

Capitol Research Division
SNL Financial
1-800-969-4121

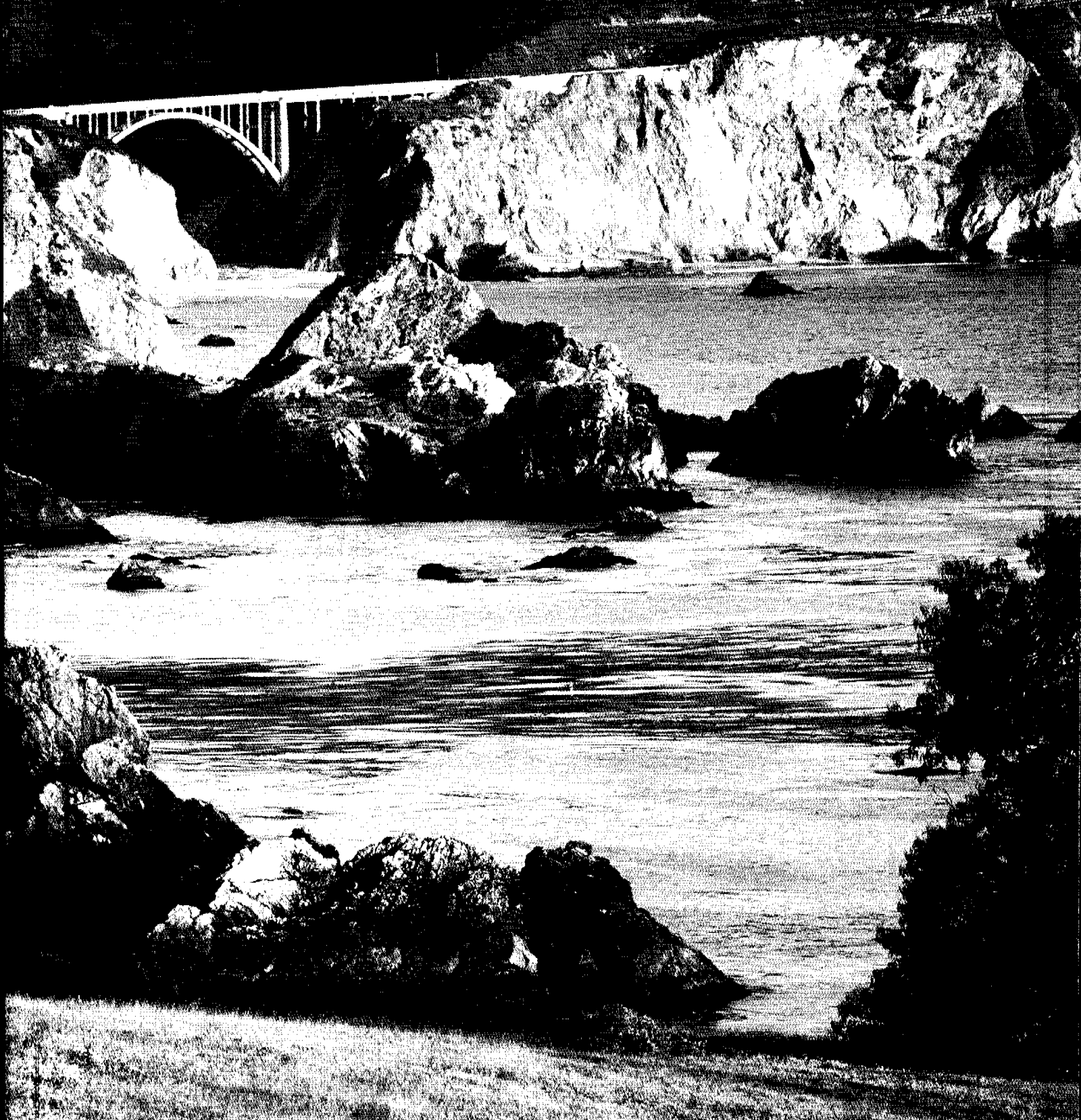


EAST WEST
BANCORP

2003 Annual Report

Success

a rewarding



journey

*At East West Bank, we
create our road to success
by balancing fundamentals
and flexibility, insight
and experience. In 2003,
our continuing journey
produced multiple rewards,
opening new pathways
for our customers
and shareholders.*

planning

Each trip begins at the beginning, with the tools essential to reach our desired destination. For East West Bank, that road kit has always encompassed superior asset quality and consistent earnings growth. From the onset, our goal was to become one of the top-performing financial institutions in California and a premier commercial bank. Achieving that goal has demanded careful planning and dedication to solid financial fundamentals. Our strategy yielded benefits again in 2003, when we rewarded shareholders with our seventh consecutive year of record earnings and the highest return on assets in Bank history.

2003 MILESTONES

\$59.0 million +21%

Net Income _____

\$2.38 +18%

Earnings Per Share _____

\$4.1 billion +22%

Assets _____

\$3.2 billion +40%

Loans _____

\$362 million +20%

Stockholders' Equity _____

ahead



preparing for

COMMERCIAL BANKING

Our Business/Commercial units saw healthy increases in 2003, including:

Commercial Loans +26%

Commercial Deposits +18%

Real Estate Loans +58%

Trade Finance Loans +35%

The milestones that we continue to meet don't come from happenstance. East West's consistent, conscientious approach to interest rate management and strict underwriting standards enabled us not only to prepare for 2003 – one of the most challenging economic environments for banks – but to turn in another stellar performance. As the fourth-largest commercial bank headquartered in Los Angeles, we represent a road well traveled for our commercial customers. They appreciate our responsive, relationship-based banking; knowledge of select niche markets; and established Pacific Rim connections – both here in California and throughout Asia.

