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NEWS RELEASE

**FOR FURTHER INFORMATION AT THE COMPANY:**

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**EAST WEST BANCORP ANNOUNCES PRELIMINARY  
SECOND QUARTER 2008 FINANCIAL RESULTS WITH TOTAL REVENUES  
OF \$105.6 MILLION, EPS GUIDANCE OF \$1.35 TO \$1.40 FOR 2009 AND \$0.19  
TO \$0.23 FOR REST OF 2008 AND TOTAL RISK-BASED CAPITAL  
REACHING 13.01%**

- **Maintained Cash Dividend of \$0.10 Per Common Share Payable on August 19, 2008**
- **Average Deposits Up \$172.8 Million Quarter-To-Date**
- **Loan Loss Provision of \$85.0 Million**

**Pasadena, CA – July 24, 2008** – East West Bancorp, Inc. (Nasdaq: EWBC), parent company of East West Bank, one of the nation's premier community banks, today reported selected preliminary financial results for the second quarter 2008 of a net loss of \$25.9 million or (\$0.41) per share.

The Company is in the process of determining whether a goodwill impairment charge, if any, is required as of June 30, 2008. These financial results for the second quarter reported in this release are final excluding the impact of goodwill impairment, if any. If there is any goodwill impairment, noninterest expense will increase and earnings per share and net income will be reduced for the quarter. The Bank's regulatory capital levels, cash or liquidity are not affected by goodwill and any potential impairment. We expect to conclude our analysis shortly and will communicate final second quarter financial results immediately afterwards.

Dominic Ng, Chairman, President and Chief Executive Officer of East West, stated, "East West's core profitability remains very strong. For the quarter, East West's total revenue including net interest income and noninterest income was \$105.6 million, compared to \$109.7 million in the prior year period. Core operating income (excluding the impact of provision for loan losses and non-cash charges) was approximately \$49.9 million for the quarter. The current environment has been very challenging for all banks and East West has responded aggressively by taking actions to further strengthen our balance sheet by increasing capital, liquidity and our allowance for loan losses. East West's business model is diversified and our balance sheet and capital levels are very healthy. We are confident that due to our decisive actions taken during the first half of the year, the Bank will return to profitability for the rest of 2008 and for full year 2009."

Ng continued, "During the quarter, East West completed a comprehensive review of the loan portfolio. As part of the loan review, we ordered new appraisals for our land and residential construction loans and as a result, recorded a provision for loan losses of \$85.0 million. The provision for loan losses was more than 2.4 times the net chargeoffs of \$34.8 million for the quarter and as of the end of June, the allowance for loan losses was \$168.4 million, a 90% increase from year-end. I would like to reiterate that East West does not and has not ever engaged in any subprime lending and our consumer and residential loan portfolios are performing well. Loan by loan, we have methodically examined our loan portfolio for loss exposure. We believe that we are well reserved as of June 30, 2008 and that provision levels will be less for the remainder of 2008."

Ng continued, "Initiatives we undertook during the second quarter and will continue for the remainder of the year include building capital, building deposits, reducing exposures to land and construction loans, and reducing operating expenses. We have been successful in growing deposits and quarter-to-date average deposits are up \$172.8 million. Additionally, given our extensive portfolio review and our increased allowance for loan losses, we believe our credit risk exposures are manageable and we have resumed earnings guidance."

### **Management Guidance**

Due to the economic conditions and turbulence surrounding the entire financial market, the Company did not provide earnings per share guidance at the release of the first quarter 2008 earnings. Management is pleased to provide guidance for the remainder of 2008 and an early indication for guidance for 2009 at this point in time. Management currently expects that fully diluted earnings per share will range from \$0.08 to \$0.10 for the third quarter of 2008 and \$0.11 to \$0.13 for the fourth quarter of 2008. Additionally, management currently estimates that full year 2009 earnings will range from \$1.35 to \$1.40 per share.

Management expects that the net interest margin will range from 3.11% to 3.16% for the remainder of 2008, resulting in a full year net interest margin of 3.28% to 3.32%. The decrease in the estimated margin for the second half of 2008 is largely due to assumptions on increased nonperforming assets and increased deposit costs. Additionally, management currently estimates that provision for loan losses for the remainder of the year will approximate \$30.0 million per quarter. We currently believe that the estimate is reasonable based on our stress case modeling which includes assumptions on probability of default and continued deterioration in the real estate market.

Ng concluded, "We strongly believe that our current aggressive credit management combined with our strong capital levels will enable us to be one of the first community banks to successfully emerge from this difficult economic environment. We believe that East West will have opportunities in 2009 to capitalize on the turbulence in the banking sector and gain market share through organic expansion and/or acquisition. Additionally, our current projections show that earnings for the full year of 2009 will range from \$1.35 to \$1.40 per share."

