EAST WEST BANCORP INC
Form 11-K
June 14, 2013
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

Mark One

x	**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	For the fiscal year ended December 31, 2012
	or
o	**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	For the transition period from to .

Commission file number 000-24939

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

EAST WEST BANK
EMPLOYEES 401(k) SAVINGS PLAN

Financial Statements
December 31, 2012 and 2011

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

EAST WEST BANCORP, INC.

135 North Los Robles Ave., 7th Floor

Pasadena, California 91101

Table of Contents

EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

TABLE OF CONTENTS

NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and 401(k) Committee of

East West Bank Employees 401(k) Savings Plan

Pasadena, California

We have audited the accompanying statements of net assets available for benefits of East West Employees 401(k) Savings Plan as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Form 5500, Schedule H, Part IV, Line 4a Schedule of Delinquent Participant Contributions and Form 5500, Schedule H, Part IV, Line 4i Schedule of Assets (Held at End of Year) are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic 2012 financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic 2012 financial statements taken as a whole.

Crowe Horwath LLP

South Bend, Indiana

June 14, 2013

1

Table of Contents

EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Investments:		
Participant directed investments at fair value (Notes 1, 2, 3 and 4)	$ 98,841,662	$ 81,172,967
Total investments	98,841,662	81,172,967
Receivables:		
Notes receivable from participants	1,746,318	1,475,090
Participant contributions	320,566	303,580
Employer contributions	126,844	88,359
Total receivables	2,193,728	1,867,029
Total assets	101,035,390	83,039,996
LIABILITIES		
NET ASSETS, REFLECTING ALL INVESTMENTS AT FAIR VALUE	101,035,390	83,039,996
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS		(383,276)
NET ASSETS AVAILABLE FOR BENEFITS	$ 101,035,390	$ 82,656,720

See notes to financial statements.

Table of Contents

EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	**2011**
ADDITIONS (REDUCTIONS) TO NET ASSETS ATTRIBUTED TO		
Investment income:		
Net appreciation / (depreciation) in fair value of investments (Notes 3 and 4)	$ 8,300,239	$ (1,823,517)
Dividend and interest income	1,519,784	873,814
Net investment income / (loss)	9,820,023	(949,703)
Other income:		
Interest income on notes receivable from participants	69,923	59,358
Other income	69,923	59,358
Contributions:		
Participant	10,193,371	9,397,392
Participant rollover	1,050,034	542,998
Employer, net of forfeitures	2,798,280	2,435,509
Total contributions	14,041,685	12,375,899
Total additions	23,931,631	11,485,554
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid	5,529,875	3,839,395
Administrative expenses	23,086	3,278
Total deductions	5,552,961	3,842,673
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	18,378,670	7,642,881
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	82,656,720	75,013,839
End of year	$ 101,035,390	$ 82,656,720

See notes to financial statements.

Table of Contents

EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following description of the East West Bank Employees 401(k) Savings Plan (the Plan) provides only general information. Participants should refer to the plan document for more complete information.

General The Plan is a defined contribution plan designed to provide retirement benefits financed by participants tax deferred contributions and contributions from East West Bank, the Plan s sponsor (the Bank or the Plan Sponsor) and a participating related entity (the Company). The Plan is administered by an administrative committee appointed by the Board of Directors of East West Bank. Prudential Trust Company (the Trustee) serves as the trustee for the Plan. The Plan became effective January 1, 1986. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility Under the terms of the Plan, employees become eligible to participate in the Plan as of the first day of the first calendar month beginning after the date the employee attains the age of 18 years and completes three months of service with the Company. Effective February 1, 2011, eligible employees are automatically enrolled in the Plan at a 3% contribution rate unless the participant elects another rate, including 0%. All deferred compensation of automatically enrolled employees will be invested in an age appropriate Goal Maker Age Migration Fund until such time as the participant changes their investment election. In addition, a Roth 401(k) investment option is available to participants as of June 1, 2011.

Contributions Eligible employees may elect to defer up to 80% of their compensation before taxes (limited to $17,000 in 2012 and $16,500 in 2011). Participants are also able to designate part or all of their contributions as Roth 401(k) contributions, which are made on an after-tax basis. The Bank matches 50% of the first 6% of a participant s deferred compensation. Plan participants age 50 or older may also contribute an additional $5,500 to the Plan in both 2012 and 2011. Participants may also contribute amounts representing rollover eligible distributions from other tax-qualified plans into the Plan.

Investments Participants direct the investments of their contributions and match into various investment options offered by the Plan.