changing conditions

**Pacific Rim
Connections**

LEFT LANE

**Welcome to
California**



**Strong niche
markets ahead**

**Responsive
Service**

choosing the best

Identifying the most opportune route often involves a willingness to take intriguing side roads that prove advantageous. We strategically target those niche markets where we offer critical expertise and service: the seniors and affordable housing segments of the construction



industry, trade finance, and small- to mid-sized businesses. Our capabilities dovetail with the entrepreneurial needs of businesses in California's thriving middle market, which represent 98% of the State's companies. East West also is opening up new opportunities internationally, as our links to Asia enable our customers to capitalize on expanding trade between the U.S. and China.

opportunities



To travel wisely, never lose sight of your starting point. Our roots in the Chinese-American community represent a source of enduring strength. Many retail customers bring with them an entrepreneurial spirit and beneficial associations with Asian markets. We provide a bridge for these customers with greater access, convenience, and value. In addition to multi-lingual banking, that means extended hours, in-store supermarket banking, and exclusive promotions from mainstream U.S. companies. In doing so, we build customer loyalty, evidenced by our growth in retail deposits at year end to over \$2.0 billion.



where we're going

R E T A I L B A N K I N G

+26%

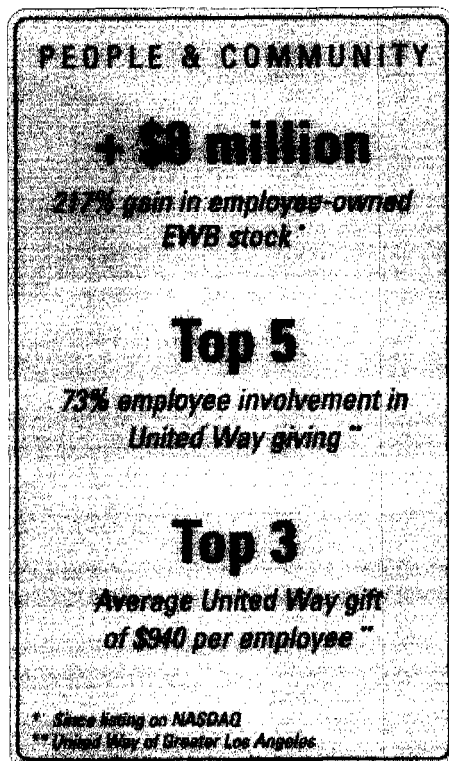
*Average Core
Retail Deposits*

+41%

*Home Equity
Loans*

+30%

*Total Consumer
Loans*



Early on, we foresaw the value in making our employees true partners in the Bank's success. Today, everyone who works here enjoys some form of ownership in East West, through our employee 401K savings plan, stock purchase plan, restricted stock, and

stock option grants. Not only are our people committed to East West, they're committed to the communities we serve. Among other activities, our employees participated in the Revlon Run/Walk for breast cancer research in 2003 and assisted low income, elderly, and disabled homeowners with home repairs during United Way's Commitment to Caring.

traveling

A high-contrast, black and white photograph of three people smiling and holding signs. The person on the left is a man, the person in the middle is a man, and the person on the right is a woman. They are all holding white signs with black text. The signs are arranged diagonally across the frame.

**BETTER
CITIZENS**

**BETTER
EMPLOYEES**

**BETTER
COMMUNITIES**

a thoughtful path

offering skilled



In an age when shareholders demand performance on all levels, East West Bank is fortunate to be guided by energetic, committed directors. Our board includes leading executives with decades of experience in management, retail services, real estate investment, and banking. In 2003, East West Bank was pleased to receive a 98.3% corporate governance rating in our industry group from Institutional Shareholder Services, which ranks the presence of an independent board, and shareholder-friendly governance procedures.

guidance

Dominic Ng – Chairman

Mr. Ng has been President and Chief Executive Officer of East West Bank since 1992 and Chairman since 1998, also holding those positions with East West Bancorp. Prior to joining the Bank, he was President and CEO of Seven Investment Inc. and a certified public accountant at Deloitte & Touche LLP. Mr. Ng serves on the boards of PacificCare Health Systems Inc., The Anderson School at UCLA, California Bankers Association, United Way, and is a trustee of Asia Society. Among other accolades, he has received the prestigious Ernst & Young Entrepreneur Of The Year award and Outstanding Member in Industry award by the California Society of CPAs.

Peggy Cherrig

Dr. Cherrig is President and Chief Executive Officer of Panda Restaurant Group, which encompasses more than 600 Panda Express, Panda Inn, and Hibachi-San restaurants in the United States, Puerto Rico, and Japan. She serves on the boards of the National Restaurant Association, Methodist Hospital of Southern California, and the Peter F. Drucker Graduate School of Management at Claremont Graduate University. She holds a PhD in Electrical Engineering. Her honors include Woman Business Owner of the Year from the Los Angeles chapter of the National Association of Women Business Owners.

Julia Gouw

Ms. Gouw has served as Executive Vice President and Chief Financial Officer of East West Bank since 1994 and as a director since 1997, and holds these same positions with East West Bancorp. Prior to joining East West in 1989, she was a

Senior Audit Manager with KPMG Peat

Marwick. She sits on the boards of UCLA School of Medicine and Huntington Memorial Hospital and is a member of the California Society of CPAs. In 2003, she was named one of the "25 Most Powerful Women in Banking" by US Banker and Philanthropist of the Year by the Los Angeles Business Journal.

both the Southern California Burger King

Franchisee Association and the Burger King Asian Franchisee Association, and on the executive committee of Burger King Corporation's Diversity Action Council. Mr. Li also is Vice-Chair of the Committee of 100. He has been honored as Asian Business Owner of the Year by the Asian Business Association of Los Angeles.

Jack C. Liu, Esq.

Mr. Liu, Esq. is the senior advisor for Morgan Stanley Asset International Real Estate Fund and is president and a director of its affiliate MSUB Asset Management Corp. in Taipei, Taiwan. He is former president of the Asia region of Global Gateway, L.P., and is also of counsel to the Deacons/Alliance International Law Offices in Taipei, Taiwan, which he first joined in 1999. Prior to 1999, Mr. Liu practiced with the law firm of Morgan Lewis & Bockius LLP, Los Angeles office. Mr. Liu's legal expertise is in international corporate, securities, banking regulations, and real estate investment matters.