## Preliminary Second Quarter Summary

- Raised \$200.0 million in capital through issuance of convertible preferred stock
- Increased risk-based capital \$175.7 million quarter-to-date, resulting in a total risk-based capital ratio of 13.01% as of June 30, 2008
- Increased excess borrowing capacity to \$1.7 billion
- Increased average deposits \$172.8 million quarter-to-date
- Credit Quality
  - Recorded provision for loan losses to \$85.0 million
  - Net loan chargeoffs were \$34.8 million
  - Total allowance for loan losses to total loans of 1.95%
  - Total nonperforming assets to total assets of 1.64%
- Other than temporary impairment of investment securities \$9.9 million, primarily related to Fannie Mae and Freddie Mac preferred stock
- Tax receivable write-off of \$7.1 million before tax deduction (\$4.6 million after tax)

East West also recently announced that its Board of Directors declared a quarterly common stock cash dividend of \$0.10 per share for the third quarter of 2008, the 38<sup>th</sup> consecutive quarter East West has returned cash dividends to common shareholders. East West's Board of Directors also recently approved the payment of the 8.0% dividend on the Series A Preferred Stock.

## Preliminary Second Quarter 2008 Operating Results

(In thousands, except per share amounts)  
(unaudited)

|  | <b>Three Months Ended June 30, 2008</b> |                         |
|--|---|-------------------------|
|  | <b>Total Amount</b>                     | <b>Per Share Amount</b> |
| Interest and dividend income                         | \$ 167,905                              | \$ 2.68                 |
| Interest expense                                     | (75,729)                                | (1.21)                  |
| Net interest income before provision for loan losses | 92,176                                  | 1.47                    |
| Provision for loan losses                            | (85,000)                                | (1.36)                  |
| Net interest income after provision for loan losses  | 7,176                                   | 0.11                    |
| Noninterest income                                   | 13,383                                  | 0.21                    |
| Noninterest expense                                  | (65,600)                                | (1.05)                  |
| (Loss) income before provision for income taxes      | (45,041)                                | (0.72)                  |
| Benefit (provision) for income taxes                 | 19,154                                  | 0.31                    |
| Net (loss) income                                    | \$ (25,887)                             | \$ (0.41)               |

Net interest income for the second quarter totaled \$92.2 million, 7% or \$6.8 million less than the second quarter of 2007 and 7%, or \$7.4 million lower on a sequential quarter basis. The net interest margin for the quarter totaled 3.33%, compared to 3.63% in the prior quarter, a decrease of 30 basis points. The 30 basis point decrease in the margin was primarily comprised of a 10 basis point decrease due to the recent steep 225 basis point decrease in the federal funds target rate, an 8 basis point decrease due to the reversal of interest from nonaccrual loans and an 8 basis point decrease due to the reinvestment of loan payoffs into lower yielding Treasury securities and fed funds assets.

## Preliminary Second Quarter Margin Information

| For The Period              | Three Months Ended |                |
|-----------------------------|--------------------|----------------|
|                             | June 30, 2008      | March 31, 2008 |
| Net interest margin (1)     | 3.33%              | 3.63%          |
| Yield on earning assets (1) | 6.07%              | 6.81%          |
| Cost of deposits            | 2.33%              | 2.86%          |
| Cost of funds               | 2.92%              | 3.35%          |

(1) Yields on certain securities have been adjusted upward to a "fully taxable equivalent" basis in order to reflect the effect of income which is exempt from federal income taxation at the current statutory tax rate.

East West recorded \$85.0 million in provision for loan losses during the second quarter of 2008. In comparison, East West recorded \$55.0 million in the first quarter of 2008.

Noninterest income for the second quarter totaled \$13.4 million, 24% or \$2.6 million higher than the second quarter of 2007 and 16% or \$2.5 million less than the first quarter of 2008. Core noninterest income, excluding the impact of gains on sales of investment securities, loans and other assets, totaled \$9.6 million for the quarter, 2% lower than the prior year figure and reflecting no change from the sequential quarter. Noninterest income remains healthy as branch fees, letters of credit fees and commissions have remained stable.

Total noninterest expenses, excluding any potential goodwill impairment, totaled \$65.6 million for the quarter. Of this amount, \$9.9 million was due to other than temporary impairment of investment securities. Excluding the non-cash charge for investment securities, operating expenses totaled \$55.7 million for the second quarter, \$2.8 million higher than prior quarter. The increase from the prior quarter was largely due to a \$3.2 million increase in credit cycle costs including appraisal, legal and consultant and other real estate owned expenses. We estimate that noninterest expenses for the remainder of the year will trend downward from the first half of the year due to expense management.

During the quarter, we recorded other than temporary impairment of investment securities of \$9.9 million. The investment securities writedown was primarily comprised of an \$8.4 million writedown of Fannie Mae and Freddie Mac preferred stock. Given the recent announcement by the federal government to support Fannie Mae and Freddie Mac, we believe that all principal and interest on these securities will be paid. Additionally, during the second quarter, we also wrote off \$1.5 million for four pooled trust preferred securities also determined to be other than temporarily impaired.

