

Analyst Ben Jones
Website <https://benjonesinvestments.com/>
Email ben@benjonesinvestments.com
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Price USD 98.81
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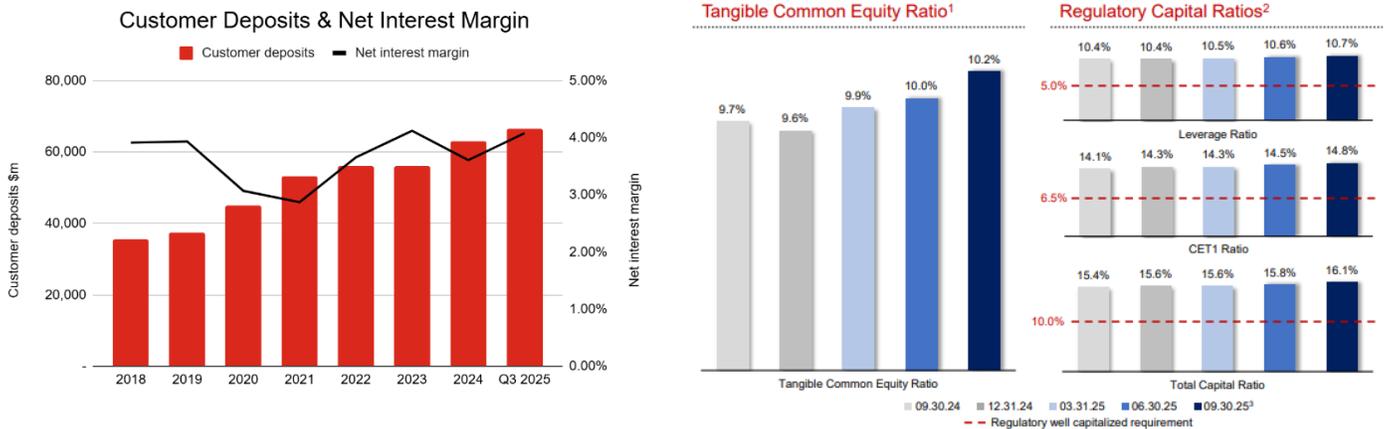


East West Bank is a U.S.-based commercial bank headquartered in California, operating in 110 locations across the US and Asia. It focuses on serving the Asian-American community, offering personal, business, and international banking services with strong ties to Asia and China.

Q3 2025 earnings

USD millions	Q3 2025	Q3 2024	% change
Customer deposits	66,588	61,700	7.9%
Net interest margin	4.08%	3.71%	0.37%
Net interest income	678	573	18.3%
Provision for credit losses	36	42	-14.3%
Total income	1,221	1,157	5.5%
Operating income	465	389	19.5%
Net income	368	299	23.1%
EPS diluted	2.65	2.14	23.8%
CET1 capital ratio	14.8%	14.1%	0.7%
Operating margin	38.1%	33.6%	4.5%
Equity	8,583	7,665	12.0%
RoE (annualised)	17.4%	16.0%	1.4%

