



East West Bancorp, Inc. (EWBC)

Updated April 23rd, 2026 by Nikolaos Sismanis

Key Metrics

Current Price:	\$122	5 Year Annual Expected Total Return:	10.5%	Market Cap:	\$16.7 B
Fair Value Price:	\$128	5 Year Growth Estimate:	7.0%	Ex-Dividend Date:	05/04/2026
% Fair Value:	95%	5 Year Valuation Multiple Estimate:	1.0%	Dividend Payment Date:	05/18/2026
Dividend Yield:	2.6%	5 Year Price Target	\$180	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 \$16.7 billion.

On April 21st, 2026, East West Bancorp reported its Q1 results for the period ending March 31st, 2026. The bank posted net income of \$358 million and EPS of \$2.57, compared to \$356 million and \$2.55 in Q4 2025. Total deposits increased 9% year-over-year to \$68.9 billion. Asset quality remained solid, with a nonperforming assets ratio of 0.26%. For FY2026, we forecast EPS of \$10.70.

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	\$10.70	\$15.01
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
Shares¹	145.2	145.9	146.2	146.2	143.0	143.1	142.5	141.9	140.0	139.0	137.0	130.0

East West Bancorp's EPS rose steadily from \$3.00 in 2016 to \$4.86 in 2018, backed by multiple acquisitions and organic growth. 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 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.

¹ Share count is in millions.

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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	11.4	12.0
Avg. Yld.	2.1%	1.6%	1.4%	2.1%	2.8%	2.1%	2.1%	3.1%	3.0%	2.4%	2.6%	2.7%

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%	30%	33%

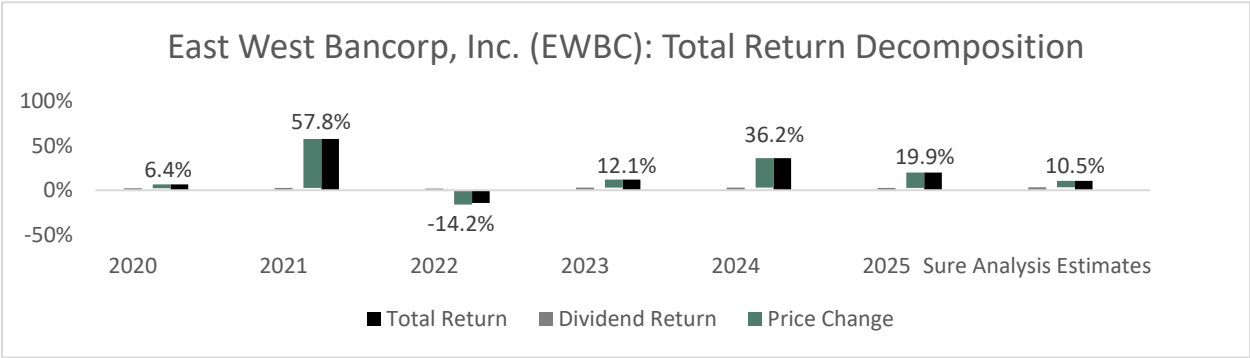
East West Bancorp benefits from a unique niche as a bridge between U.S. and Asian markets, leveraging its expertise in cross-border banking and trade. The bank’s diversified loan portfolio, which includes commercial and residential lending, offers stability. Also, its disciplined credit management and strong regulatory capital ratios, such as a CET1 ratio of 15.1% at the end of last year, reflect its financial health. The bank's efficiency ratio of 35.7% 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 10.5% over the medium-term, supported by our growth estimate of 7.0%, the starting yield of 2.6%, and the possibility of a 1% annual valuation tailwind. Shares earn a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,201	1,352	1,561	1,676	1,599	1,801	2,319	2,564	2,567	4,603
SG&A Exp.	335	371	414	428	419	451	497	612	596	0
D&A Exp.	138	150	139	144	120	157	160	163	23	213
Net Profit	432	506	704	674	568	873	1,128	1,161	1,166	1,352
Net Margin	35.9%	37.4%	45.1%	40.2%	35.5%	48.5%	48.6%	45.3%	45.4%	29.4%
Free Cash Flow	638	690	869	723	693	1,168	2,066	1,425	1,412	1,502
Income Tax	141	229	115	170	118	183	284	299	316	400

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	34,789	37,122	41,042	44,196	52,157	60,871	64,112	69,613	75,980	80,430
Cash & Equivalents	2,202	2,573	3,372	3,457	4,828	4,649	3,621	4,625	5,299	656
Total Liab.	469	469	466	466	466	466	466	466	68,250	71,540
Accounts Payable	31,361	33,280	36,618	39,178	46,888	55,033	58,128	62,662	---	0
Long-Term Debt	568	495	531	927	825	401	152	4,653	3,536	174
Total Equity	3,428	3,842	4,424	5,018	5,269	5,837	5,985	6,951	7,723	8,899
LTD/E Ratio	0.17	0.13	0.12	0.18	0.16	0.07	0.03	0.67	0.46	0.36

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	20245
Return on Assets	1.3%	1.4%	1.8%	1.6%	1.2%	1.5%	1.8%	1.7%	1.6%	1.7%
Return on Equity	13.2%	13.9%	17.0%	14.3%	11.0%	15.7%	19.1%	18.0%	15.9%	15.9%
ROIC	10.3%	12.1%	15.1%	12.4%	9.4%	14.2%	18.2%	13.1%	10.2%	11.3%
Shares Out.	145.2	145.9	146.2	146.2	143.0	143.1	142.5	141.9	140	139
Revenue/Share	8.28	9.26	10.68	11.46	11.18	12.58	16.27	18.07	18.34	33.09
FCF/Share	4.39	4.73	5.95	4.95	4.84	8.16	14.50	10.04	10.09	10.79

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

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