ways our bridge banking expertise enabled success for our customers in 2015.



## Cross-Border Entertainment

### Background

Cross-border entertainment partnerships continued to be a big hit in 2015 for the Hollywood-China industry and for East West Bank. With box office sales in China exploding by almost 50% in 2015 to \$6.8 billion, and with predictions that it will overtake U.S. box office numbers next year, Chinese investment in film production continues to rise. East West Bank's unparalleled expertise as the financial bridge between the East and West enabled us to facilitate some major deals between big players from China and Hollywood, including between Lionsgate Entertainment and Hunan TV; between STX Entertainment and Huayi Brothers; and between TSG Entertainment and Bona Film.

### The East West Bank Difference

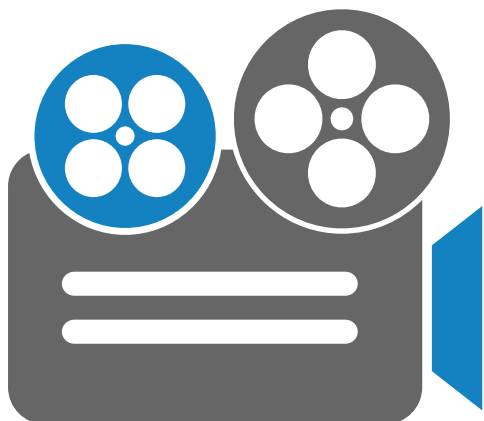
East West Bank is a pioneer in cross-border entertainment financing between the U.S. and China. We planted the financial seeds in 2010, after Chinese President Hu Jintao announced that promoting China's culture globally would be of strategic importance to its economic development. We realized that East West Bank was uniquely positioned to play an active role in this capacity, due to our deep network in Greater China, and our access to the entertainment capital of the world. Several years ago, we brought a seasoned entertainment team on board, and began cultivating relationships in the entertainment industry on both sides of the Pacific.

As a financier, we went beyond lending; our unique proposition was that we have an in-depth understanding of the financial rules, laws, people, and cultures of both countries. In addition to banking services such as lending, foreign exchange and letters of credit, we also have the capabilities to execute cross-border transactions and manage the flow of funds between the U.S. and Greater China. Our solid relationships with top studios and entertainment companies in both China and Hollywood enable us to help our clients find the right partner.

### Result

Our value-added services produced big results. We took the lead on providing financing for the co-investment deal between Lionsgate Entertainment and Hunan TV—an investment spanning a three-year period to finance the production and distribution of film and television projects. We were the sole financier of a transaction between STX Entertainment and Huayi Brothers for the co-production and distribution of a dozen theatrical and streaming video on demand releases annually. We provided a credit facility to help finance Bona Film's \$235 million investment in a slate of live action films distributed by Twentieth Century Fox, including "The Martian", a box office hit in both the U.S. and China, and nominated for seven Academy Awards, including Best Picture.

In 2015, we also helped finance Le Vision Pictures' biggest U.S.-China co-production to date. "The Great Wall" stars Matt Damon and Andy Lau under the helm of director Zhang Yimou and is expected to be released in early 2017. We look forward to supporting more works of distinction that foster cooperation and understanding between the East and the West.



*In 2015, East West Bank financed notable Hollywood-China entertainment deals*

## Build Your Dream

*Our beyond banking approach draws loyal customers who entrust us with their daily operational financial needs*

### Background

Build Your Dream (BYD) began as a rechargeable battery factory in Shenzhen with 20 employees in 1995. Today, it has grown into a formidable company with 180,000 employees internationally and is one of the largest suppliers of rechargeable batteries in the world. BYD has further expanded their business to the field of new energy; developing solar farms, battery energy storage stations, electric vehicles and LEDs. BYD's electric buses and cars can now be seen running on the streets of New York, Chicago, and throughout the state of California.

