EAST WEST BANCORP INC
Form 11-K
June 19, 2014
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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, 2013

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, 2013 and 2012

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

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EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

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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

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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 Bank Employees 401(k) Savings Plan as of December 31, 2013 and 2012, 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, 2013 and 2012, 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 2013 financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic 2013 financial statements taken as a whole.

Crowe Horwath LLP

South Bend, Indiana

June 18, 2014

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EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2013 AND 2012

		2013		**2012**
ASSETS				
Investments:				
Participant directed investments at fair value (Notes 1, 2, 3 and 4)	$	140,025,022	$	98,841,662
Total investments		140,025,022		98,841,662
Receivables:				
Notes receivable from participants		1,778,851		1,746,318
Participant contributions		366,609		320,566
Employer contributions		106,354		126,844
Total receivables		2,251,814		2,193,728
Total assets		142,276,836		101,035,390
LIABILITIES				
NET ASSETS, REFLECTING ALL INVESTMENTS AT FAIR VALUE		142,276,836		101,035,390
NET ASSETS AVAILABLE FOR BENEFITS	$	142,276,836	$	101,035,390

See notes to financial statements.

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EAST WEST BANK EMPLOYEES 401(k) SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income:		
Net appreciation in fair value of investments (Notes 3 and 4)	$ 27,698,823	$ 8,300,239
Dividend and interest income	1,947,392	1,519,784
Net investment income	29,646,215	9,820,023
Other income:		
Interest income on notes receivable from participants	74,963	69,923
Other income	74,963	69,923
Contributions:		
Participant	11,407,883	10,193,371
Participant rollover	1,463,696	1,050,034
Employer, net of forfeitures	3,231,648	2,798,280
Total contributions	16,103,227	14,041,685
Total additions	45,824,405	23,931,631
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid	4,560,726	5,529,875
Administrative expenses	22,233	23,086
Total deductions	4,582,959	5,552,961
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	41,241,446	18,378,670
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	101,035,390	82,656,720
End of year	$ 142,276,836	$ 101,035,390

See notes to financial statements.

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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 the 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. 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 GoalMaker Age Migration Fund until such time as the participant changes their investment election. A Roth 401(k) investment option is also available to participants.

Contributions Eligible employees may elect to defer up to 80% of their compensation before taxes (limited to $17,500 in 2013 and $17,000 in 2012). 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 2013 and 2012. 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.

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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, 2013 and 2012, no amounts were owed to terminated participants who had elected to withdraw their benefits.

Forfeited Accounts At December 31, 2013 and 2012, forfeited nonvested accounts totaled $352,000 and $87,155 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, 2013 and 2012, employer contributions were reduced by $7,499 and $89,656, respectively from forfeited nonvested accounts. During the years ended December 31, 2013 and 2012, plan expenses of $22,233 and $19,478 were paid with funds from forfeited nonvested accounts. No discretionary allocations were made during the year ended December 31, 2013 and 2012.

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