Lastly, we wrote off a \$7.1 million tax receivable for a tax refund claim related to a Regulated Investment Company "RIC" as the California Franchise Tax Board denied the Company's tax refund claim. This receivable of \$7.1 million (\$4.6 million after tax) was written off; however, management will continue to appeal and pursue the claim.

## Capital Strength

|  | 6/30/2008 | 3/31/2008 |
|--|-----------|-----------|
| <b>Summary</b>   |           |           |
| Total Leverage Capital   | 1,163,930 | 991,153   |
| Total Risk-Based Capital   | 1,371,257 | 1,195,562 |
| Leverage Capital Ratio   | 10.01%    | 8.58%     |
| Tier 1 Capital Ratio   | 11.04%    | 8.78%     |
| Total Risk-Based Capital Ratio                                     | 13.01%    | 10.59%    |
| <b>Well Capitalized Figures</b>                                    |           |           |
| Total Well Capitalized Leverage Requirement (5%)                   | 581,282   | 577,656   |
| Total Excess Above Well Capitalized Leverage Requirement           | 582,648   | 413,497   |
| Total Well Capitalized Tier-1 Capital Requirement (6%)             | 632,335   | 677,478   |
| Total Excess Above Well Capitalized Tier-1 Capital Requirement     | 738,922   | 518,084   |
| Total Well Capitalized Risk-Based Capital Requirement (10%)        | 1,053,891 | 1,129,129 |
| Total Excess Above Well Capitalized Risk-Based Capital Requirement | 317,366   | 66,433    |

East West raised \$200.0 million in capital through a preferred convertible stock offering in April of 2008. Through the capital issuance, East West increased the total amount of tangible equity to \$908.8 million as of June 30, 2008. As of the end of the second quarter, our tangible equity to tangible assets ratio was a solid 7.96%. East West significantly exceeds well capitalized minimums under all regulatory guidelines. At June 30, 2008, our total risk-based capital ratio was 13.01%, Tier I risk-based capital ratio was 11.04%, and Tier I leverage ratio was 10.01%.

## Strong Liquidity

The Bank's liquidity continued to grow during the quarter, primarily due to increased deposits and paydowns of loans. As of June 30, 2008, East West had \$1.3 billion of excess borrowing capacity from various sources including the Federal Home Loan Bank, Federal Reserve and Fed Fund facilities. The Bank also had \$424.0 million in cash and Fed Funds sold as of June 30, 2008, bringing the total excess liquidity to \$1.7 billion. Additionally, total deposits as of June 30, 2008 grew \$240.1 million or 3% from December 31, 2007.

## Managing Through the Credit Cycle

Given the turbulence surrounding the residential construction market, management believed it was prudent to perform a comprehensive review of the portfolio, including obtaining new appraisals on land and residential construction loans. As a result of the review of the portfolio during the quarter, management has recorded the appropriate charge-offs and provision levels as of June 30, 2008.

The \$85.0 million provision for loan losses during the quarter, net of \$34.8 million in net chargeoffs, increased the allowance for loan losses to \$168.4 million, a 44% or \$51.3 million increase from March 31, 2008.

Total nonperforming assets as of June 30, 2008 totaled \$193.1 million or 1.64% of total assets, compared to \$74.5 million or 0.63% of total assets at March 31, 2008.

Nonperforming assets as of June 30, 2008 included nonaccrual loans totaling \$170.9 million, other real estate owned totaling \$17.5 million and loans modified or restructured totaling \$4.7 million. During the second quarter, we sold five other real estate owned properties with a carrying value of \$10.0 million and foreclosed on five properties with a carrying value of \$12.5 million.

Total nonaccrual loans as of June 30, 2008 were \$170.9 million, or 1.97% of total loans. As a result of our comprehensive loan review, we identified 20 loans totaling \$40.4 million which were not 90 days past due as of June 30, 2008, but we proactively classified as nonaccrual due to concerns surrounding collateral and future collectibility.

For the second quarter of 2008, East West had net chargeoffs of \$34.8 million, comprised of \$35.2 million in gross charge-offs and \$366 thousand in recoveries. This compares to net charge-offs of \$25.4 million for the first quarter of 2008. Of the total gross charge-offs of \$35.2 million for the quarter, 46% or \$16.3 million were land loans and 45% or \$15.7 million were residential construction loans.

At June 30, 2008, the allowance for loan losses increased to \$168.4 million, compared to \$117.1 million at March 31, 2008. At June 30, 2008, the allowance for unfunded loan commitments totaled \$11.2 million, compared to \$12.3 million, at March 31, 2008, reflecting the decrease in unfunded commitments during the quarter. The allowance for unfunded loan commitments is included in accrued expenses and other liabilities on the balance sheet. The Company's methodology for calculating the allowance for loan losses includes factors such as collateral deficiency, historical loss trends, asset classification, delinquency, credit concentrations and overall economic conditions. Based on management's evaluation and analysis of portfolio credit quality and prevailing economic conditions, we believe these reserves are adequate for losses inherent in the loan portfolio both on and off-balance sheet as of June 30, 2008.