### The East West Bank Difference

BYD's growth was driven by their innovation and passion for developing renewable energy. In 2010, they expanded their footprint to the U.S. market. At that time, BYD was unfamiliar with certain aspects of U.S. business culture and regulations. Knowing this, East West Bank leveraged resources and connections to help BYD gain footing in a new market. From helping BYD in their quest for the right office space, to assisting in their efforts to develop a human resources program for U.S. employees, to providing business introductions,

we were there every step of the way. Beyond this, we connected BYD's management team to vital local government officials and community leaders, further paving the way for growth opportunities.

### Result

By being a part of BYD's business journey in the U.S. since the beginning, East West Bank established a solid foundation of trust and loyalty. Subsequent to opening their North American headquarters in Los Angeles, BYD has added five additional facilities in the U.S., which East West Bank helped finance. In addition, as their primary bank in North America, we provide both foreign exchange and treasury management services that help BYD manage daily transactions that flow through their operations in the U.S., Canada, and South America. The relationship we built with BYD in the U.S. also extends to China; our Shenzhen branch provides BYD's head office with financing to support their business development initiatives.

Appreciating our willingness to go above and beyond traditional banking, BYD continues to expand its relationship with East West Bank and also adds to our business through referrals. It is gratifying to see our bridge banking approach and the values we hold dear working - take care of your customers and receive care in return. We look forward to being a part of BYD's success story for many years to come.



# Merit Technologies, LLC

*East West Bank financed the first export of a water treatment system by a U.S.-based company to China, helping to address an urgent need for clean water*

## Background

Lu'an City, located in the Anhui province of China, has witnessed a dramatic urban expansion, and has more than tripled in population over the past 15 years. The existing water treatment plant was beginning to face challenges in keeping up with the water demands of the city. To address this issue, the public utility in Lu'an commissioned Merit Technologies, LLC (MTI), an environmental engineering firm based in San Diego, to supply and install a new water treatment system. Upon completion of the new water treatment system, the clean water capacity for Lu'an is expected to triple.

The U.S.-China Framework Agreement (Agreement) is a joint program supported by the Export-Import Bank of the United States (US Exim Bank) and the Ministry of Finance of China (Ministry). The Agreement was designed to boost exports of advanced technology and equipment from the U.S. to China, whereby the Ministry guarantees obligational payments of a Chinese buyer of U.S. exports, to help China benefit from technological advances and improve the standard of living for its people. This is a win-win situation for everyone involved: MTI, the U.S. exporter, increases sales and is assured payment upon the completion of the project; and the public utility in Lu'an, the Chinese buyer, obtains financing at an attractive interest rate.

## The East West Bank Difference

Obtaining financing under the Agreement requires extensive knowledge and involves multiple government and business parties from the U.S. and China. The process is further complicated by stringent documentation procedures and intensive negotiations among business, legal, and accounting professionals from both sides of the Pacific.

Our team at East West Bank was instrumental in the success of this project, largely because we thoroughly understood the different business cultures and government entities in the U.S. and China. By leveraging the expertise of our cross-border banking team and our long-term relationships with both US Exim Bank and China Exim Bank, we were able to smoothly facilitate the communication process between all parties and complete the transaction in a timely manner.

## Result

We are proud to have played a part in successfully completing the first environmental transaction under the Agreement and helped to open up a new financing option for future municipal environmental projects in China. East West Bank applies creative solutions for financing needs of every kind, and our involvement to expand this area further reinforces our business value. Equipped with the knowledge and experience, and having laid the groundwork for future environmental projects, East West Bank is well-positioned to seize more environment-related business opportunities.

The scale and impact of this project caught the attention of the International Finance Corporation (IFC), a division of the World Bank. IFC has since become an equity investor in MTI and we are excited that MTI's business has flourished even more since banking with East West Bank. Most importantly, knowing that millions of citizens in Lu'an will now have access to clean water makes our hard work much more worthwhile and rewarding.



