



EAST WEST BANK  
*Your Financial Bridge®*

TWO MARKETS. ONE FOCUS.

East West Bancorp 2013 Annual Report





ONE FOCUS.

**Our connections translate to your success.**

Countless business opportunities exist between the United States and Greater China. East West Bank's commitment to building a strong bridge allows our customers to confidently navigate new financial terrain through our unrivaled cross-cultural and geographic connections, specialized skills, and infrastructure.

But East West Bank is much more than a link between the United States and Greater China. We are a solid bond that expertly connects the two markets, creating infinite possibilities for cross-border business success.



## A MESSAGE FROM OUR CHAIRMAN AND CEO



Dominic Ng

*The United States and China are the world's largest and second-largest economies. The size and interdependence of these two markets, and the flow of goods between them, has achieved unprecedented scale. East West Bank's history of connecting our customers with opportunity in and between the United States and Greater China has never been more relevant, as we realize our vision of being recognized as the premier financial bridge between East and West.*

Our bridge banking strategy brings opportunities and real benefits to our increasingly diverse and sophisticated customer base. As one of only a few U.S.-based banks with full-service branches in Greater China, we have unparalleled infrastructure and expertise to satisfy business and banking needs between the United States and Greater China for our customers.

East West Bank achieved record net income of \$295 million for the year ended 2013, or \$2.10

per share. Our cross-border banking strategy sets East West Bank apart from the competition, and that differentiation helped propel East West Bank to our fourth consecutive year of record earnings. Not only did we achieve record earnings in 2013, we also outperformed many of our peers with return on assets of 1.25%, return on equity of 12.59%, and an efficiency ratio of 43.87%.

Our ability to consistently generate strong financial results year after year has been rewarded with the outstanding performance of our stock. In 2013, total shareholder return for our stock was 66%, substantially higher than peers in the banking industry. During the year, we returned \$283 million or 96% of 2013 earnings to our common shareholders through cash dividends and the buyback of approximately 8 million shares of our common stock. Further, we ended 2013 with a total market capitalization of more than \$4.8 billion, the highest ever in the history of East West Bank.

With our healthy financial performance and our competitive advantage as the financial bridge between East and West, we are well positioned to grow our business, earnings, and market share.

In the fall of 2013, we announced the acquisition of MetroCorp Bancshares, Inc., parent of MetroBank and Metro United Bank, which we closed in January 2014. MetroCorp was an attractively priced, strategic acquisition that significantly increased East West Bank's presence in Houston and gave us entry into the Dallas market. Further, the acquisition strengthened our branch network in California and expanded our footprint to San Diego. MetroBank and Metro United Bank are both community banks with strong branch networks and a solid base of retail and commercial customers. We are excited to be able to provide this new base of customers with access to East West Bank's wider product and service capabilities and connect them with cross-border business opportunities.

**\$24.7**

BILLION  
IN ASSETS

**\$295**

MILLION  
RECORD  
EARNINGS

**66%**

ONE-YEAR  
TOTAL  
SHAREHOLDER  
RETURN

**\$4.8**

BILLION  
MARKET  
CAPITALIZATION



*// Our cross-border banking strategy sets East West Bank apart from the competition, and that differentiation helped propel East West Bank to our fourth consecutive year of record earnings. //*

In addition to the MetroCorp acquisition, we also expanded our branch network into the state of Nevada with the opening of a new commercial banking center in Las Vegas. East West Bank has a well-established base of customers and lending relationships in Las Vegas. Now, with the Nevada branch license, we will be able to deepen the relationships with these customers by providing commercial deposit accounts and services.

We are also expanding in Greater China. We recently received regulatory approval from the China Banking Regulatory Commission to open a full-service branch in Shenzhen, marking our fourth full-service branch in Greater China. Further, we obtained approval to open a branch in the recently established China (Shanghai) Pilot Free Trade Zone. With this presence in the Shanghai Free Trade Zone, we expect to have more opportunities to provide our cross-border customers a wider array of banking services and products. Both the Shenzhen and Shanghai locations are expected to open in late 2014. These strategic expansions in Greater China will significantly enhance our ability to provide seamless cross-border financial services to our customers, both in the United States and Greater China.

I am pleased to state that for the fourth year in a row, East West Bank was named by Forbes in the top 10 of the 100 Best Banks in America. Reflecting on 2013, our ability to win new customers and deepen relationships with existing customers spanned the world — from New York to Los Angeles to Shanghai. Our strong growth in 2013 has set the stage for what I am confident will be an even stronger year ahead.

