East West Bancorp, Inc. (EWBC)

Updated January 23rd, 2026 by Nikolaos Sismanis

Key Metrics

Current Price:	$111	**5 Year Annual Expected Total Return:**	11.8%	**Market Cap:**	$15.9 B
Fair Value Price:	$124	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	02/02/2025
% Fair Value:	90%	**5 Year Valuation Multiple Estimate:**	2.2%	**Dividend Payment Date:**	02/17/2025
Dividend Yield:	2.9%	**5 Year Price Target**	$174	**Years Of Dividend Growth:**	9
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

East West Bancorp, headquartered in Pasadena, California, is the parent company of East West Bank, a regional bank with more than 120 branches across the U.S. and Asia. Founded in 1973, the bank offers commercial and retail banking services, including deposits, loans, and treasury management, with specialized expertise in facilitating U.S.-Asia business transactions. Its branch network spans major metropolitan areas such as Los Angeles, New York, and San Francisco, as well as key Asian markets like Hong Kong and Shanghai, serving a diverse client base of businesses and individuals. The bank posted $4.29 billion in total interest and dividend income last year. It now has a market cap of $15.9 billion.

On January 22nd, 2026, East West Bancorp reported its Q4 and full year results for the period ending December 31st, 2025. The bank posted net income of $356 million and diluted EPS of $2.55, compared to $368 million and $2.65 in Q3 2025. Total deposits increased 6% year-over-year to $67.1 billion. Asset quality remained solid, with a nonperforming assets ratio of 0.26%. For FY2025, EPS reached a record $9.58. For FY2026, we forecast EPS of $10.32.

Along with its results, East West Bancorp announced 33% increase in its dividend to a quarterly rate of $0.80.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.00	$3.50	$4.86	$4.63	$3.99	$6.16	$7.98	$8.23	$8.39	$9.58	***$10.32***	***$14.47***
DPS	$0.80	$0.80	$0.86	$1.06	$1.10	$1.32	$1.60	$1.92	$2.20	$2.40	***$3.20***	***$4.92***
Shares[1]	145.2	145.9	146.2	146.2	143.0	143.1	142.5	141.9	140.0	139.0	***139.0***	***130.0***

East West Bancorp's EPS rose steadily from $2.67 in 2015 to $4.86 in 2018, backed by multiple acquisitions and organic growth. In 2025, results were boosted by the acquisition of MetroCorp Bancshares in 2014, which added notable scale in Texas and Southern California, bringing in $1.2 billion in loans and $1.3 billion in deposits, while expanding the bank's cross-border service capabilities. Further, in 2016, East West acquired Standard Chartered Bank's Los Angeles-based U.S. private banking operations, improving its wealth management and private banking footprint.

In 2019, EPS dipped slightly to $4.63 due to declining interest rates that compressed net interest margins. That said, the acquisition of a $1 billion commercial real estate loan portfolio from Santander Bank in 2019 added notable volume to the balance sheet, diversifying revenue streams and boosting East West Bancorp's market share in high-growth regions like California. In 2020, the onset of the COVID-19 pandemic reduced EPS to $3.99, driven by increased credit provisions and economic uncertainty. Despite these challenges, East West Bancorp remained resilient, leveraging its healthy capital position and continuing to grow deposits and loans. The bank benefited from a recovery in commercial activity in 2021, as EPS surged to $6.16, due to solid loan demand, better credit quality, and higher non-interest income.

In 2022, EPS rose further to $7.98, supported by a rising interest rate environment that boosted net interest income. Additionally, the bank's focus on middle-market commercial lending, real estate, and cross-border services continued to drive growth. In 2023, EPS increased modestly to $8.23, reflecting strong net interest income tempered by slower loan

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

growth and macroeconomic pressures, with this moderate growth trend continuing through 2024 and into 2025 as EPS rose to $9.52, driven by higher net interest income and resilient fee and noninterest income.

Moving forward, we believe East West Bancorp can grow its EPS by 7% from our FY2026 estimate, driven by expansion in key markets, rising demand for cross-border banking, and growing non-interest income. We have applied a 9% growth rate in our dividend estimate as well, which believe the company can afford.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.8	14.6	12.6	10.8	10.0	10.2	9.4	7.6	8.9	10.4	***10.8***	***12.0***
Avg. Yld.	2.1%	1.6%	1.4%	2.1%	2.8%	2.1%	2.1%	3.1%	3.0%	2.4%	***2.9%***	***2.8%***

East West Bancorp's P/E ratio has steadily declined over the years as market sentiment adjusted to economic conditions. Strong growth kept valuations higher through 2017, but compressing margins and pandemic-driven uncertainty lowered multiples in 2019-2020. By 2023, the P/E fell to 7.6, reflecting concerns over slowing growth and economic risks despite solid earnings. Today, we believe that the stock is modestly undervalued, and retain our fair multiple at 12x.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	27%	23%	18%	23%	28%	21%	20%	23%	26%	25%	***31%***	***34%***