# 2015 Corporate Social Responsibility Highlights

**Corporate Social Responsibility Award**  
- Los Angeles Business Journal

**Spirit of Los Angeles Award**  
- United Way Greater Los Angeles

**SBA 2015 Export Lender of the Year**  
- U.S. Small Business Administration

**\$820**  
Million   
*Small business lending in 2015*

**\$560**  
Million   
*Financing for affordable housing and homes in low-to-moderate income areas in 2015*

**1 out of 3**  
  
**East West Bank branches**  
*Located in low-to-moderate income areas*

**17,000+**  
  
**Volunteer hours**  
*Dedicated to CRA community development services over the last 5 years*

**\$15.8**  
Million   
**Donations**  
*Corporate donations over the last 5 years*

**\$4.4**  
Million   
**Raised**  
*By the Company and its associates for the United Way campaign over the last 5 years*

*At East West Bank, we believe that vibrant communities are the cornerstones of economic growth for the nation. That's why we provide support for low-to-moderate income individuals and communities through our work and financial support for affordable housing, education programs and public services.*

### **Making home ownership a reachable goal**

East West Bank believes that home ownership should be an attainable goal. In 2015, we launched an affordable lending mortgage product as a solution to help qualified buyers purchase a home with a down payment for as little as 3%. This loan program offers flexible qualification guidelines and is designed specifically for low-to-moderate income borrowers and buyers in designated low-income, minority or disaster-impacted communities. Our aim is to make home ownership a realistic goal in the communities that we serve.

### **Supporting small businesses**

Concerned with the difficulties experienced by small business operators in getting financing, East West Bank launched a micro loan program in 2015. With a streamlined application process and no collateral required, our micro loan program is an affordable way for small business owners to quickly obtain loans to help them achieve their business goals.

### **Improving the quality of life through affordable housing**

- We support organizations that build and develop affordable housing. An example of this is Century Housing, a nonprofit Community Development Financial Institution. Century Housing operates as a lender to builders and other nonprofit organizations that otherwise cannot obtain credit through conventional lending channels. A subsidiary of Century Housing owns and operates low-to-moderate income housing and develops sites to support homeless families, including veterans. In 2015, East West Bank provided financing to Century Housing to support their initiatives.
- When the Metropolitan Area Advisory Committee on Anti-Poverty in San Diego County (MAAC) needed to obtain financing for a multi-family apartment that provides housing at affordable rates, East West Bank was ready and willing to help. The housing project is available to tenants earning up to 60% of the Area Median Income, with apartment rental rates approximately 20% to 30% lower than the fair market rate in the area. MAAC is a nonprofit organization that provides various programs and services such as affordable housing, childcare, home health services, and education to low-income families and individuals throughout San Diego County.



**Improving the chance of success for people in our communities through financial education and developing meaningful workforce skills**

- East West Bank continues to support Operation HOPE (HOPE) and its initiatives to improve lives through three distinct programs. One program is to help qualified low-income individuals obtain funding for homes without resorting to subprime loans; while the other two programs are educational – designed to equip students with essential financial management knowledge and to develop their leadership skills. In 2015, our associates educated more than 185 students in Atlanta and 670 students in southern California to equip the youth with the financial tools for success. Cultivating awareness for better financial decisions helps families to break out of a cycle of poverty and helps them invest for the future. The Entrepreneurship Training Program develops specific skillsets such as public speaking, project management and critical thinking. Through the continuous support of these programs, we invest in a brighter future for communities.

- In addition to HOPE, we partner with the FDIC’s Money Smart Program to bring financial education to youths and adults. We provide information on choosing the appropriate banking products, managing finances effectively and understanding financial concepts. We are firm believers that having the ability to make informed financial decisions is important and can have a profound impact on one’s future.
- Since 2013, we have partnered with Christ Our Redeemer African Methodist Episcopal Church to further social services and financial literacy. The financial literacy education we provide is mainly focused in these areas: i) Small business owners are informed of the banking products that can help manage their daily operational needs and the types of financing available to small businesses; ii) Recent graduates are coached on the importance of avoiding debt and to begin saving early in life; and iii) Students are taught basic banking concepts and products.





- In 2015, East West Bank became the founding sponsor of the Mandarin Excellence Initiative to promote Mandarin education for kindergarten through high school students of diverse ethnic backgrounds. We partnered with Asian Americans Advancing Justice-Los Angeles, the Committee of 100 and the UCLA Confucius Institute at the 5th Annual Mandarin in Schools Conference to promote best practices in Mandarin education. As the largest Asian American



bank in the country that operates in multiple languages on a day-to-day basis, we believe that learning languages can expose the mind to new concepts and open doors to more opportunities. We strongly advocate for higher diversity as it unites ideas, cultures, backgrounds and talent. Diversity is advantageous, and by supporting multiethnic students to learn Mandarin, we hope to improve their chances of competing in an increasingly global market.