### **Deposit Summary**

During the second quarter, deposits were stable with total deposits at June 30, 2008 of \$7.5 billion, a 3% or \$240.1 million increase over total deposits of \$7.3 billion at December 31, 2007. Average total deposits for the second quarter were \$7.5 billion, a 2% or \$172.8 million increase from the first quarter of 2008. The average cost of deposits for the second quarter of 2008 was 2.33%, a 109 basis point decrease from the year ago quarter and a 53 basis point decrease from the previous quarter. The average cost of funds for the second quarter equaled 2.92%, an 82 basis point decrease from the prior year and a 43 basis point decrease from the prior quarter.

### **About East West**

East West Bancorp is a publicly owned company, with \$11.8 billion in assets, whose stock is traded on the Nasdaq Global Select Market under the symbol "EWBC". The company's wholly owned subsidiary, East West Bank, is the second largest independent commercial bank headquartered in Southern California with 72 branch locations. East

West Bank serves the community with 70 branch locations across Southern and Northern California and a branch location in Houston, Texas. East West Bank has three international locations in Greater China, including a full-service branch in Hong Kong and representative offices in Beijing and Shanghai. For more information on East West Bancorp, visit the company's website at [www.eastwestbank.com](http://www.eastwestbank.com).

#### *Forward-Looking Statements*

*This release may contain forward-looking statements, which are included in accordance with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and accordingly, the cautionary statements contained in East West Bancorp's Annual Report on Form 10-K for the year ended Dec. 31, 2007 (See Item I -- Business, and Item 7 -- Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations), and other filings with the Securities and Exchange Commission are incorporated herein by reference. These factors include, but are not limited to: the effect of interest rate and currency exchange fluctuations; competition in the financial services market for both deposits and loans; EWBC's ability to efficiently incorporate acquisitions into its operations; the ability of borrowers to perform as required under the terms of their loans; effect of additional provisions for loan losses; effect of any goodwill impairment, the ability of EWBC and its subsidiaries to increase its customer base; the effect of regulatory and legislative action, including California tax legislation and an announcement by the state's Franchise Tax Board regarding the taxation of Registered Investment Companies; and regional and general economic conditions. Actual results and performance in future periods may be materially different from any future results or performance suggested by the forward-looking statements in this release. Such forward-looking statements speak only as of the date of this release. East West expressly disclaims any obligation to update or revise any forward-looking statements found herein to reflect any changes in the Bank's expectations of results or any change in event.*

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

|  | <u>June 30, 2008</u> | <u>December 31, 2007</u> | <u>% Change</u> |
|--|----------------------|--------------------------|-----------------|
| <b>Assets</b>  |                      |                          |                 |
| Cash and cash equivalents  | \$ 424,058           | \$ 160,347               | 164             |
| Short term investments   | 880                  | -                        | NA              |
| Securities purchased under resale agreements                                     | 50,000               | 150,000                  | (67)            |
| Investment securities available-for-sale   | 1,828,181            | 1,887,136                | (3)             |
| Loans receivable (net of allowance for loan losses<br>of \$168,413 and \$88,407) | 8,483,124            | 8,750,921                | (3)             |
| Other real estate owned, net   | 17,490               | 1,500                    | 1,066           |
| Premiums on deposits acquired, net   | 23,896               | 28,459                   | (16)            |
| Goodwill   | 337,574              | 335,366                  | 1               |
| Other assets   | 619,697              | 538,483                  | 15              |
| Total assets   | <u>\$ 11,784,900</u> | <u>\$ 11,852,212</u>     | (1)             |

|   |                      |                      |      |
|---|----------------------|----------------------|------|
| <b>Liabilities and Stockholders' Equity</b> |                      |                      |      |
| Deposits                                    | \$ 7,519,002         | \$ 7,278,914         | 3    |
| Federal funds purchased                     | 86,149               | 222,275              | (61) |
| Federal Home Loan Bank advances             | 1,543,389            | 1,808,419            | (15) |
| Securities sold under repurchase agreements | 1,000,812            | 1,001,955            | (0)  |
| Notes payable                               | 13,533               | 16,242               | (17) |
| Accrued expenses and other liabilities      | 114,245              | 117,014              | (2)  |
| Long-term debt                              | 235,570              | 235,570              | 0    |
| Total liabilities                           | 10,512,700           | 10,680,389           | (2)  |
| Stockholders' equity                        | 1,272,200            | 1,171,823            | 9    |
| Total liabilities and stockholders' equity  | <u>\$ 11,784,900</u> | <u>\$ 11,852,212</u> | (1)  |
| Book value per share                        | \$ 16.64 (1)         | \$ 18.56             | (10) |
| Number of shares at period end              | 63,439               | 63,137               | 0    |

