

East West Bancorp (NASDAQ: EWBC; Pasadena, CA) announces agreement to sell Desert Community Bank branches to Flagstar Bancorp (NYSE: FBC; Troy, MI)

Terms of the Transaction Were Not Disclosed

Sandler O'Neill served as financial advisor to East West Bancorp in connection with this transaction.

This transaction represents Sandler O'Neill's 23rd bank branch transaction since January 1, 2015. During that time period, Sandler O'Neill has advised on branch transactions comprising 129 branches and \$5.5 billion in deposits, more than any other investment bank.¹

About the Transaction:

Pasadena, California – November 13, 2017 – East West Bancorp, Inc. (“East West” or the “Company”) (Nasdaq: EWBC), parent company of East West Bank, today announced that East West Bank has entered into a purchase and assumption agreement to sell its Desert Community Bank (“DCB”) branches and related assets and liabilities to Flagstar Bank, a subsidiary bank of Flagstar Bancorp Inc. (“Flagstar”) (NYSE: FBC).

Desert Community Bank consists of eight branches located in the High Desert area of California, and has been operating as a separate division of East West Bank for ten years. The purchase and assumption agreement includes all eight branches, approximately \$70 million in loans and \$600 million in deposits. Following the sale, DCB will retain its name and continue to operate as Desert Community Bank, a division of Flagstar Bank.

DCB, headquartered in Victorville, Calif., holds the #2 deposit market share in the High Desert region of San Bernardino County, the fifth largest county in California with a total population of 2.1 million. San Bernardino County has realized solid deposit growth of approximately 7 percent on an annual basis since 2012.

Dominic Ng, Chairman and Chief Executive Officer of East West stated, “East West is proud to have served the communities in the High Desert area for a decade. Although we are exiting branch banking in this region of California, it was important for us to find a buyer that was committed to retaining the Desert Community Bank name and banking

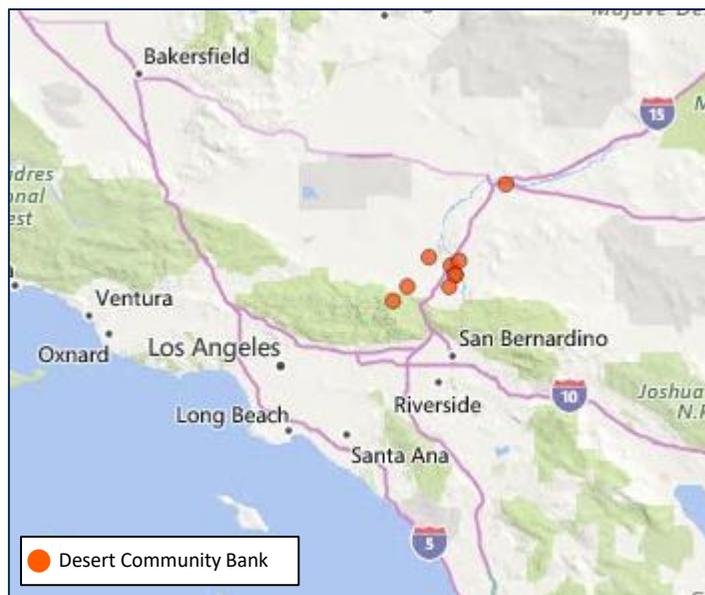
team, and shared our values in providing an outstanding customer experience. With our choice of Flagstar, we believe we found a dedicated partner to support Desert Community Bank’s integral role in the High Desert communities. I am confident that our customers will be well-served by the team at Flagstar.”

“I would like to welcome the Desert Community team to the Flagstar family,” said Alessandro DiNello, president and chief executive officer of Flagstar Bancorp, Inc. “We’ve been looking to acquire a high-quality deposit franchise, but they’ve been difficult to find. The Desert Community branches fit the bill.”

“The acquisition provides low-cost, stable funding to continue growing our balance sheet. It also combines a successful deposit franchise with a significant Flagstar presence already on the West Coast, including our Opes Advisors division and warehouse lending and home builder financing activities. Expanding our deposit franchise into California made a lot of sense because it’s a state where we already do significant business.”

¹: Source: SNL Financial

Branch Map



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