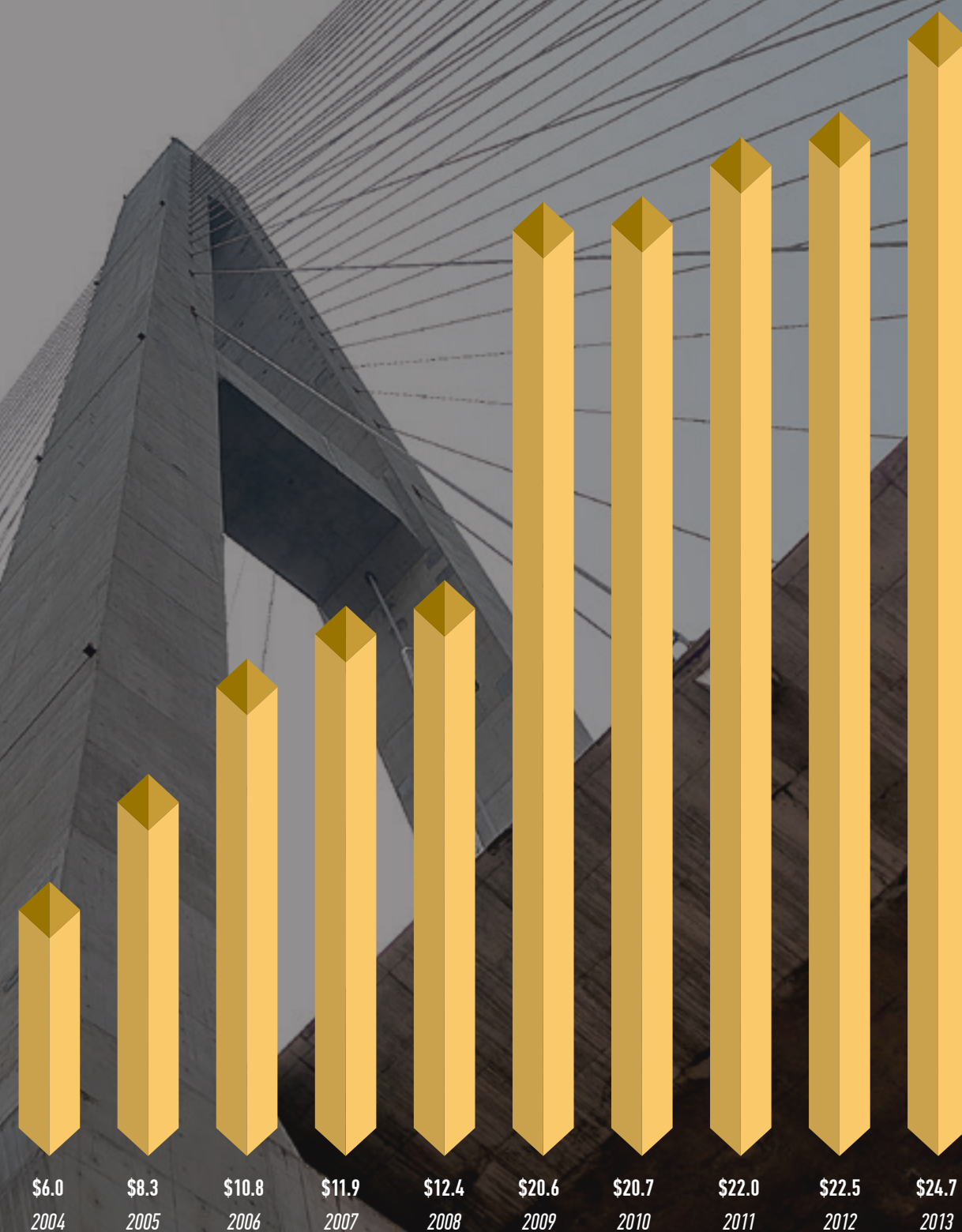
We owe a debt of gratitude to our dedicated employees, loyal customers, and long-term shareholders whose collective support and belief in our vision and capabilities have positioned East West Bank to continue to grow and increase our market share. We are proud of the important role we serve in fostering economic growth as we fulfill the financial needs of our customers in the United States and Greater China. Looking to 2014, we will continue to drive our vision forward, leveraging the connections we have made as the premier financial bridge between the East and the West to deliver solid returns to our shareholders for many years to come.