**Ending Balances**

|                                       | <u>June 30, 2008</u> | <u>December 31, 2007</u> | <u>% Change</u> |
|---------------------------------------|----------------------|--------------------------|-----------------|
| <b>Loans receivable</b>               |                      |                          |                 |
| Real estate - single family           | \$ 474,774           | \$ 433,337               | 10              |
| Real estate - multifamily             | 742,025              | 690,941                  | 7               |
| Real estate - commercial              | 3,451,822            | 3,502,213                | (1)             |
| Real estate - land                    | 625,341              | 681,260                  | (8)             |
| Real estate - construction            | 1,554,192            | 1,547,082                | 0               |
| Commercial                            | 1,165,655            | 1,314,068                | (11)            |
| Trade finance                         | 436,969              | 491,690                  | (11)            |
| Consumer                              | 205,649              | 184,518                  | 11              |
| Total gross loans receivable          | 8,656,427            | 8,845,109                | (2)             |
| Unearned fees, premiums and discounts | (4,890)              | (5,781)                  | (15)            |
| Allowance for loan losses             | (168,413)            | (88,407)                 | 90              |
| Net loans receivable                  | <u>\$ 8,483,124</u>  | <u>\$ 8,750,921</u>      | (3)             |
| <b>Deposits</b>                       |                      |                          |                 |
| Noninterest-bearing demand            | \$ 1,419,183         | \$ 1,431,730             | (1)             |
| Interest-bearing checking             | 400,174              | 472,943                  | (15)            |
| Money market                          | 1,117,229            | 1,090,949                | 2               |
| Savings                               | 460,651              | 477,779                  | (4)             |
| Total core deposits                   | 3,397,237            | 3,473,401                | (2)             |
| Time deposits less than \$100,000     | 979,810              | 926,459                  | 6               |
| Time deposits \$100,000 or greater    | 3,141,955            | 2,879,054                | 9               |
| Total time deposits                   | 4,121,765            | 3,805,513                | 8               |
| Total deposits                        | <u>\$ 7,519,002</u>  | <u>\$ 7,278,914</u>      | 3               |

(1) Book value per share is calculated based on the assumed conversion of 200,000 shares of convertible preferred stock into 12,998,840 shares of the Company's common stock







**EAST WEST BANCORP, INC.**  
**SELECTED FINANCIAL INFORMATION**

(In thousands)  
(unaudited)

| Selected Ratios                        | Three Months Ended June 30, |          | %<br>Change |
|--|-----------------------------|----------|-------------|
|  | 2008                        | 2007     |             |
| For The Period                         |                             |          |             |
| Return on average assets               | -0.88%                      | 1.52%    | (158)       |
| Return on average equity               | -8.48%                      | 15.53%   | (155)       |
| Interest rate spread (3)               | 2.70%                       | 3.20%    | (16)        |
| Net interest margin (3)                | 3.33%                       | 3.97%    | (16)        |
| Yield on earning assets (3)            | 6.07%                       | 7.51%    | (19)        |
| Cost of deposits                       | 2.33%                       | 3.42%    | (32)        |
| Cost of funds                          | 2.92%                       | 3.74%    | (22)        |
| Noninterest expense/average assets (1) | 1.74%                       | 1.52%    | 14          |
| Efficiency ratio (1)                   | 48.62%                      | 36.91%   | 32          |
| Net chargeoffs to average loans (2)    | 1.59%                       | 0.03%    | 5,483       |
| Gross loan chargeoffs                  | \$ 35,209                   | \$ 865   | 3,970       |
| Loan recoveries                        | \$ (366)                    | \$ (289) | 27          |
| Net loan chargeoffs                    | \$ 34,843                   | \$ 576   | 5,949       |
|  |                             |          |             |
| Selected Ratios                        | Six Months Ended June 30,   |          | %<br>Change |
|  | 2008                        | 2007     |             |
| For The Period                         |                             |          |             |
| Return on average assets               | -0.35%                      | 1.54%    | (123)       |
| Return on average equity               | -3.51%                      | 16.00%   | (122)       |
| Interest rate spread (3)               | 2.82%                       | 3.21%    | (12)        |
| Net interest margin (3)                | 3.48%                       | 3.96%    | (12)        |
| Yield on earning assets (3)            | 6.44%                       | 7.49%    | (14)        |
| Cost of deposits                       | 2.59%                       | 3.39%    | (24)        |
| Cost of funds                          | 3.14%                       | 3.72%    | (16)        |
| Noninterest expense/average assets (1) | 1.69%                       | 1.47%    | 15          |
| Efficiency ratio (1)                   | 45.12%                      | 35.85%   | 26          |
| Net chargeoffs to average loans        | 1.36%                       | 0.02%    | 7,453       |
| Gross loan chargeoffs                  | \$ 60,792                   | \$ 1,056 | 5,657       |
| Loan recoveries                        | \$ (566)                    | \$ (324) | 75          |
| Net loan chargeoffs                    | \$ 60,226                   | \$ 732   | 8,128       |
|  |                             |          |             |
| Period End                             |                             |          |             |
| Tier 1 risk-based capital ratio        | 11.04%                      | 9.77%    | 13          |
| Total risk-based capital ratio         | 13.01%                      | 11.21%   | 16          |
| Tier 1 leverage capital ratio          | 10.01%                      | 8.89%    | 13          |