### **We continue marching toward progress with our philanthropic spirit**

2016 will be a year of continued dedication to our communities and also marks the 20th year of partnership between East West Bank and United Way. Over the past 19 years, East West Bank has raised more than \$8 million in support of United Way. In addition to providing the much needed financial support for implementing vital community initiatives, East West Bank team members offer the manpower, intellectual capital and skill-based volunteering required to get the job done.

East West Bank's drive to improve our communities, empower our youth, and provide affordable housing and small business loans is an ongoing commitment. Whether it's funding an educational program, volunteering as a team, or supporting small businesses, we are committed to the cause. Giving back to the community is an important part of our value system. We strive to be an invaluable asset for our community.

## Board of Directors

**Molly Campbell**

Director of the Port Commerce Department  
Port Authority of New York and New Jersey

**Iris S. Chan**

Chief Executive Officer  
Ameriway, Inc.

**Rudolph I. Estrada**

President and Chief Executive Officer  
Estradagy Business Advisors

**Julia S. Gouw**

President and Chief Operating Officer  
East West Bank

**Paul H. Irving**

Chairman  
Milken Institute Center for the Future of Aging

**John M. Lee**

Vice Chairman  
East West Bank

**Herman Y. Li**

Chairman  
C&L Restaurant Group, Inc.

**Jack C. Liu, Esq.**

Senior Attorney  
Alliance International Law Offices

**Dominic Ng**

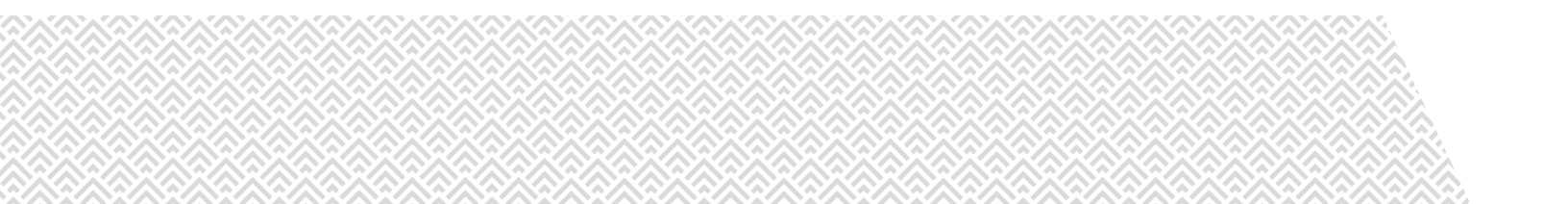
Chairman and Chief Executive Officer  
East West Bank

**Keith W. Renken**

Managing Partner  
Renken Enterprises

**Lester M. Sussman**

Senior Practice Director  
Resources Global Professionals



## 5 -Year Summary of Selected Financial Data

(\$ in thousands except per share data, shares in thousands)