Sincerely,



Dominic Ng  
Chairman and Chief Executive Officer

## TOTAL ASSETS IN BILLIONS





## CREATING A PROMINENT FOOTPRINT IN KEY SECTORS

East West Bank's bridge banking approach allows us to focus on new business opportunities in the United States and Greater China, opening doors and seamlessly navigating the financial needs of these two diverse regions.

From high tech to manufacturing to agriculture, East West Bank has the expertise to serve a growing number of sectors and is focused on developing and expanding our knowledge and capabilities in the industries with the most cross-border business opportunities for both East West Bank and our customers.

Our customers also receive added value due to our specialized expertise and infrastructure, resulting in seamless transactions whether in the United States, China, or even both markets. As one of the few U.S.-based banks with full-service branches in China, we are able to offer many valuable benefits — including opening RMB-denominated accounts in China for U.S.-based consumers and businesses.

### AVIATION

*East West Bank has been able to capitalize on new opportunities across the skies resulting from the growing aviation market in China. We have a team of aviation and aircraft leasing experts who are more than just bankers. Our team understands how to navigate the complexities of providing aircraft financing while working with financial partners in Greater China and providing seamless cross-border banking capabilities and services. As China's demand for aircraft continues to grow, East West Bank is well positioned to increase its market share in this sector.*

### ENTERTAINMENT AND MEDIA

*In the United States, East West Bank is well established in the entertainment and media industries. We have deep expertise and provide financing for film production and distribution, television production, and more. Our physical presence and expertise in the Hong Kong entertainment market and throughout Greater China provide a distinct advantage for our U.S.-based customers looking to capitalize on the burgeoning U.S.-China film market.*

### HIGH-TECH

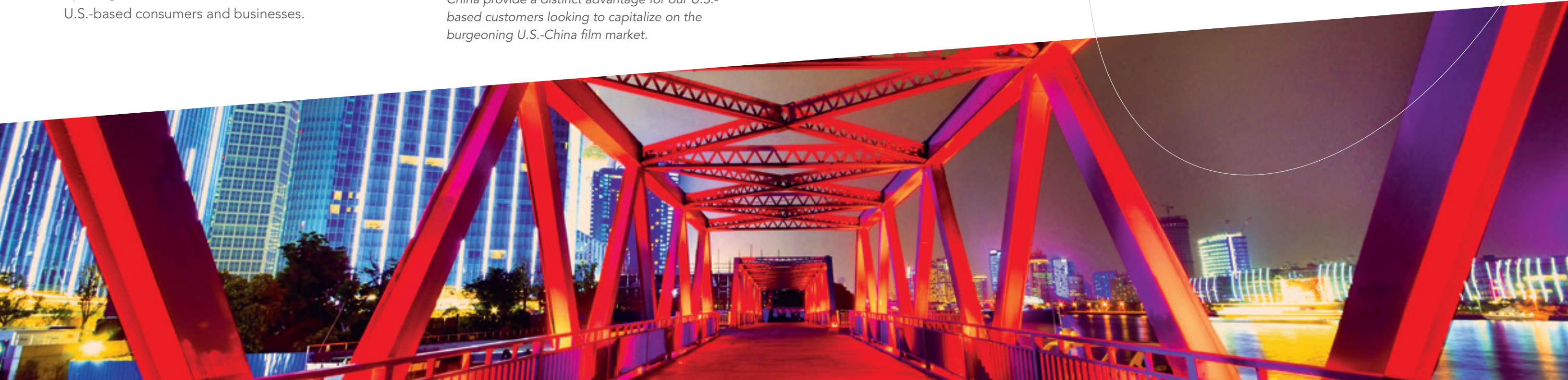
*Based in California's Silicon Valley, East West Bank's high-tech banking experts have developed a solid reputation in the sector. The group's in-depth knowledge and responsiveness to customers' needs, combined with a thorough understanding of the culture and business climate in both the United States and Greater China, have resulted in many new banking relationships with high-tech companies that require seamless cross-border financial services.*

### PRIVATE EQUITY AND VENTURE CAPITAL

*East West Bank provides private equity and venture capital firms and investors with a full array of products and services, from credit facilities to treasury management products to foreign exchange services. Whether you need a capital call line of credit, a working capital line of credit, or foreign exchange services, East West Bank provides knowledge and a competitive advantage for our customers in the United States and in Greater China.*