Keith W. Ranken

Mr. Ranken is Managing Partner of Ranken Enterprises, a consulting company, and a professor in the "Executive in Residence Program" at the University of Southern California. During his 33 years with Deloitte & Touche, he served as a leading advisor to Southern California and Pacific Rim businesses. In addition, Mr. Ranken is a director of several private companies. He has received the Distinguished Business Leader Award from the Los Angeles Area Chamber of Commerce.

98.3%
Corporate
Governance
Rating

John Kooken

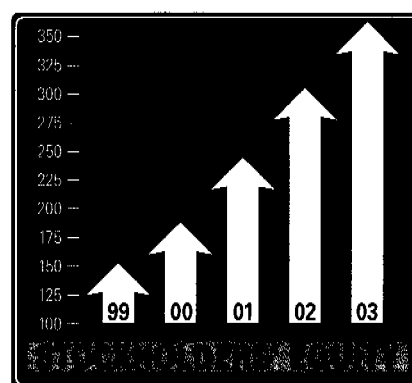
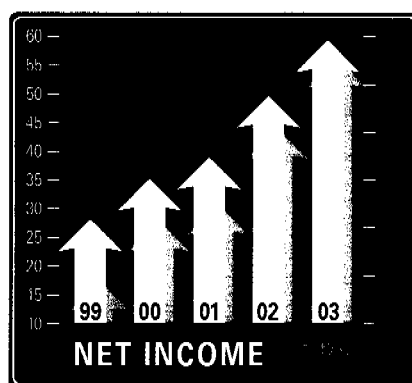
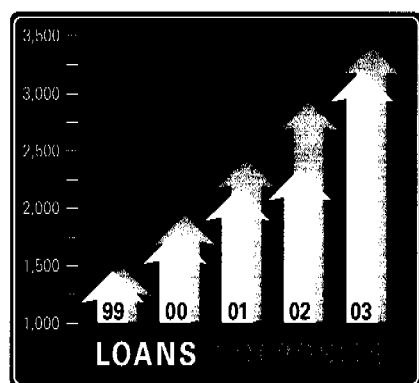
As the retired Chief Financial Officer and Vice Chairman of Security Pacific Corp., the parent of Security Pacific National Bank, Mr. Kooken brings a wealth of banking experience to his role on the board of East West Bank. He was a director of Golden State Bancorp until its acquisition in 2002. He is a member of the boards of Huntington Memorial Hospital and of the Children's Bureau of Southern California.

Herman Y. Li

Mr. Li is Chairman of the C&L Restaurant Group Inc., which owns and operates 68 Burger King and Denny's restaurants across the country. He is President of

5 - YEAR FINANCIAL HIGHLIGHTS

East West Bancorp (Dollars in thousands, except per share data)



□ Total Loans (Dollars in Millions)

▨ Total Deposits (Dollars in Millions)

□ Net Income (Dollars in Millions)

▨ Earnings per Share, diluted (in Dollars)

□ Stockholders' Equity (Dollars in Millions)

	1999	2000	2001	2002	2003
Net Interest Income	\$ 72,590	\$ 90,001	\$ 100,347	\$ 118,309	\$ 143,311
Noninterest Income	13,988	14,454	20,594	24,387	32,779
Noninterest Expense	39,509	49,960	62,124	63,680	77,630
Net Income	28,027	35,467	38,783	49,489	58,992
Earnings per Share, diluted	1.22	1.53	1.61	2.01	2.38
Total Assets	\$2,152,630	\$2,485,971	\$2,825,303	\$3,321,489	\$4,055,433
Loans, net	1,486,641	1,789,988	2,132,838	2,313,199	3,234,133
Deposits	1,500,529	1,948,562	2,417,974	2,926,352	3,312,667
Stockholders' Equity	150,080	186,149	244,415	302,117	361,983
Return on Average Assets	1.35%	1.51%	1.47%	1.63%	1.64%
Return on Average Equity	18.96%	21.57%	17.73%	18.29%	18.12%
Net Interest Margin	3.66%	4.06%	4.02%	4.14%	4.26%
Efficiency Ratio ⁽¹⁾	40.56%	40.91%	45.22%	40.07%	39.16%
Non-Performing Assets to Total Assets	0.75%	0.30%	0.20%	0.37%	0.16%
Non-Accrual Loans to Total Loans	0.73%	0.20%	0.17%	0.38%	0.16%
Tier 1 Leverage Ratio	7.31%	7.73%	8.45%	8.99%	9.13%
Total Risk Based Capital Ratio	10.58%	10.85%	11.20%	11.86%	10.87%

(1) Excludes the amortization of intangibles and investments in affordable housing partnerships.

Our 2003 annual report, "Road to Success," reflects not only on the substantial performance of our seventh consecutive year of record earnings, but the ways in which we made that success happen.



This past year marked the 30th anniversary of East West, a period of great accomplishments and a rewarding journey for our shareholders, employees, and customers. As with any trip, you begin with a goal or destination in mind. At East West, our destination has always been to become one of the premier financial institutions in the nation by creating dominant market positions in selected niche markets and rewarding shareholders with sustainable earnings growth, consistently high asset quality, and strong capital ratios. In doing so, we've become one of the most respected, full-service banking franchises in California.

At the same time, we believe that the way in which we reach our goals is equally important. Lasting achievement requires careful planning, recognition of your strengths and opportunities, the preparation to best manage changing conditions, and a commitment to the highest level of integrity, dedication, and service to community, employees and shareholders. In this year's report, we provide an overview of the critical components on our road to

success, and how these contribute to shareholder value and to strength in our banking franchise. By emphasizing solid capital levels, minimal non-performing assets, and a growing allowance for loan losses, we have been able to build the strongest balance sheet in our history. This approach allowed us to comfortably support asset growth in 2003 as we capitalized on opportunities we identified. With a careful focus on our exposure to changing interest rates and growth in our low-cost deposit base, we were able to offer a wider range of lending products, including longer-term fixed-rate loans, without raising our interest rate risk profile. The bottom line: better services to existing clients and an enhanced ability to attract new clients.

