# East West Bancorp, Inc. (EWBC)

*Updated July 22nd, 2026 by Nikolaos Sismanis*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $132 | **5 Year Annual Expected Total Return:** | 8.8% | **Market Cap:** | $18.3 B |
| **Fair Value Price:** | $128 | **5 Year Growth Estimate:** | 7.0% | **Ex-Dividend Date:** | 08/03/2026 |
| **% Fair Value:** | 102% | **5 Year Valuation Multiple Estimate:** | -0.5% | **Dividend Payment Date:** | 08/17/2026 |
| **Dividend Yield:** | 2.4% | **5 Year Price Target** | $180 | **Years Of Dividend Growth:** | 9 |
| **Dividend Risk Score:** | B | **Sector:** | Financials | **Rating:** | Hold |

## 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 $18.3 billion.

On July 21st, 2026, East West Bancorp reported its Q2 results for the period ending June 30th, 2026. The bank posted net income of $364 million and EPS of $2.63, compared to $358 million and $2.57 in Q1 2026. Total deposits increased 8% year-over-year to a record $70.1 billion. Asset quality remained solid, with a nonperforming assets ratio of 0.29%. For FY2026, we still 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*** |
| **Shares[1]** | 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.

*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.*

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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 | ***12.3*** | ***12.0*** |
| **Avg. Yld.** | 2.1% | 1.6% | 1.4% | 2.1% | 2.8% | 2.1% | 2.1% | 3.1% | 3.0% | 2.4% | ***2.4%*** | ***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 overvalued, 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%*** |

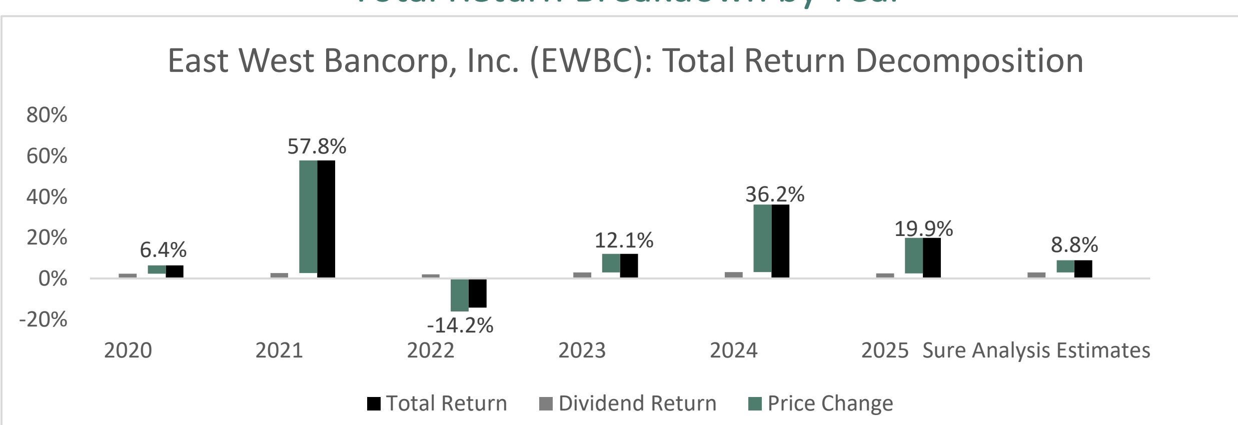
East West Bancorp benefits from a unique niche as a bridge between U.S. and Asian markets, leveraging its expertise in cross-border banking and trade. The bank's diversified loan portfolio, which includes commercial and residential lending, offers stability. Also, its disciplined credit management and 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 8.8% over the medium-term, supported by our growth estimate of 7.0%, the starting yield of 2.4%, and the possibility of a 0.5% annual valuation headwind. Shares earn a hold 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.