(1) Excludes the amortization of intangibles, amortization and impairment writedowns of premiums on deposits acquired, impairment writedown on goodwill and investment securities, and amortization of investments in affordable housing partnerships.

(2) Annualized.

(3) Yields on certain securities have been adjusted upward to a "fully taxable equivalent" basis in order to reflect the effect of income which is exempt from federal income taxation at the current statutory tax rate.

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

|   | Three Months Ended |                   |
|---|--------------------|-------------------|
|   | June 30, 2008      | March 31, 2008    |
| <b>LOANS</b>  |                    |                   |
| Allowance balance, beginning of period  | \$ 117,120         | \$ 88,407         |
| Allowance for unfunded loan commitments and letters of credit                                 | 1,136              | (904)             |
| Provision for loan losses   | 85,000             | 55,000            |
| Net Charge-offs:  |                    |                   |
| Single family real estate   | 632                | 75                |
| Multifamily real estate   | 436                | -                 |
| Commercial and industrial real estate   | (3)                | -                 |
| Land  | 16,337             | 5,078             |
| Residential Construction  | 15,726             | 8,565             |
| Commercial Construction   | -                  | -                 |
| Business, commercial  | 1,562              | 11,636            |
| Automobile  | 130                | 12                |
| Other   | 23                 | 17                |
| Total net charge-offs   | <u>34,843</u>      | <u>25,383</u>     |
| Allowance balance, end of period  | <u>\$ 168,413</u>  | <u>\$ 117,120</u> |
| <b>UNFUNDED LOAN COMMITMENTS AND LETTERS OF CREDIT:</b>                                       |                    |                   |
| Allowance balance, beginning of period  | \$ 12,289          | \$ 11,385         |
| Provision (recovery) for unfunded loan commitments and letters of credit                      | (1,136)            | 904               |
| Allowance balance, end of period  | <u>\$ 11,153</u>   | <u>\$ 12,289</u>  |
| GRAND TOTAL, END OF PERIOD  | <u>\$ 179,566</u>  | <u>\$ 129,409</u> |
| Allowance for loan losses to total gross loans at end of period                               | 1.95%              | 1.32%             |
| Allowance for loan losses and unfunded loan commitments to total gross loans at end of period | 2.07%              | 1.46%             |
| Allowance to nonaccrual loans at end of period  | 98.59%             | 202.41%           |
| Nonperforming assets to total assets  | 1.64%              | 0.63%             |
| Nonaccrual loans to total loans   | 1.97%              | 0.65%             |

**EAST WEST BANCORP, INC.**  
**TOTAL NON-PERFORMING ASSETS AS OF JUNE 30, 2008**  
(In thousands)  
(unaudited)

| Loan Type                  | Total Nonaccrual Loans |                      |                          |                  | Total Non-Performing Assets |
|----------------------------|------------------------|----------------------|--------------------------|------------------|-----------------------------|
|                            | 90+ days Delinquent    | Under 90+ Delinquent | Modified or Restructured | REO Assets       |                             |
| SFR                        | \$ 7,247               | \$ -                 | \$ -                     | \$ 1,635         | \$ 8,882                    |
| MFR                        | 7,010                  | -                    | -                        | 4,658            | 11,668                      |
| Land                       | 46,773                 | 24,829               | -                        | 1,000            | 72,603                      |
| CRE                        | 18,326                 | -                    | 1,699                    | -                | 20,025                      |
| Construction - Residential | 38,035                 | 15,572               | -                        | 10,105           | 63,712                      |
| Construction - Commercial  | 4,283                  | -                    | -                        | -                | 4,283                       |
| C&I                        | 7,722                  | -                    | 2,993                    | -                | 10,715                      |
| Trade Finance              | 621                    | -                    | -                        | -                | 621                         |
| Consumer                   | 476                    | -                    | -                        | 92               | 568                         |
| <b>Total</b>               | <u>\$ 130,493</u>      | <u>\$ 40,402</u>     | <u>\$ 4,692</u>          | <u>\$ 17,490</u> | <u>\$ 193,077</u>           |