The historically low interest rate environment posed a challenge for many banks during 2003, creating intense pressure on net interest margins throughout the industry. However, East West generated the highest net interest income in our history in 2003, thanks to our

longstanding goal of driving higher levels of core deposits, which made significant contributions to our overall earnings growth. This and many other actions speak to the wisdom of maintaining a well-crafted plan as we continue our journey.

We passed many milestones in 2003, including the highest return on average assets in our history, strong growth in loans and core deposits, and sustained high asset quality levels. Net income for the year achieved a record \$59.0 million, while earnings per share grew by 18% to \$2.38, also a record. We generated a return on average assets of 1.64% for the year, the highest ratio in our history. We regard ROA as a true indicator of our ability to drive value from our operations and consider this year's figure further affirmation of our growth strategies. Among the year's other financial highlights were:

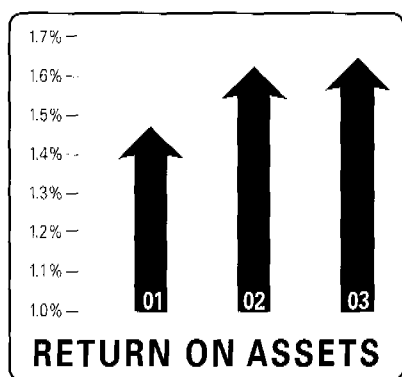
- *Return on average equity of 18.12%*
- *Total year-end assets of \$4.1 billion, a 22% increase over 2002*
- *Record total deposits of \$3.3 billion, a 13% increase*
- *Total core deposits of \$1.8 billion, a 28% increase*
- *Record \$32.8 million in non-interest income*
- *Record total equity of \$362 million and a Tier I leverage ratio of 9.13%*
- *Non-performing assets only 0.16% of total assets, compared to 0.37% in 2002*
- *Net charge-offs of only 0.06%, lowest level in 15 years*

Operational Highlights

These substantial financial accomplishments speak not just to a single year's performance, but to our continuing evolution. Each year of record earnings and financial performance serves to fuel the years ahead. In the same way, our operational highlights for 2003 lay the foundation for further gains in 2004 and beyond. One of the more notable developments in the year past was our loan growth of 40%, or nearly \$930 million. Contributing to one of the nation's best loan growth performances were our expanding relationships throughout California, the addition of seasoned banking professionals, and the introduction of customer-focused, solutions-oriented loan products.

We also continued to build a strong, stable low-cost deposit franchise, growing our core deposits by 28%, or over \$390 million, and further lowering our total cost of deposits to 0.98%, our lowest-ever level. Of particular note was the distribution of deposit growth, with double-digit gains in every category of core deposits and market-share growth for both commercial and retail operations. Our focus on banking fundamentals, products and services that align with the needs of businesses and individuals, and responsive personal service form key aspects of the roadmap we follow. Together, they produced strong deposit growth during the year.

Looking back on two highlights from last year's letter – the opening of our Beijing office and the acquisition of Pacific Business Bank – I am happy to report that both initiatives brought positive rewards in 2003. As the only U.S.-based bank to receive approval to open a Representative Office in China in 2002, we launched our operations early in 2003, another piece in our strategy to bridge East and West. We faced a slow start due to the SARS outbreak. However, we more than made up for the delay with a strong flow of



During the coming year, we are planning a number of key initiatives designed to align ourselves even more closely with our core customer base, providing the types of products and services that give our clients the solutions they need, professionally and individually. Through these initiatives, we will continue building the financial strength that enables us to pursue prudent, profitable growth and expand our position as one of the most respected, capable full-service commercial banking franchises in California. We thank you for your continued support as we eagerly enter into our next 30 years, in the strongest financial position in our history and ready for the opportunities that lie ahead.

business throughout the remaining months of 2003. Our Beijing office focused primarily on generating letters of credit business through correspondent banking relationships, which contributed meaningfully to gains in letters of credit fee income that we reported and added to our overall lending business as we converted contacts into customers.

The acquisition of Pacific Business Bank (PBB) also proved advantageous, allowing us to further expand the small commercial business market. Shortly after closing this transaction in March of 2003, we effectively integrated the operations and immediately began to recognize benefits as the PBB team brought expanded lending and deposit capacity and products to their existing and new customer base.

Finally, no journey could be complete without looking forward to the next turn of the road. As we view our past successes, we are understandably proud of what we have accomplished, but we know that the real work lies in the trip to come. While our experience, skills, and reputation will serve us well as we move into 2004, we continue to reinvest in our platform and people to achieve an even stronger franchise.

Sincerely,

Dominic Ng
President and CEO

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
East West Bancorp, Inc.
San Marino, California:

We have audited the consolidated balance sheets of East West Bancorp, Inc. and subsidiaries (the "Company") as of December 31, 2003 and 2002, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2003. Such consolidated financial statements and our report thereon dated March 8, 2004, expressing an unqualified opinion (which are not included herein) are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003 as filed with the Securities and Exchange Commission. The accompanying condensed consolidated financial statements on pages 20-25, which do not include footnotes that are an integral part of a complete set of financial statements, are the responsibility of the Company's management. Our responsibility is to express an opinion on such condensed consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2003 and 2002, and the related condensed consolidated statements of income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2003 is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