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>SUMMARY OF OPERATIONS</b>					
Interest and dividend income	\$ 1,053,815	\$ 1,153,698	\$ 1,068,685	\$ 1,051,095	\$ 1,080,448
Interest expense	103,376	112,820	112,492	132,168	177,422
Net interest income before provision for credit losses	950,439	1,040,878	956,193	918,927	903,026
Provision for credit losses	14,217	49,158	22,364	65,184	95,006
Net interest income after provision for credit losses	936,222	991,720	933,829	853,743	808,020
Noninterest income (loss) <sup>(1)</sup>	183,383	(11,714)	(92,468)	(5,618)	10,924
Noninterest expense <sup>(2)</sup>	540,884	532,983	394,215	406,837	424,377
Income before income taxes <sup>(2)</sup>	578,721	447,023	447,146	441,288	394,567
Income tax expense <sup>(2)</sup>	194,044	101,145	153,822	163,552	151,794
Net income <sup>(2)</sup>	384,677	345,878	293,324	277,736	242,773
Preferred stock dividends	—	—	3,428	6,857	6,857
Net income available to common stockholders <sup>(2)</sup>	<u>\$ 384,677</u>	<u>\$ 345,878</u>	<u>\$ 289,896</u>	<u>\$ 270,879</u>	<u>\$ 235,916</u>
<b>PER COMMON SHARE</b>					
Basic earnings <sup>(2)</sup>	\$ 2.67	\$ 2.42	\$ 2.10	\$ 1.89	\$ 1.60
Diluted earnings <sup>(2)</sup>	\$ 2.66	\$ 2.41	\$ 2.09	\$ 1.87	\$ 1.58
Dividends declared	\$ 0.80	\$ 0.72	\$ 0.60	\$ 0.40	\$ 0.16
Book value <sup>(2)</sup>	\$ 21.70	\$ 19.89	\$ 17.19	\$ 17.01	\$ 15.53
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>					
Basic	143,818	142,952	137,342	141,457	147,093
Diluted	144,512	143,563	139,574	147,175	153,467
Common shares outstanding at period-end	143,909	143,582	137,631	140,294	149,328
<b>AT YEAR END</b>					
Total assets <sup>(2)</sup>	\$ 32,350,922	\$ 28,743,592	\$ 24,732,216	\$ 22,539,744	\$ 21,976,451
Loans held-for-investment, net	\$ 23,378,789	\$ 21,468,270	\$ 17,600,613	\$ 14,645,785	\$ 13,984,930
Available-for-sale investment securities	\$ 3,773,226	\$ 2,626,617	\$ 2,733,797	\$ 2,607,029	\$ 3,072,578
Customer deposits	\$ 27,475,981	\$ 24,008,774	\$ 20,412,918	\$ 18,309,354	\$ 17,453,002
Long-term debt	\$ 206,084	\$ 225,848	\$ 226,868	\$ 137,178	\$ 212,178
Federal Home Loan Bank (FHLB) advances	\$ 1,019,424	\$ 317,241	\$ 315,092	\$ 312,975	\$ 455,251
Stockholders' equity <sup>(2)</sup>	\$ 3,122,950	\$ 2,856,111	\$ 2,366,373	\$ 2,385,991	\$ 2,319,527
<b>FINANCIAL RATIOS</b>					
Return on average assets <sup>(2)</sup>	1.27%	1.25%	1.24%	1.27%	1.13%
Return on average equity <sup>(2)</sup>	12.74%	12.72%	12.50%	11.94%	10.82%
Common dividend payout ratio <sup>(2)</sup>	30.21%	30.07%	28.74%	21.26%	10.12%
Net interest margin	3.35%	4.03%	4.38%	4.63%	4.66%

<sup>(1)</sup> Changes in FDIC indemnification asset and receivable/payable was a charge of \$38.0 million, \$201.4 million, \$228.6 million, \$122.3 million and \$100.1 million for the years ended December 31, 2015, 2014, 2013, 2012 and 2011, respectively. During the year ended December 31, 2015, the Company terminated the United Commercial Bank and Washington First International Bank shared-loss agreements.

<sup>(2)</sup> Prior periods were restated to reflect the retrospective application of adopting the new accounting guidance related to the Company's investments in qualified affordable housing projects ASU 2014-01.