Table of Contents

Vesting, Benefits, and Benefits Payable Participants are fully vested in the portion of their accounts which resulted from their contributions and earnings on their voluntary contributions. Participants become vested in the matching contributions received from the Plan Sponsor at the rate of 20% per year for each full year of service after the first year so that the participants become 100% vested after five years of credited service.

Benefits are recorded when paid. On termination of service for any reason, a participant may elect to (1) receive a lump-sum distribution in an amount equal to the value of the participant s vested interest in his or her account, or (2) elect a rollover distribution to an eligible retirement plan or eligible individual retirement account (IRA) in an amount equal to the value of the participant s vested interest in his or her account. If a participant s account is less than $1,000 and an election is not made, the Trustee will distribute the vested interest in the participant s account to the participant in the form of a lump-sum payment. If a participant with an account balance greater than $1,000 and not exceeding $5,000, does not elect either to receive or to rollover the distribution, then the participant s vested interest in the account will be rolled over to an IRA. At December 31, 2012 and 2011, no amounts were owed to terminated participants who had elected to withdraw their benefits.

Forfeited Accounts At December 31, 2012 and 2011, forfeited nonvested accounts totaled $87,155 and $12,727 respectively. These accounts will be used to reduce future employer contributions, pay some plan expenses and, at the discretion of the Plan Administrator, be allocated to participants. During the years ended December 31, 2012 and 2011, employer contributions were reduced by $89,656 and $130,968, respectively from forfeited nonvested accounts. During the years ended December 31, 2012 and 2011, plan expenses of $19,478 and $2,729 were paid with funds from forfeited nonvested accounts. No discretionary allocations were made during the year ended December 31, 2012 and 2011.

Participant Accounts Each participant s account is credited with the participant s contribution, the Bank s contribution, the Plan s earnings or losses, and if applicable, rollovers from plans of prior employers. Allocations of earnings or losses are based on participant account balances as defined in the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant s account.

Notes Receivable from Participants Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loan transactions are treated as transfers to (from) the investment fund from (to) the participant loan fund. Loan terms range from one to five years or up to 20 years for the purchase of a primary residence. The loans are secured by the vested balances in the participants accounts and bear interest at rates commensurate with local prevailing rates as determined by the plan administrator at the time the loan is approved. At December 31, 2012, interest rates on outstanding loans to participants ranged from 4.25% to 9.25% and mature through 2031. Principal and interest are paid ratably through payroll deductions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Table of Contents

Fair Value Disclosures In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* ASU 2011-04 addresses convergence between GAAP and International Financial Reporting Standards (IFRS) requirements for measurement of and disclosures about fair value. The amendments are not expected to have a significant impact on companies applying GAAP. Key provisions of the amendment include: a prohibition on grouping financial instruments for purposes of determining fair value, except when an entity manages market and credit risks on the basis of the entity s net exposure to the group; an extension of the prohibition against the use of a blockage factor to all fair value measurements (that prohibition currently applies only to financial instruments with quoted prices in active markets); and a requirement that for recurring Level 3 fair value measurements, entities disclose quantitative information about unobservable inputs, a description of the valuation process used and qualitative details about the sensitivity of the measurements. In addition, for items not carried at fair value but for which fair value is disclosed, entities will be required to disclose the level within the fair value hierarchy that applies to the fair value measurement disclosed. The amendments in ASU 2011-04 were effective for interim and annual periods beginning after December 15, 2011. The adoption of this guidance did not have a material effect on the Plan s financial statements.

Valuation of Investments The Plan s investments are stated at their fair value. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Common stock is valued at quoted market prices. Investment in the collective trust fund is stated at fair value, based on the net asset value, after adjustments to reflect all fund investments at fair value, as reported in the audited financial statements of the fund. In the fourth quarter of 2011, management made the decision to liquidate the collective trust fund and transferred assets into the guaranteed income fund. Investment in the guaranteed income fund is valued based on the Plan s investment contract with Prudential Retirement Insurance and Annuity Company (PRIAC) which is reported at contract value. Contract value is the value determined by the insurance company in accordance with the terms of the contract.

Fully Benefit Responsive Investment Contracts Fully benefit responsive investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because the contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan s Stable Value Fund, which was fully liquidated in 2012, invested in investment contracts through participation in the Wells Fargo Stable Return Fund (Stable Return Fund), a collective trust. The Plan s guaranteed income fund invests in an investment contract through PRIAC, an unallocated investment contract. Investments in the accompanying Statements of Net Assets Available for Benefits presents the fair value of the Plan s investment in investment contract, which approximates contract value.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and disclosures of contingent assets and liabilities. Actual results could materially differ from those estimates.