Quarterly Results Trend

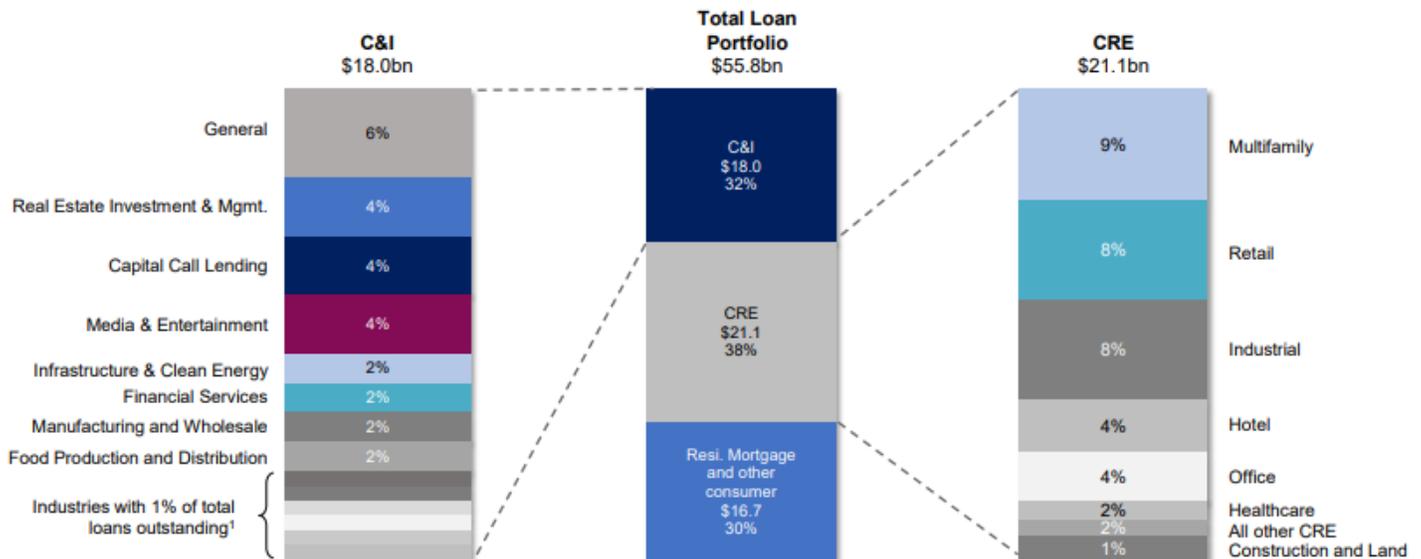


Financial Highlights

- Deposit base grew 7.9% YoY to record highs at \$66.6bn in Q3 2025. Deposit growth was most pronounced in noninterest-bearing demand, money market and time deposits.
- Total assets grew 7.0% from \$74.5bn in Q3 2024 to a record high \$79.7bn in Q3 2025. The loan book grew 4.8% YoY to \$55.8bn in Q3 2025, with cash and debt securities growing 12.7% to \$20.8bn.

- Net interest margin (NIM) expanded towards highs of 4.08% from 3.71%. Average loan yields were up 21bps on Q2 with average cost of funds down 5bps on Q2. In other words, both ends contributed to NIM expansion.
- Total income, net revenue and net income all hit records in Q3, with net income up 23.1% YoY. Again, growth in the deposit base and improvement in NIM drove higher earnings.
- CET1 capital ratio was 14.8%, well above the regulatory requirement of 6.5%.
- The criticised loans ratio decreased 1bp quarter-over-quarter to 2.14% of loans held-for-investment (HFI) for Q3, compared with 2.15% in Q2, but was up from 2.08% in Q3 2024.
- Q3 provision for credit losses was \$36 million (annualised 0.26% of the loan book), compared with \$42 million (annualised 0.32% of the loan book) in Q3 2024.
- Fee income for Q3 was \$92m, growth of 12.6% over \$81m in Q3 2024. This was driven by growth in all fee sectors, including deposit fees, loan servicing fees, FX income and wealth management fees.
- Increase in costs was largely driven by employee comp (+29.6% YoY), but deposit growth and NIM improvement was enough to see 23.1% growth in net income YoY.
- Loan book breakdown for Q3: 32.3% commercial and industrial loans (C&I), 37.8% Commercial real estate (CRE), 29.9% residential mortgage and other consumer loans.
- CRE portfolio has an average LTV of 49% with only 3% of loan value with LTV >70%.
- Residential mortgage portfolio has an average LTV of 50% with 12% of mortgage value with LTV > 60%.
- EWBC repurchased \$25m of shares in Q3.

Q3 loan book breakdown:



Management Comments

- Chairman and CEO Dominic Ng: "We earned record levels of revenue, net income, and earnings per share. Record net interest income was fueled by deposit-led growth, while higher fee income was driven by notable strength in wealth management, lending, and deposit account fees. Asset quality remained resilient. Nevertheless, given the uncertainty in the outlook for 2026, we further bolstered our allowance for loan losses. Our significant capital levels, ample liquidity, bolstered reserves, and strong earnings profile enable East West to operate from a position of strength, with the ability to capitalize on opportunities across market environments."
- Forward guidance provided was for loan growth of 4-6% with revenue and net interest income both trending over 10%. Net charge-offs estimated at 10-20bps.

Ben Jones Investments Outlook

- East West Bank continue to grow their deposit base to record levels, which they have done at a 13% CAGR over the past 20 years.
- We see the growth in noninterest-bearing demand as a positive reflection of EWBC's customer service and trust.
- NIM has been broadly stable and we expect it to continue at around 3.5 - 4% going forward. NIM tends to be higher with a steeper yield curve and lower with long-term rates nearer to zero. NIM in Q3 was above the upper range at 4.08%.
- We've already been seeing a moderation in loan growth with deposits up 7.9% YoY but the loan book up 4.8%. We think this is sensible given the outlook and believe EWBC have the right approach.
- EWBC has 68% of its loan book in well-collateralized real estate. Given 3% of CRE loans have LTV > 70% and 12% of residential mortgages have LTV > 60%, we expect default potential on these loans to remain low.
- EWBC have \$4.8bn of cash and \$16.0bn of debt securities available to cover any potential for loan losses on a \$55.8bn loan book. Given CRE and residential mortgages are well collateralized, the total of \$20.8bn would more than cover the entire C&I loan book of \$18.0bn.
- Provisions for credit losses remain low and criticised loans remains low at 2.14% of the loan book. LTVs across the mortgage and CRE books remain sufficiently low that we don't expect major losses in these categories. It's promising that LTVs and criticised loans remain low despite a correction in CRE and residential homes prices over the last 12 months.
- EWBC's \$20.8bn of liquid assets also provides ample liquidity in the event of large client withdrawals, covering 31.3% of total customer deposits.
- We think EWBC can continue to grow deposits and remain well-capitalised with a conservative loan book.