DeLoitte & Touche LLP

DELOITTE & TOUCHE LLP

March 8, 2004

Los Angeles, California

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL INFORMATION

	2003	2002	2001	2000	1999
	(In Thousands, Except Per Share Data)				
Summary of Operations					
Interest and dividend income	\$ 178,543	\$ 167,288	\$ 183,695	\$ 186,594	\$ 148,732
Interest expense	35,232	48,979	83,348	96,593	76,142
Net interest income	143,311	118,309	100,347	90,001	72,590
Provision for loan losses	8,800	10,200	6,217	4,400	5,439
Net interest income after provision for loan losses	134,511	108,109	94,130	85,601	67,151
Noninterest income	32,779	24,387	20,594	14,454	13,988
Noninterest expense	77,630	63,680	62,124	49,960	39,509
Income before provision for income taxes	89,660	68,816	52,600	50,095	41,630
Provision for income taxes	30,668	20,115	13,730	14,628	13,603
Income before cumulative effect of change in accounting principle	58,992	48,701	38,870	35,467	28,027
Cumulative effect of change in accounting principle, net of tax		788	(87)		
Net income	\$ 58,992	\$ 49,489	\$ 38,783	\$ 35,467	\$ 28,027
Basic earnings per share	\$ 2.45	\$ 2.10	\$ 1.68	\$ 1.58	\$ 1.23
Diluted earnings per share	\$ 2.38	\$ 2.01	\$ 1.61	\$ 1.53	\$ 1.22
Dividends per share	\$ 0.40	\$ 0.27	\$ 0.12	\$ 0.12	\$ 0.12
Average number of shares outstanding, basic	24,056	23,596	23,033	22,448	22,757
Average number of shares outstanding, diluted	24,743	24,630	24,054	23,168	22,895
At Year End:					
Total assets	\$ 4,055,433	\$ 3,321,489	\$ 2,825,303	\$ 2,485,971	\$ 2,152,630
Loans receivable, net	3,234,133	2,313,199	2,132,838	1,789,988	1,486,641
Investment securities	445,736	531,607	323,099	488,290	496,426
Deposits	3,312,667	2,926,352	2,417,974	1,948,562	1,500,529
Federal Home Loan Bank advances	281,300	34,000	104,000	268,000	482,000
Stockholders' equity	361,983	302,117	244,415	186,149	150,080
Shares outstanding	24,429	23,882	23,376	22,661	22,423
Book value per share	\$ 14.82	\$ 12.65	\$ 10.46	\$ 8.21	\$ 6.69
Financial Ratios:					
Return on assets	1.64%	1.63%	1.47%	1.51%	1.35%
Return on equity	18.12	18.29	17.73	21.57	18.96
Dividend payout ratio	16.31	12.87	7.13	7.60	9.74
Average stockholders' equity to average assets	9.04	8.92	8.26	7.02	7.12
Net interest margin	4.26	4.14	4.02	4.06	3.66
Efficiency ratio (1)	39.16	40.07	45.22	40.91	40.56
Asset Quality Ratios:					
Net chargeoffs to average loans	0.06%	0.11%	0.21%	0.22%	0.17%
Nonperforming assets to year end total assets	0.16	0.37	0.20	0.30	0.75
Allowance for loan losses to year end total gross loans	1.20	1.50	1.28	1.31	1.38

(1) Represents noninterest expense, excluding the amortization of intangibles and investments in affordable housing partnerships, divided by the aggregate of net interest income before provision for loan losses and noninterest income, excluding the amortization of intangibles.

For full financial disclosure, please refer to East West Bancorp Form 10K for the year 2003

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2003	2002
ASSETS		
Cash and cash equivalents	\$ 141,589	\$ 295,272
Interest bearing deposits in other banks	594	-
Investment securities available for sale, at fair value (with amortized cost of \$442,875 in 2003 and \$526,411 in 2002)	445,142	531,607
Loans receivable, net of allowance for loan losses of \$39,246 in 2003 and \$35,292 in 2002	3,234,133	2,313,199
Investment in Federal Home Loan Bank stock, at cost	17,122	9,317
Investment in affordable housing partnerships	28,808	23,775
Premises and equipment, net	24,957	23,941
Due from customers on acceptances	16,119	6,675
Premiums on deposits acquired, net	7,565	7,500
Goodwill and other intangibles	30,308	19,030
Cash surrender value of life insurance policies	64,805	57,799
Accrued interest receivable and other assets	34,243	27,259
Deferred tax assets - Federal	10,048	6,115
TOTAL	\$4,055,433	\$3,321,489
LIABILITIES AND STOCKHOLDERS' EQUITY		
Customer deposit accounts:		
Noninterest-bearing	\$ 927,946	\$ 741,891
Interest-bearing	<u>2,389,721</u>	<u>2,184,461</u>
Total deposits	3,312,667	2,926,352
Short-term borrowings	12,000	-
Federal Home Loan Bank advances	281,300	34,000
Notes payable	2,192	2,100
Bank acceptances outstanding	16,119	6,675
Accrued expenses and other liabilities	37,433	29,073
Deferred tax liabilities - State	37	422
Junior subordinated debt	<u>31,702</u>	<u>20,750</u>
Total liabilities	<u>3,693,450</u>	<u>3,019,372</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Common stock (par value of \$0.001 per share)		
Authorized -- 50,000,000 shares		
Issued 26,845,819 shares and 26,298,346 shares in 2003 and 2002, respectively		
Outstanding -- 24,428,725 shares and 23,881,897 shares in 2003 and 2002, respectively	27	27
Additional paid in capital	171,518	155,904
Retained earnings	228,242	178,873
Deferred compensation	(3,153)	-
Treasury stock, at cost: 2,417,094 shares in 2003 and 2,416,449 shares in 2002	(35,986)	(35,955)
Accumulated other comprehensive income, net of tax	1,335	3,268
Total stockholders' equity	<u>361,983</u>	<u>302,117</u>
TOTAL	\$4,055,433	\$3,321,489