Table of Contents

Risk Management The Plan utilizes various investment instruments, including mutual funds that invest in the securities of foreign countries. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. In addition, investments that include securities of foreign companies involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices may be more volatile than those of securities of comparable U.S. companies. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements and participants account balances.

Administrative Expenses Investment transaction expenses are offset against the related investment income. In 2011, management fees incurred by the collective trust of the Plan are borne by the Plan participants through the Wells Fargo Stable Value Fund and are included in the net appreciation in fair value of investments on the Statement of Changes in Net Assets Available for Benefits. The investment managers of the Wells Fargo Stable Value Fund charge asset-based management fees, which amount to, on an annualized basis, 65 basis points of the dollar value of the Plan s investments in the Wells Fargo Stable Value Fund. Certain loan fees are deducted directly from participant s account. In the fourth quarter of 2011, management made the decision to liquidate the collective trust fund. Other administrative and non-investment expenses of the Plan are paid by the Plan Sponsor which is a party-in-interest. These expenses, which are not reflected in the accompanying financial statements, constitute exempt party-in-interest transactions under ERISA.

Investment Income The Plan presents in the Statements of Changes in Net Assets Available for Benefits the net appreciation in the fair value of investments, which consists of realized gains or losses and unrealized appreciation or depreciation on those investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants account balances.

3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

Table of Contents

ASC 820 also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value:

• Level 1: quoted prices in active markets for identical assets or liabilities;

• Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

• Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2012 and 2011:

	Assets (Liabilities) Measured at Fair Value on a Recurring Basis as of December 31, 2012			
	Fair Value Measurements	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Common stock				
East West Bancorp, Inc. Company Stock	$ 18,117,757	$ 18,117,757	$	$
Total common stocks	18,117,757	18,117,757		
Mutual funds				
Fixed income - intermediate bond funds	10,153,389	10,153,389		
Balanced - value funds	5,975,253	5,975,253		
Large cap stock - value funds	4,131,321	4,131,321		
Large cap stock - blend funds	9,935,581	9,935,581		
Large cap stock - growth funds	12,902,745	12,902,745		
Mid cap stock - value funds	3,066,204	3,066,204		
Mid cap stock - blend funds	2,598,404	2,598,404		
Mid cap stock - growth funds	2,140,761	2,140,761		
Small cap stock - value funds	740,751	740,751		
Small cap stock - blend funds	2,131,616	2,131,616		
Small cap stock - growth funds	1,865,763	1,865,763		
International stock - blend funds	8,295,012	8,295,012		
Total mutual funds	63,936,800	63,936,800		
Unallocated investment contract				
Guaranteed income fund	16,787,105			16,787,105
Total unallocated investment contract	16,787,105			16,787,105
Total investments measured at fair value	$ 98,841,662	$ 82,054,557	$	$ 16,787,105

Table of Contents

	Assets (Liabilities) Measured at Fair Value on a Recurring Basis as of December 31, 2011			
	Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock				
East West Bancorp, Inc. Company Stock	$ 16,671,216	$ 16,671,216	$	$
Total common stocks	16,671,216	16,671,216		
Mutual funds				
Fixed income - intermediate bond funds	7,082,507	7,082,507		
Balanced - value funds	5,178,766	5,178,766		
Large cap stock - value funds	2,927,861	2,927,861		
Large cap stock - blend funds	7,677,496	7,677,496		
Large cap stock - growth funds	10,599,824	10,599,824		
Mid cap stock - value funds	2,202,183	2,202,183		
Mid cap stock - blend funds	1,858,545	1,858,545		
Mid cap stock - growth funds	1,590,558	1,590,558		
Small cap stock - value funds	587,864	587,864		
Small cap stock - blend funds	1,479,666	1,479,666		
Small cap stock - growth funds	1,383,713	1,383,713		
International stock - blend funds	6,558,831	6,558,831		
Total mutual funds	49,127,814	49,127,814		
Collective trust fund				
Stable value fund	15,124,654		15,124,654	
Total collective trust funds	15,124,654		15,124,654	
Unallocated investment contract				
Guaranteed income fund	249,283			249,283
Total unallocated investment contract	249,283			249,283
Total investments measured at fair value	$ 81,172,967	$ 65,799,030	$ 15,124,654	$ 249,283

There were no transfers between Level 1, Level 2 and Level 3 during 2012 and 2011.