# Consolidated Balance Sheets

	<b>DECEMBER 31,</b>	
	<b>2015</b>	<b>2014</b>
(\$ in thousands)		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,360,887	\$ 1,039,885
Short-term investments	299,916	338,714
Securities purchased under resale agreements (resale agreements)	1,600,000	1,225,000
Available-for-sale investment securities, at fair value	3,773,226	2,626,617
Loans held for sale	31,958	45,950
Loans held-for-investment (net of allowance for loan losses of \$264,959 in 2015 and \$261,679 in 2014)	23,378,789	21,468,270
Investment in FHLB stock, at cost	28,770	31,239
Investment in Federal Reserve Bank stock, at cost	54,932	54,451
Investments in qualified affordable housing partnerships, net <sup>(1)</sup>	193,978	178,962
Premises and equipment (net of accumulated depreciation of \$100,060 in 2015 and \$85,409 in 2014)	166,993	180,900
Goodwill	469,433	469,433
Other assets <sup>(1)</sup>	992,040	1,084,171
Total assets <sup>(1)</sup>	\$ 32,350,922	\$ 28,743,592
<b>LIABILITIES</b>		
Customer deposits:		
Noninterest-bearing	\$ 8,656,805	\$ 7,381,030
Interest-bearing	18,819,176	16,627,744
Total deposits	27,475,981	24,008,774
FHLB advances	1,019,424	317,241
Securities sold under repurchase agreements (repurchase agreements)	—	795,000
Long-term debt	206,084	225,848
Accrued expenses and other liabilities	526,483	540,618
Total liabilities	29,227,972	25,887,481
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$0.001 par value, 200,000,000 shares authorized; 164,246,517 and 163,772,218 shares issued in 2015 and 2014, respectively	164	164
Additional paid in capital	1,701,295	1,677,767
Retained earnings <sup>(1)</sup>	1,872,594	1,604,141
Treasury stock at cost - 20,337,284 shares in 2015 and 20,189,989 shares in 2014	(436,162)	(430,198)
Accumulated other comprehensive (loss) income, net of tax	(14,941)	4,237
Total stockholders' equity <sup>(1)</sup>	3,122,950	2,856,111
Total liabilities and stockholders' equity <sup>(1)</sup>	\$ 32,350,922	\$ 28,743,592

<sup>(1)</sup> Prior period was restated to reflect the retrospective application of adopting the new accounting guidance related to the Company's investments in qualified affordable housing projects ASU 2014-01.