CONSOLIDATED STATEMENTS OF INCOME
--

	Year Ended December 31,		
	2003	2002	2001
INTEREST AND DIVIDEND INCOME			
Loans receivable, including fees	\$159,910	\$150,053	\$156,477
Investment securities available for sale	16,309	13,916	23,410
Short-term investments	1,830	2,806	3,158
Federal Home Loan Bank stock	494	513	650
Total interest and dividend income	<u>178,543</u>	<u>167,288</u>	<u>183,695</u>
INTEREST EXPENSE			
Customer deposit accounts	29,946	43,575	73,946
Federal Home Loan Bank advances	2,959	3,064	6,076
Junior subordinated debt	2,280	2,264	2,270
Short-term borrowings	47	76	1,056
Total interest expense	<u>35,232</u>	<u>48,979</u>	<u>83,348</u>
NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES	143,311	118,309	100,347
PROVISION FOR LOAN LOSSES	8,800	10,200	6,217
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	<u>134,511</u>	<u>108,109</u>	<u>94,130</u>
NONINTEREST INCOME			
Branch fees	7,232	6,186	5,353
Ancillary loan fees	4,176	3,754	2,563
Letters of credit fees and commissions	7,123	5,641	4,324
Net gain on sales of loans	117	1,187	904
Net gain on sales of securitized loans	284	328	-
Net gain on sales of investment securities available for sale	1,951	13	2,046
Net gain on trading securities	-	-	413
Amortization of fair value of net assets acquired in excess of purchase price	-	-	255
Net (loss) gain on disposal of fixed assets	(167)	43	148
Income from secondary market activities	5,657	2,359	752
Income from life insurance policies	3,286	1,939	1,291
Other operating income	3,120	3,437	2,545
Total noninterest income	<u>32,779</u>	<u>24,387</u>	<u>20,594</u>
NONINTEREST EXPENSE			
Compensation and employee benefits	31,844	25,332	24,755
Net occupancy	10,314	9,401	9,186
Amortization of real estate investment	6,677	4,698	3,782
Amortization of premiums on deposits acquired (and excess of purchase price over fair value of net assets acquired in 2001)	1,989	1,806	3,766
Data processing	1,868	1,711	1,775
Deposit insurance premiums and regulatory assessments	722	621	552
Deposit-related expenses	3,889	3,291	2,979
Other operating expenses	20,327	16,820	15,329
Total noninterest expense	<u>77,630</u>	<u>63,680</u>	<u>62,124</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	89,660	68,816	52,600
PROVISION FOR INCOME TAXES	30,668	20,115	13,730
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	58,992	48,701	38,870
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	-	788	(87)
NET INCOME	<u>\$ 58,992</u>	<u>\$ 49,489</u>	<u>\$ 38,783</u>
PER SHARE INFORMATION			
BASIC EARNINGS PER SHARE, BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	\$ 2.45	\$ 2.06	\$ 1.69
BASIC EARNINGS PER SHARE, AFTER CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	\$ 2.45	\$ 2.10	\$ 1.68
DILUTED EARNINGS PER SHARE, BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	\$ 2.38	\$ 1.98	\$ 1.62
DILUTED EARNINGS PER SHARE, AFTER CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, NET OF TAX	\$ 2.38	\$ 2.01	\$ 1.61
AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC	24,056	23,596	23,033
AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED	24,743	24,630	24,054

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock	Additional Paid-In Capital	Retained Earnings	Deferred Stock Based Compensation	Treasury Stock	Accumulated Other Comprehensive Income (Loss), Net of Tax	Comprehensive Income	Total Stockholders' Equity
BALANCE, JANUARY 1, 2001	\$ 25	\$ 118,039	\$ 99,764	\$ (1,344)	\$ (23,060)	\$ (7,275)		\$ 186,149
Comprehensive income								
Net income for the year			38,783				\$ 38,783	38,783
Net unrealized gain on securities available-for-sale						6,910	<u>6,910</u>	6,910
Comprehensive income							<u>\$ 45,693</u>	
Stock compensation cost		41		328				369
Tax benefit from option exercise		1,303						1,303
Issuance of 300,774 shares under Stock Option Plan		3,068						3,068
Issuance of 42,017 shares under Employee Stock Purchase Plan		682						682
Issuance of 27,886 shares under Stock Warrants Plan		279						279
Issuance of 512,707 shares for acquisition of Prime Bank		12,260						12,260
Issuance of 400,000 shares in connection with in-store banking operations	1	6,943						6,944
Issuance of 300,000 shares of warrants in connection with in-store banking operations		2,697						2,697
Release of 13,147 shares in escrow related to acquisition of East West Insurance Services, Inc.				638				638
Purchase of 567,840 shares of treasury stock					(12,885)			(12,885)
Dividends paid on common stock			(2,782)					(2,782)
BALANCE, DECEMBER 31, 2001	26	145,312	135,765	(378)	(35,945)	(365)		244,415
Comprehensive income								
Net income for the year			49,489				\$ 49,489	49,489
Net unrealized gain on securities available-for-sale						3,633	<u>3,633</u>	3,633
Comprehensive income							<u>\$ 53,122</u>	
Stock compensation cost		33		148				181
Tax benefit from option exercise		4,727						4,727
Issuance of 477,077 shares under Stock Option Plan	1	5,054						5,055
Issuance of 43,784 shares under Employee Stock Purchase Plan		958						958
Issuance of 5,000 shares under Stock Warrants Plan		50						50
Cancellation of 13,675 shares related to the acquisition of East West Insurance Services, Inc.		(230)		230				
Purchase of 968 shares of treasury stock					(10)			(10)
Dividends paid on common stock			(6,381)					(6,381)
BALANCE, DECEMBER 31, 2002	\$ 27	\$ 155,904	\$ 178,873	\$ -	\$ (35,955)	\$ 3,268		\$ 302,117