**EAST WEST BANCORP, INC.**  
**QUARTER TO DATE AVERAGE BALANCES, YIELDS AND RATES PAID**

(In thousands)  
(unaudited)

|   | Three Months Ended June 30, |           |           |                   |           |           |
|---|-----------------------------|-----------|-----------|-------------------|-----------|-----------|
|   | 2008                        |           |           | 2007              |           |           |
|   | Average<br>Volume           | Interest  | Yield (1) | Average<br>Volume | Interest  | Yield (1) |
| <b>ASSETS</b>   |                             |           |           |                   |           |           |
| <b>Interest-earning assets:</b>                                     |                             |           |           |                   |           |           |
| Short-term investments (2)  | \$ 194,206                  | \$ 1,051  | 2.17%     | \$ 7,151          | \$ 117    | 6.56%     |
| Securities purchased under resale agreements (3)                    | 50,000                      | 1,264     | 10.14%    | 195,055           | 3,943     | 8.11%     |
| Investment securities   |                             |           |           |                   |           |           |
| Taxable   | 1,931,648                   | 24,869    | 5.16%     | 1,607,571         | 22,939    | 5.72%     |
| Tax-exempt (4)  | 58,614                      | 1,185     | 8.09%     | 27,220            | 595       | 8.74%     |
| Loans receivable  | 8,773,028                   | 137,997   | 6.31%     | 8,097,386         | 158,844   | 7.87%     |
| Federal Home Loan Bank and Federal Reserve                          |                             |           |           |                   |           |           |
| Bank stocks   | 117,608                     | 1,863     | 6.35%     | 74,967            | 940       | 5.03%     |
| Total interest-earning assets                                       | 11,125,104                  | 168,229   | 6.07%     | 10,009,350        | 187,378   | 7.51%     |
| <b>Noninterest-earning assets:</b>                                  |                             |           |           |                   |           |           |
| Cash and due from banks   | 123,646                     |           |           | 143,474           |           |           |
| Allowance for loan losses   | (136,109)                   |           |           | (76,102)          |           |           |
| Other assets  | 658,495                     |           |           | 577,056           |           |           |
| Total assets  | \$ 11,771,136               |           |           | \$ 10,653,778     |           |           |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                         |                             |           |           |                   |           |           |
| <b>Interest-bearing liabilities:</b>                                |                             |           |           |                   |           |           |
| Checking accounts   | 412,422                     | 681       | 0.66%     | 407,669           | 1,617     | 1.59%     |
| Money market accounts   | 1,103,522                   | 6,118     | 2.22%     | 1,328,806         | 13,982    | 4.22%     |
| Savings deposits  | 468,541                     | 958       | 0.82%     | 350,208           | 589       | 0.67%     |
| Time deposits less than \$100,000                                   | 964,196                     | 7,560     | 3.14%     | 975,979           | 9,330     | 3.83%     |
| Time deposits \$100,000 or greater                                  | 3,148,739                   | 28,219    | 3.59%     | 2,846,255         | 35,606    | 5.02%     |
| Federal funds purchased   | 93,125                      | 368       | 1.59%     | 139,755           | 1,878     | 5.39%     |
| Federal Home Loan Bank advances                                     | 1,579,062                   | 17,541    | 4.46%     | 982,837           | 12,514    | 5.11%     |
| Securities sold under resale agreements                             | 1,000,797                   | 11,289    | 4.52%     | 975,000           | 9,018     | 3.71%     |
| Long-term debt  | 235,570                     | 2,995     | 5.10%     | 204,642           | 3,751     | 7.35%     |
| Total interest-bearing liabilities                                  | 9,005,974                   | 75,729    | 3.37%     | 8,211,151         | 88,285    | 4.31%     |
| <b>Noninterest-bearing liabilities:</b>                             |                             |           |           |                   |           |           |
| Demand deposits   | 1,405,040                   |           |           | 1,265,108         |           |           |
| Other liabilities   | 138,837                     |           |           | 134,507           |           |           |
| Stockholders' equity  | 1,221,285                   |           |           | 1,043,012         |           |           |
| Total liabilities and stockholders' equity                          | \$ 11,771,136               |           |           | \$ 10,653,778     |           |           |
| Interest rate spread  |                             |           | 2.70%     |                   |           | 3.20%     |
| Net interest income and net yield<br>on interest-earning assets (4) |                             | \$ 92,500 | 3.33%     |                   | \$ 99,093 | 3.97%     |

(1) Annualized

(2) Includes short-term securities purchased under resale agreements.

(3) The terms for the purchase of securities under resale agreements range from ten to fifteen years.

(4) Amounts calculated on a fully taxable equivalent basis using the current statutory federal tax rate.