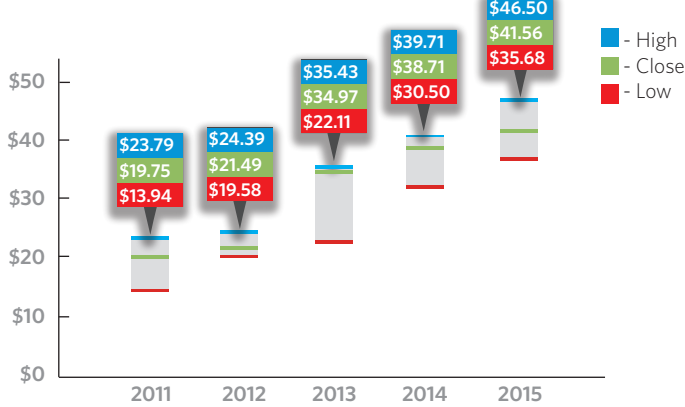
# Consolidated Statements of Income

	<b>YEAR ENDED DECEMBER 31,</b>	
	<b>2015</b>	<b>2014</b>
<i>(\$ in thousands, except per share data)</i>		
<b>INTEREST AND DIVIDEND INCOME</b>		
Loans receivable, including fees	\$ 968,625	\$ 1,059,205
Available-for-sale investment securities	41,375	44,684
Resale agreements	19,799	20,323
Investment in FHLB and Federal Reserve Bank stock	6,077	6,272
Due from banks and short-term investments	17,939	23,214
Total interest and dividend income	1,053,815	1,153,698
<b>INTEREST EXPENSE</b>		
Customer deposits	73,505	65,486
Short-term borrowings	58	—
FHLB advances	4,270	4,116
Repurchase agreements	20,907	38,395
Long-term debt	4,636	4,823
Total interest expense	103,376	112,820
<b>NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES</b>	950,439	1,040,878
Provision for credit losses	14,217	49,158
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	936,222	991,720
<b>NONINTEREST INCOME (LOSS)</b>		
Branch fees	39,495	37,866
Letters of credit fees and foreign exchange income	38,985	37,323
Ancillary loan fees	15,029	10,616
Wealth management fees	18,268	16,162
Derivative commission income	16,193	12,753
Changes in FDIC indemnification asset and receivable/payable	(37,980)	(201,417)
Net gains on sales of loans	24,874	39,132
Net gains on sales of available-for-sale investment securities	40,367	10,851
Other fees and other operating income	28,152	25,000
Total noninterest income (loss)	183,383	(11,714)
<b>NONINTEREST EXPENSE</b>		
Compensation and employee benefits	262,193	231,838
Occupancy and equipment expense	61,292	63,815
Amortization of tax credit and other investments <sup>(1)</sup>	36,120	44,092
Amortization of premiums on deposits acquired	9,234	10,204
Deposit insurance premiums and regulatory assessments	18,772	21,922
Deposit related expenses	9,582	7,536
Other real estate owned income	(8,914)	(3,591)
Legal expense	16,373	53,018
Data processing	10,185	15,888
Consulting expense	17,234	8,511
Repurchase agreements' extinguishment costs	21,818	—
Other operating expense	86,995	79,750
Total noninterest expense <sup>(1)</sup>	540,884	532,983
<b>INCOME BEFORE INCOME TAXES <sup>(1)</sup></b>	578,721	447,023
Income tax expense <sup>(1)</sup>	194,044	101,145
<b>NET INCOME <sup>(1)</sup></b>	\$ 384,677	\$ 345,878
<b>EARNINGS PER SHARE</b>		
Basic <sup>(1)</sup>	\$ 2.67	\$ 2.42
Diluted <sup>(1)</sup>	\$ 2.66	\$ 2.41

<sup>(1)</sup> Prior period was restated to reflect the retrospective application of adopting the new accounting guidance related to the Company's investments in qualified affordable housing projects ASU 2014-01.

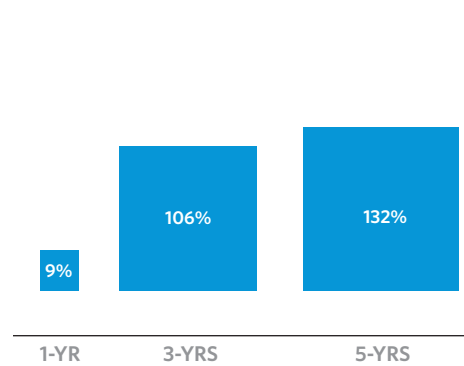
# Stock Snapshot

## EWBC 5-YR STOCK PERFORMANCE

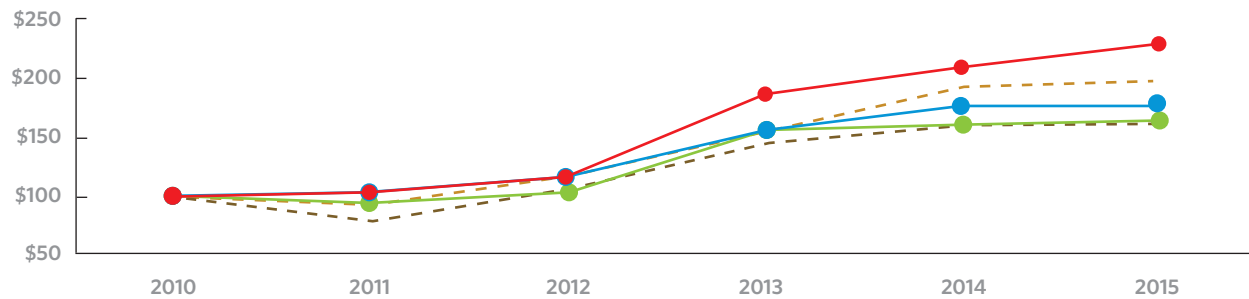


## TOTAL SHAREHOLDER RETURN

(As of December 31, 2015)