(Continued)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (continued)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Deferred Stock Based Compensation	Treasury Stock	Accumulated Other Comprehensive Income (Loss), Net of Tax	Comprehensive Income	Total Stockholders' Equity
BALANCE, DECEMBER 31, 2002	\$ 27	\$ 155,904	\$ 178,873	\$ -	\$ (35,955)	\$ 3,268		\$ 302,117
Comprehensive income								
Net income for the year			58,992				\$ 58,992	58,992
Net unrealized loss on securities available-for-sale						(1,933)	(1,933)	(1,933)
Comprehensive income							\$ 57,059	
Stock compensation cost		12		430				442
Tax benefit from option exercise		4,084						4,084
Issuance of 333,501 shares under Stock Option Plan		4,710						4,710
Issuance of 50,963 shares under Stock Purchase Plan		1,342						1,342
Issuance of 80,702 shares under Restricted Stock Plan		3,509		(3,509)				
Issuance of 77,500 shares under Stock Warrants Plan		1,775						1,775
Issuance of 2,635 shares under Directors' Restricted Stock Plan		100		(100)				
Issuance of 2,172 shares in lieu of Board of Director retainer fees		82						82
Purchase of 645 shares of treasury stock				26	(31)			(5)
Dividends paid on common stock			(9,623)					(9,623)
BALANCE, DECEMBER 31, 2003	\$ 27	\$ 171,518	\$ 228,242	\$ (3,153)	\$ (35,986)	\$ 1,335		\$ 361,983

(Concluded)

	Year Ended December 31,		
	2003	2002	2001
	(In thousands)		
Disclosure of reclassification amount:			
Unrealized holding (loss) gain on securities arising during period, net of tax benefit (expense) of \$461 in 2003, (\$2,565) in 2002 and (\$5,425) in 2001	\$ (636)	\$ 3,831	\$ 8,138
Less: Reclassification adjustment for gain included in net income, net of tax expense of \$938 in 2003, \$143 in 2002 and \$818 in 2001	(1,297)	(198)	(1,228)
Net unrealized (loss) gain on securities, net of tax benefit (expense) of \$1,400 in 2003, (\$2,422) in 2002 and (\$4,607) in 2001	\$(1,933)	\$ 3,633	\$ 6,910

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2003	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 58,992	\$ 49,489	\$ 38,783
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,139	10,450	9,453
Cumulative effect of change in accounting principle	-	(788)	87
Stock compensation costs	442	181	369
Deferred tax (benefit) expense	(3,238)	(5,519)	2,149
Provision for loan losses	8,800	10,200	6,217
Provision for other real estate owned losses	-	-	34
Net gain on sales of investment securities and other assets	(7,842)	(2,330)	(3,870)
Net gain on trading securities	-	-	(413)
Federal Home Loan Bank stock dividends	(449)	(508)	(800)
Proceeds from sale of loans held for sale	284,322	168,544	87,981
Proceeds from sale of securitized loans held for sale	-	-	13,603
Originations of loans held for sale	(280,371)	(167,852)	(97,154)
Net change in accrued interest receivable and other assets, net of effects from purchases of Pacific Business Bank in 2003 and Prime Bank in 2001	(18,011)	(36,454)	128
Net change in accrued expenses and other liabilities, net of effects from purchases of Pacific Business Bank in 2003 and Prime Bank in 2001	19,065	6,595	11,057
Total adjustments	14,857	(17,481)	28,841
Net cash provided by operating activities	73,849	32,008	67,624
CASH FLOWS FROM INVESTING ACTIVITIES			
Net increase in loans	(737,877)	(279,951)	(216,327)
Purchases of:			
Investment securities available for sale	(213,738)	(451,288)	(196,306)
Loans receivable	(82,043)	(150,273)	(172,162)
Federal Home Loan Bank stock	(7,377)	-	-
Real estate investments	(11,711)	(7,482)	(5,097)
Premises and equipment	(3,491)	(1,405)	(4,949)
Proceeds from sale of:			
Investment securities available for sale	78,545	720	176,226
Loans receivable	1,555	46,685	80,782
Other real estate owned	-	-	788
Premises and equipment	1	-	1,725
Proceeds from maturity of interest bearing deposits	5,036	-	100
Proceeds from securitization and partial sale of loans held for investment	-	159,724	-
Repayments, maturity and redemption of investment securities available for sale	224,469	285,475	236,338
Redemption of Federal Home Loan Bank stock	171	174	6,661
Cash acquired from purchase of Pacific Business Bank, net of cash paid	3,713	-	-
Cash acquired from purchase of Prime Bank, net of cash paid	-	-	20,298
Net cash used in investing activities	(742,747)	(397,621)	(71,923)

(Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year Ended December 31,		
	2003	2002	2001
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net change in deposits	\$ 251,406	\$ 508,379	\$ 371,339
Net increase (decrease) in short-term borrowings	12,000	-	(38,000)
Proceeds from Federal Home Loan Bank advances	11,501,000	7,279,200	5,289,500
Repayment of Federal Home Loan Bank advances	(11,256,100)	(7,349,700)	(5,453,500)
Proceeds from issuance of junior subordinated debt	10,000	-	-
Payment of debt issue cost	(90)	-	-
Repayment of notes payable on affordable housing investments	(1,200)	(1,500)	-
Proceeds from common stock options exercised	4,710	5,055	3,068
Proceeds from stock warrants exercised	1,775	50	279
Proceeds from stock purchase plan	1,342	958	682
Repurchases of common stock	(5)	(10)	(17,885)
Proceeds from issuance of common stock related to in store banking operations	-	-	7,884
Dividends paid on common stock	(9,673)	(6,381)	(2,782)
Net cash provided by financing activities	<u>515,215</u>	<u>436,551</u>	<u>165,585</u>
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	 (153,683)	 70,938	 161,286
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>295,272</u>	<u>224,334</u>	<u>63,048</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 141,589</u>	<u>\$ 295,272</u>	<u>\$ 224,334</u>

(Concluded)

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid during the year for:

Interest	\$ 36,147	\$ 49,521	\$ 85,348
Income tax payments, net	34,262	27,099	1,468

Noncash investing and financing activities:

Loans exchanged for mortgage-backed securities	-	35,078	13,302
Residual interest resulting from securitization of real estate loans	-	3,579	-
Real estate investment financed through notes payable	1,292	2,100	900
Issuance of common stock in connection with Prime Bank acquisition	-	-	12,260
Deferred operating expense from issuance of common stock and warrants related to in store banking operations	-	-	1,757

INVESTOR INFORMATION

COMMON STOCK AND DIVIDENDS

East West Bancorp, Inc. Common Stock (symbol: EWBC) trades on the Nasdaq Stock Market. At December 31, 2003, there were 24,428,725 shares of common stock issued and outstanding.