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

|   | <b>Six Months Ended June 30,</b> |                   |                  |                           |                   |                  |
|---|----------------------------------|-------------------|------------------|---------------------------|-------------------|------------------|
|   | <b>2008</b>                      |                   |                  | <b>2007</b>               |                   |                  |
|   | <b>Average<br/>Volume</b>        | <b>Interest</b>   | <b>Yield (1)</b> | <b>Average<br/>Volume</b> | <b>Interest</b>   | <b>Yield (1)</b> |
| <b>ASSETS</b>   |                                  |                   |                  |                           |                   |                  |
| <b>Interest-earning assets:</b>                                     |                                  |                   |                  |                           |                   |                  |
| Short-term investments (2)  | \$ 135,373                       | \$ 1,589          | 2.35%            | \$ 7,429                  | \$ 217            | 5.89%            |
| Securities purchased under resale agreements (3)                    | 57,143                           | 3,817             | 13.40%           | 195,313                   | 7,729             | 7.98%            |
| Investment securities   |                                  |                   |                  |                           |                   |                  |
| Taxable   | 1,851,596                        | 50,873            | 5.51%            | 1,623,905                 | 45,718            | 5.68%            |
| Tax-exempt (4)  | 63,046                           | 2,626             | 8.33%            | 18,069                    | 760               | 8.41%            |
| Loans receivable  | 8,864,142                        | 293,431           | 6.64%            | 8,137,161                 | 317,007           | 7.86%            |
| Federal Home Loan Bank and Federal Reserve                          |                                  |                   |                  |                           |                   |                  |
| Bank stocks   | 116,627                          | 3,472             | 5.97%            | 80,677                    | 2,168             | 5.42%            |
| Total interest-earning assets                                       | <u>11,087,927</u>                | <u>355,808</u>    | <u>6.44%</u>     | <u>10,062,554</u>         | <u>373,599</u>    | <u>7.49%</u>     |
| <b>Noninterest-earning assets:</b>                                  |                                  |                   |                  |                           |                   |                  |
| Cash and due from banks   |                                  | 137,057           |                  |                           | 145,483           |                  |
| Allowance for loan losses   |                                  | (113,098)         |                  |                           | (77,140)          |                  |
| Other assets  |                                  | 668,126           |                  |                           | 575,214           |                  |
| Total assets  | <u>\$ 11,780,012</u>             |                   |                  | <u>\$ 10,706,111</u>      |                   |                  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                         |                                  |                   |                  |                           |                   |                  |
| <b>Interest-bearing liabilities:</b>                                |                                  |                   |                  |                           |                   |                  |
| Checking accounts   | 407,631                          | 2,048             | 1.01%            | 411,692                   | 3,339             | 1.64%            |
| Money market accounts   | 1,099,111                        | 14,582            | 2.66%            | 1,322,191                 | 27,557            | 4.20%            |
| Savings deposits  | 469,989                          | 2,412             | 1.03%            | 357,360                   | 1,213             | 0.68%            |
| Time deposits less than \$100,000                                   | 951,241                          | 16,401            | 3.46%            | 983,705                   | 18,881            | 3.87%            |
| Time deposits \$100,000 or greater                                  | 3,088,157                        | 60,346            | 3.92%            | 2,803,930                 | 69,096            | 4.97%            |
| Federal funds purchased   | 129,405                          | 1,746             | 2.71%            | 143,947                   | 3,848             | 5.39%            |
| Federal Home Loan Bank advances                                     | 1,663,188                        | 37,223            | 4.49%            | 1,087,453                 | 27,380            | 5.08%            |
| Securities sold under repurchase agreements                         | 1,000,991                        | 21,818            | 4.37%            | 975,000                   | 17,412            | 3.60%            |
| Long-term debt  | 235,570                          | 6,718             | 5.72%            | 194,617                   | 7,133             | 7.39%            |
| Total interest-bearing liabilities                                  | <u>9,045,283</u>                 | <u>163,294</u>    | <u>3.62%</u>     | <u>8,279,895</u>          | <u>175,859</u>    | <u>4.28%</u>     |
| <b>Noninterest-bearing liabilities:</b>                             |                                  |                   |                  |                           |                   |                  |
| Demand deposits   | 1,399,920                        |                   |                  | 1,254,959                 |                   |                  |
| Other liabilities   | 145,586                          |                   |                  | 138,845                   |                   |                  |
| Stockholders' equity  | 1,189,223                        |                   |                  | 1,032,412                 |                   |                  |
| Total liabilities and stockholders' equity                          | <u>\$ 11,780,012</u>             |                   |                  | <u>\$ 10,706,111</u>      |                   |                  |
| Interest rate spread  |                                  |                   | 2.82%            |                           |                   | 3.21%            |
| Net interest income and net yield<br>on interest-earning assets (4) |                                  | <u>\$ 192,514</u> | 3.48%            |                           | <u>\$ 197,740</u> | 3.96%            |

(1) Annualized

(2) Includes short-term securities purchased under resale agreements.

(3) The terms for the purchase of securities under resale agreements range from ten to fifteen years.

(4) Amounts calculated on a fully taxable equivalent basis using the current statutory federal tax rate.