## TOTAL RETURN PERFORMANCE



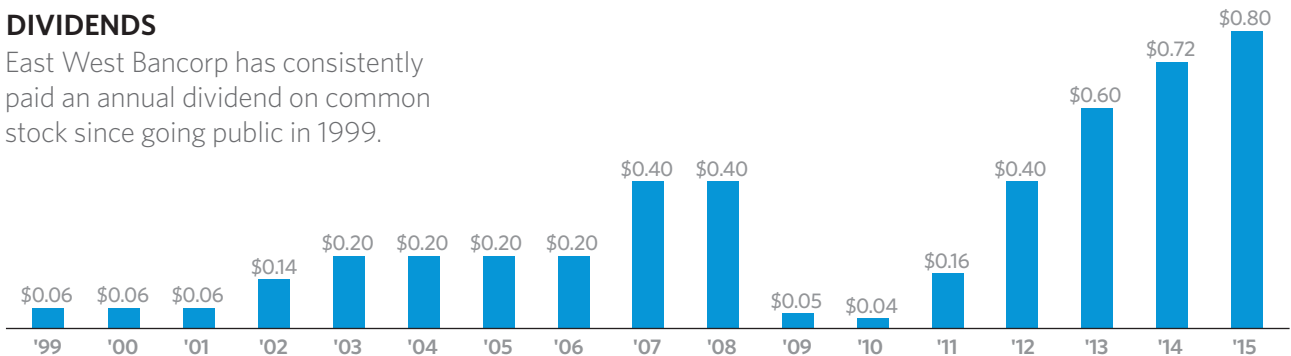
December 31,	2010	2011	2012	2013	2014	2015
EWBC	\$ 100	\$ 102	\$ 113	\$ 187	\$ 212	\$ 232
S&P 500 Index	\$ 100	\$ 102	\$ 118	\$ 157	\$ 178	\$ 181
KBW Regional Bank Index	\$ 100	\$ 95	\$ 107	\$ 158	\$ 162	\$ 171
<i>Indices used in the prior year</i>						
SNL Western U.S. Bank Index	\$ 100	\$ 90	\$ 114	\$ 160	\$ 193	\$ 199
SNL U.S. Bank and Thrift Index	\$ 100	\$ 78	\$ 104	\$ 143	\$ 160	\$ 163

This table and graph assume that on December 31, 2010, \$100 was invested in EWBC common stock, the S&P 500 Index and KBW Regional Bank Index (KRX) Index, and that all dividends were reinvested.

In 2015, the Company changed its stock performance graph indices from the SNL U.S. Bank and Thrift and SNL Western U.S. Bank Indices to the S&P 500 and KRX. The KRX was used to further align EWBC with those companies of a relatively similar size. The S&P 500 was utilized as a benchmark against performance.

## DIVIDENDS

East West Bancorp has consistently paid an annual dividend on common stock since going public in 1999.



# Investor Information

## Transfer Agent and Registrar

Stockholders with inquiries about accounts, lost stock certificates or changes of address may contact the Computershare customer service department:

### **Computershare**

250 Royall Street  
Canton, MA 02021  
(877) 254-8651 (available 24-hrs a day)

## Independent Registered Public Accounting Firm

KPMG LLP

## Exchange

NASDAQ: EWBC

## Shares Outstanding at December 31, 2015

143,909,233

## Financial Information and Mailings

You may obtain the Company's annual reports on Form 10-K, quarterly financial results and other financial information by writing or calling:

### **East West Bancorp, Inc.**

Investor Relations  
135 N. Los Robles Avenue, 7th Floor  
Pasadena, CA 91101  
(626) 768-6000

To receive Company news releases via e-mail, please contact Investor Relations at the telephone number or address above or sign up at [www.eastwestbank.com/investors](http://www.eastwestbank.com/investors)

## Annual Meeting

The 2016 Annual Meeting of Stockholders will be held at 2:00 p.m. Pacific Daylight Time on Tuesday, May 24, 2016 at:

### **East West Bank**

Corporate Headquarters  
135 N. Los Robles Avenue, 6th Floor  
Pasadena, CA 91101

Formal notice of the meeting with a proxy card and proxy statement is being mailed to all stockholders of record as of March 28, 2016.

The proxy statement, annual report on Form 10-K and proxy card are available at:  
[www.eastwestbank.com/annual](http://www.eastwestbank.com/annual)



Corporate Headquarters  
135 N. Los Robles Avenue  
Pasadena, CA 91101  
626.768.6000  
[www.eastwestbank.com](http://www.eastwestbank.com)