The following table sets forth the range of closing sales prices for the Company's common stock for each of the quarters in the two years ended December 31, 2003:

	Years Ended December 31,			
	2003		2002	
	High	Low	High	Low
First quarter	\$38.01	\$29.76	\$29.70	\$25.11
Second quarter	37.19	31.04	37.49	29.00
Third quarter	45.35	35.69	37.78	30.76
Fourth quarter	55.00	44.00	36.08	28.45

East West quarterly cash dividends on common stock, when and if declared by the Board of Directors, are distributed in February, May, August, and November.

ANNUAL MEETING

The 2003 Annual Meeting of Shareholders will be held at 3:00 p.m. Pacific Time on Monday, May 17, 2004 at:

The Ritz Carlton
Huntington Hotel & Spa
1401 South Oak Knoll Avenue
Pasadena, California 91106

Formal notice of the meeting with a proxy card and proxy statement, was mailed to all shareholders of record as of March 26, 2004.

Stock Transfer Agent

Shareholders with inquiries about accounts, lost stock certificates, or changes of address, may contact U.S. Stock Transfer Corporation by calling (818) 502-1404 between 9:00 a.m. and 5:00 p.m. Pacific Time. Written correspondence may be sent to:

U.S. Stock Transfer Corporation
1745 Gardena Avenue
Glendale, CA 91204

FINANCIAL INFORMATION AND MAILINGS

You may obtain the Company's Annual Reports on Form 10-K and other financial information by writing or calling :

East West Bancorp, Inc.
Investor Relations
415 Huntington Drive
San Marino, CA 91108
(800) 713-6506

QUARTERLY REPORTS

East West's financial results are provided in quarterly earnings releases. A copy of the release is available via the following methods:

On the Internet

Company information and news releases are also available at www.eastwestbank.com.

To receive company news releases via e mail, please contact Investor Relations at the telephone number or address above.

By Mail

Upon request we will mail to you our quarterly earnings releases. To be added to the mailing list, please contact Investor Relations at the telephone number or address above.

EXECUTIVE OFFICERS

Dominic Ng
President and CEO

Julia S. Gouw
Executive Vice President and
Chief Financial Officer

Robert Bulseco
Executive Vice President,
West Los Angeles Commercial Banking Center

Wellington Chen
Executive Vice President,
Director, Corporate Banking

K.Y. Cheng
Executive Vice President,
Director, International Banking

Donald S. Chow
Executive Vice President,
Director, Commercial Lending

Douglas P. Krause
Executive Vice President,
General Counsel and Secretary

Michael W. Lai
Executive Vice President,
General Manager, Northern California

William Lewis
Executive Vice President,
Chief Credit Officer

BOARD OF DIRECTORS

Dominic Ng
Chairman of the Board

Peggy Cherng
Member

Julia S. Gouw
Member

John Kookan
Member

Herman Y. Li
Member

Jack C. Liu
Member

Keith W. Renken
Member

LOCATIONS

Headquarters

San Marino (626) 799-5700

Southern California

Anaheim 99 Ranch Market	(714) 491-7947	Los Angeles – Grand Avenue Chinatown	(213) 688-8600 (213) 489-5300
Alhambra – Main Street Valley Blvd.	(626) 308-2017 (626) 576-7447	Montebello	(323) 723-2311
Arcadia – Duarte Road 99 Ranch Market	(626) 821-4988 (626) 821-3539	Monterey Park	(626) 781-3800
Carson – Avalon Blvd. Carson Street	(310) 522-5555 (310) 533-1456	Palos Verdes Peninsula	(310) 544-1556
Century City	(310) 712-0044	Rosemead	(626) 572-4633
Cerritos	(562) 924-8222	Rowland Heights	(626) 854-0070
City of Industry	(626) 854-8600	San Gabriel – 99 Ranch Market	(626) 927-1180
Diamond Bar	(909) 861-3676	San Marino	(626) 799-1132
El Monte – Flair Drive Peck Road	(626) 582-8050 (626) 579-5450	Santa Fe Springs	(562) 906-7880
Glendale	(818) 545-8800	Silverlake	(323) 667-9003
Irvine – 99 Ranch Market	(949) 451-1601	South Pasadena	(323) 682-3831
Lincoln Heights	(323) 223-1164	Tarzana	(818) 774-2666
		Torrance	(310) 791-2800
		Van Nuys – 99 Ranch Market	(818) 947-0810
		Westminster	(714) 895-2575

Northern California

Northern California – Main Office	(415) 912-3600	Oakland	(510) 465-3333
Burlingame – Peninsula Regional Banking Center	(650) 696-6950	San Francisco – Richmond District Chinatown	(415) 750-2800 (415) 433-1533
Cupertino	(408) 873-7030	San Mateo	Opening 2004
Milpitas – 99 Ranch Market	(408) 571-4481	Union City – East Bay Commercial Lending Center	(510) 475-3690

China

Beijing Bright China Chang An Building, Number 7, Room 609, Jianguomen Nei Avenue, Dong Cheng District, Phone: 011-86-10-6510-1551

Member FDIC





EAST WEST
BANCORP

415 HUNTINGTON DRIVE SAN MARINO CALIFORNIA 91108 (626) 799-5700 WWW.EASTWESTBANK.COM