The following table sets forth the summary of changes in the fair value of Level 3 investments for the years ended December 31, 2012 and 2011:

	Guaranteed Income Fund
Balance at December 31, 2010	$
Interest income	315
Purchases	259,662
Issues	
Sales	(10,694)
Settlements	
Balance at December 31, 2011	249,283
Interest income	185,484
Purchases	19,000,309

Issues		
Sales		(2,647,971)
Settlements		
Balance at December 31, 2012	$	16,787,105

Table of Contents

Common Stock

East West Bancorp, Inc. common stock held in participant directed brokerage accounts are stated at fair value as quoted on a recognized securities exchange and are valued at the last reported sales price on the last business day of the Plan year and are classified as Level 1 investments.

Mutual Funds

The mutual funds are stated at fair value as quoted on a recognized securities exchange and are valued at the last reported sales price on the last business day of the Plan year, and are classified as Level 1 investments.

Collective Trust Fund

The fair values of participation units in the stable value collective trust are based upon the net asset values of such fund, after adjustments to reflect all fund investments at fair value, including direct and indirect interests in fully benefit-responsive contracts, as reported in the audited financial statements of the fund. The stable value fund is classified as a Level 2 investment.

The fund invests in conventional and synthetic investment contracts issued by life insurance companies, banks, and other financial institutions, and a synthetic stable value fund, with the objective of providing a higher rate of return than shorter maturity investments, such as money market funds or certificates of deposit. The fund generally provides for daily redemptions by the Plan at reported net asset value per share, with written redemption instructions, and redemption proceeds will generally be paid to the account within one business day after receipt of the request, and in all cases, within six business days after such receipt. Withdrawals needed for benefit payments and loan advances of participating employee benefit plans are generally permitted daily.

In the fourth quarter of 2011, management made the decision to liquidate the stable value fund and transfer assets into a guaranteed income fund. No fees are associated with this transaction. All participants were given a written notice of the transaction, as any plan sponsor initiated withdrawal from the fund requires a 12 month written notice of intent to withdraw assets from the fund. During this period, no restrictions were set on the participants.

Unallocated Investment Contracts

In December 2011, the Plan invested in a guaranteed income fund offered by the Trustee. The fair values of the Plan s investment contracts have been determined to approximate contract values, as the terms of the contracts prohibit transfer or assignment of rights under the contracts and provide for all distributions at contract value, frequent re-setting of contractual interest rates based upon market conditions, no significant liquidity restrictions and no defined maturities. Generally, there are no events that could limit the ability of the plan to transact at contract value and there are no events that allow the issuer to terminate the contract and which require the Plan to settle at an amount different than contract value. In addition, management has determined that no adjustment from contract values is required for credit quality considerations.

Table of Contents

Contract value represents contributions made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees. The average yield earned by the Plan, based on actual earnings, was 2.85% as of December 31, 2012 and 2011. The average yield earned, based on the interest rate credited to participants, was 2.85% as of December 31, 2012 and 2011. No adjustment is required to mediate between the average earnings credited to the Plan and the average earnings credited to the participants. The same crediting interest rate is applied to the entire contract value and is reviewed on a semi-annual basis for resetting. The factors considered in establishing the crediting interest rate include, current economic and market conditions, the general interest rate environment and both actual and expected experience of a reference portfolio within the general account. The guaranteed minimum interest rate is 1.50%. The guaranteed income fund is classified as a Level 3 investment given the unobservable inputs used to determine contract value.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan s valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair values of certain financial instruments could result in a different fair value measurement at the reporting date.

4. INVESTMENTS

The following presents the Plan s investments, as of December 31, 2012 and 2011 that represent 5% or more of the Plan s net assets available for benefits:

2012		
East West Bancorp, Inc. Common Stock	$	18,117,757
Prudential Guaranteed Income Fund		16,787,105
PIMCO Total Return Bond Admin		10,153,389
American Funds Growth Fund of America		8,340,119
American Funds EuroPacific Growth		8,295,012
Vanguard 500 Index Signal		7,348,079
MFS Total Return Fund		5,975,253
2011		
East West Bancorp, Inc. Common Stock	$	16,671,216
Wells Fargo Stable Value Fund, at Contract Value		14,741,378
PIMCO Total Return Bond Admin		7,082,507
American Funds EuroPacific Growth		6,558,831
American Funds Growth Fund of America		6,449,795
Vanguard 500 Index Signal		5,439,572
MFS Total Return Fund		5,178,766
Franklin Flex Cap Growth Fund		4,150,029

Table of Contents

The Plan s investments, including gains and losses on investments bought and sold, as well as held during the year (decrease)/increased in value for the years ended December 31, 2012 and 2011, as follows:

		2012		2011
Common stock	$	1,390,774	$	62,689
Mutual funds		6,877,132		(2,181,657)
Collective trust fund		32,333		295,451
Unallocated investment contract				
Total	$	8,300,239	$	(1,823,517)

5. PARTY-IN-INTEREST TRANSACTIONS

A party-in-interest is defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. The Plan held a stable value fund and invests in a guaranteed investment contract managed by a custodian, and, therefore, these transactions and the Plan s payment of custodian fees qualify as party-in-interest transactions. Notes receivable from participants also reflect party-in-interest transactions. Fees paid by the Bank for administrative expenses amounted to $28,694 and $63,726 for the years ended December 31, 2012 and 2011, respectively. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

At December 31, 2012 and 2011, the Plan held 843,079 and 844,112 shares, respectively, of common stock of East West Bancorp, Inc., the parent company of the Plan Sponsor, with a fair value of $18,117,757 and $16,671,216, respectively. All common stock held by the Plan is common stock of East West Bancorp, Inc. During the years ended December 31, 2012 and 2011, the Plan recorded dividend income from the plan s investment in East West Bancorp s common stock of $334,326 and $132,973, respectively.

For risks and uncertainties regarding investment in East West Bancorp, Inc. common stock, participants should refer to the East West Bancorp, Inc. Annual Report on Form 10-K for the year ended December 31, 2012 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2013.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Bank has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of the Plan s termination, all participant accounts will become 100% vested and will be distributable to participants in accordance with the Plan.

Table of Contents

7. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has issued an opinion letter dated March 31, 2008, indicating that the prototype adopted by the Plan, as then designed, was in compliance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since from the original prototype document; however, the Plan Sponsor believes that the Plan is currently being operated in compliance with the applicable requirements of the IRC and the Plan and related Trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan s financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the plan and has concluded that, as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

8. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through the date of issuance of the financial statements. Such evaluation resulted in no adjustments to the accompanying financial statements.

* * * * * *

Table of Contents

SUPPLEMENTAL SCHEDULES

Table of Contents

EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

EIN 95-2795851 Plan Number: 001

FORM 5500, SCHEDULE H, PART IV, LINE 4a SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
$ 9,517	$	$ 9,517	$	$

Table of Contents

EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

EIN 95-2795851 Plan Number: 001

FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)

AS OF DECEMBER 31, 2012

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Franklin Flex Cap Growth Fund	97,284 shares, Mutual funds	**	$ 4,562,626
	Davis NY Venture Fund A	74,396 shares, Mutual funds	**	2,587,502
	Vanguard 500 Index Signal	67,712 shares, Mutual funds	**	7,348,079
	Vanguard Small Cap Index Signal	61,043 shares, Mutual funds	**	2,131,616
	MFS Total Return Fund	392,850 shares, Mutual funds	**	5,975,253
	MFS Value Fund A	9,981 shares, Mutual funds	**	253,030
	Goldman Sachs Mid Cap Value	78,040 shares, Mutual funds	**	3,066,204
	Royce Value Plus Fund I	134,907 shares, Mutual funds	**	1,865,763
	Royce Total Return Fund	54,347 shares, Mutual funds	**	740,751
	Pimco Total Return Bond Admin	903,326 shares, Mutual funds	**	10,153,389
	American Funds Washington Mutual Fund	124,704 shares, Mutual funds	**	3,878,291
	American Funds Growth Fund of America	244,363 shares, Mutual funds	**	8,340,119
	American Fund EuroPacific Growth	204,916 shares, Mutual funds	**	8,295,012
	T Rowe Price Mid Cap Growth	37,910 shares, Mutual funds	**	2,140,761
	Vanguard Mid Cap Index Signal	80,746 shares, Mutual funds	**	2,598,404
*	Prudential Guaranteed Income Fund	649,216 units, Unallocated Contract	**	16,787,105
*	East West Bancorp, Inc.	843,079 shares, Common stock	**	18,117,757
	Total investments			98,841,662
*	Loans to participants	Participant loans (maturing 2013 to 2031 with interest rates of 4.25% to 9.25% collateralized by participants account	**	1,746,318

	balances)		
Total assets		**$**	**100,587,980**

* Party-in-interest

** Cost information is not required for participant directed investments and therefore is not included.

Table of Contents

SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 14, 2013

EAST WEST BANK
EMPLOYEES 401(k) SAVINGS
PLAN

By /s/ DOUGLAS P. KRAUSE

DOUGLAS P. KRAUSE

Executive Vice President and General Counsel