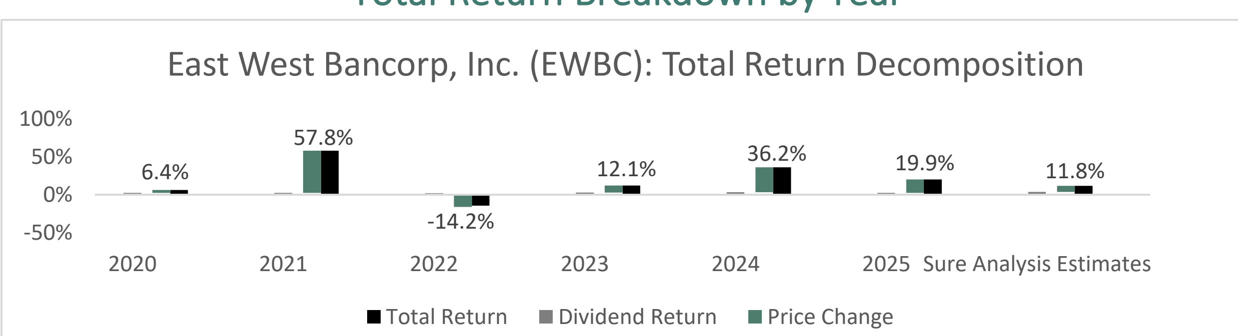
East West Bancorp benefits from a unique niche as a bridge between U.S. and Asian markets, leveraging its expertise in cross-border banking and trade. Its diversified loan portfolio, which includes commercial and residential lending, offers stability, while its disciplined credit management and strong regulatory capital ratios, such as a CET1 ratio of 15.10% (September-end), reflect its financial health. The bank's efficiency ratio of 35.6% highlights strong cost management.

Nevertheless, East West operates in a highly competitive environment, facing challenges from both regional banks and global players with broader resources. In addition, the financial services industry is sensitive to macroeconomic cycles, with loan demand and asset quality at risk during downturns. While its exposure on high-growth U.S. and Asia markets makes it more resilient, heightened competition and geopolitical tensions remain potential headwinds. In any case, we believe that the stock's current dividend is rather safe.

Final Thoughts & Recommendation

East West Bancorp's investment case is supported by its unique cross-border banking expertise, strong presence in high-growth markets, and disciplined credit management. Despite recent economic pressures, its focus on loan growth, non-interest income expansion, and strategic positioning between the U.S. and Asia offers solid prospects for sustained long-term profitability. We forecast annualized returns of 11.8% over the medium-term, supported by our growth estimate of 7.0%, the starting yield of 2.9%, and the possibility of a 2% annual valuation tailwind. Shares earn a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,120	1,201	1,352	1,561	1,676	1,599	1,801	2,319	2,564	2,567
SG&A Exp.	291	335	371	414	428	419	451	497	612	596
D&A Exp.	89	138	150	139	144	120	157	160	163	23.2%
Net Profit	385	432	506	704	674	568	873	1,128	1,161	1,166
Net Margin	34.3%	35.9%	37.4%	45.1%	40.2%	35.5%	48.5%	48.6%	45.3%	45.4%
Free Cash Flow	463	638	690	869	723	693	1,168	2,066	1,425	1,412
Income Tax	194	141	229	115	170	118	183	284	299	316

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	32,351	34,789	37,122	41,042	44,196	52,157	60,871	64,112	69,613	75,980
Cash & Equivalents	1,661	2,202	2,573	3,372	3,457	4,828	4,649	3,621	4,625	5,299
Total Liab.	469	469	469	466	466	466	466	466	466	68,250
Accounts Payable	29,228	31,361	33,280	36,618	39,178	46,888	55,033	58,128	62,662	---
Long-Term Debt	1,226	568	495	531	927	825	401	152	4,653	3,536
Total Equity	3,123	3,428	3,842	4,424	5,018	5,269	5,837	5,985	6,951	7,723
LTD/E Ratio	0.39	0.17	0.13	0.12	0.18	0.16	0.07	0.03	0.67	0.46

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.3%	1.3%	1.4%	1.8%	1.6%	1.2%	1.5%	1.8%	1.7%	1.6%
Return on Equity	12.9%	13.2%	13.9%	17.0%	14.3%	11.0%	15.7%	19.1%	18.0%	15.9%
ROIC	9.9%	10.3%	12.1%	15.1%	12.4%	9.4%	14.2%	18.2%	13.1%	10.2%
Shares Out.	144.5	145.2	145.9	146.2	146.2	143.0	143.1	142.5	141.9	140
Revenue/Share	7.75	8.28	9.26	10.68	11.46	11.18	12.58	16.27	18.07	18.34
FCF/Share	3.20	4.39	4.73	5.95	4.95	4.84	8.16	14.50	10.04	10.09

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.