### REAL ESTATE

*East West Bank's long history and reputation of expertise in real estate lending continue to drive new business opportunities. From financing community development affordable housing projects to new purchases of income-producing real estate, to ground-up construction for new commercial developments, East West Bank is a leader in this sector. Because of our proven track record and our cross-border banking capabilities and presence, East West Bank is also the real estate lender of choice for direct foreign investment from China in the U.S. real estate market.*





## CASE STUDY SKYCROSS



### HIGH-TECH ADVANTAGES WITH CROSS-BORDER BANKING.

Founded in 2000, SkyCross is a leading global designer and manufacturer of antennas for mobile devices, wireless networks, and computers for some of the world's most innovative companies. SkyCross needed a financial partner to support its complex global operations. Headquartered in San Jose, California, SkyCross also has design and manufacturing facilities in China, Korea, and Taiwan. Given its global business, SkyCross relies on East West Bank to provide it with expedited turnaround on its cross-border transactions.

In both the United States and Greater China, East West Bank provides SkyCross with a comprehensive suite of lending, deposit, foreign exchange, and banking services, including RMB-denominated accounts in China.

East West Bank's customized cross-border financial solutions were critical to the company's global expansion and its ability to bring its innovative, proprietary antenna products to the world's leading device manufacturers and mobile operators.

## CASE STUDY HUA XIA DAIRY FARM

### HAPPY COWS. SUCCESSFUL PARTNERSHIPS.

China Genetics operates Hua Xia Dairy Farm, a world-class dairy farm based in the city of Sanhe, in China's Hebei province, that produces high-quality milk and dairy products. China Genetics is recognized as a leader in the dairy industry in China and operates under internationally recognized food safety standards. East West Bank provided China Genetics with a working capital line of credit, and provided deposit and treasury management services in both China and Hong Kong.

East West Bank's presence in mainland China, Hong Kong, and the United States offered China Genetics exceptional flexibility in managing its business in these three global locations.

Additionally, East West Bank's understanding of the complexity of operating a cross-border business, along with our unique structure of having a global relationship officer for our customers doing business in more than one location, provides China Genetics with seamless service.

As the consumption of milk and dairy products continues to increase in China, East West Bank is pleased to be able to continue to provide China Genetics with banking solutions that help it achieve its growth goals.





## A COMMITMENT TO COMMUNITY

*We're proud of the financial bridge that we've built together with the communities we serve. More than a bank, we're a vibrant network, built from the ground up, supporting one another and making each other stronger. For that reason, we salute our communities by serving as a leader through giving back, helping each other, and opening up more opportunities for everyone.*

### Award-winning community support.

In 2013, East West Bank was recognized by United Way of Greater Los Angeles (UWGLA) with two prestigious awards: Model Campaign of the Year and Outstanding Women Leader Campaign. Over the past 17 years, East West Bank has raised millions of dollars for UWGLA through our annual employee fundraising campaign. Year after year, East West Bank has a strong presence at UWGLA's Annual HomeWalk, an event focused on ending homelessness in our communities. Further, 2013 marked the second year in a row that East West Bank was the top HomeWalk fundraiser, out of more than 400 participating teams.

United Way HomeWalk

### Financial education — the heart of our approach.

Our long-standing partnership with Operation Hope and support of its Banking On Our Future (BOOF) program are at the core of East West Bank's commitment to financial education. Helping to bring BOOF days to schools throughout our communities, East West Bank volunteers provide financial education to disadvantaged youth in grades 4 through 12 — giving practical guidance and steps to economic self-sufficiency. From offering financial literacy programs to helping families in need, East West Bank is proud to partner with organizations that are making an impact across the country, including the Boys & Girls Clubs of America, Junior Achievement, Lakers Youth Foundation, the Houston Rockets, and many others.

### Supporting small business.

East West Bank is committed to helping potential and existing small business owners achieve their goals through small business loans and multilingual workshops and forums in partnership with the U.S. Small Business Administration. Additionally, East West Bank's Professional Practice Solutions group is focused on supporting the financial needs of dentists, pharmacists, veterinarians, optometrists, and other professional practitioners throughout the communities we serve.





## A MESSAGE FROM OUR PRESIDENT AND COO



Julia S. Gouw

Another year of record achievement. For 2013, East West Bank earned record earnings of \$295 million, our fourth consecutive year of record earnings and a 5% increase from \$281.7 million earned in 2012. For 2013, our annual return on equity was a strong 12.59%, an increase of 45 basis points over 2012 and well ahead of the industry average return on equity of less than 10%. By many measures, despite the ongoing challenges for the financial services industry, East West Bank continues to demonstrate strong financial results and outperform many of our peers.

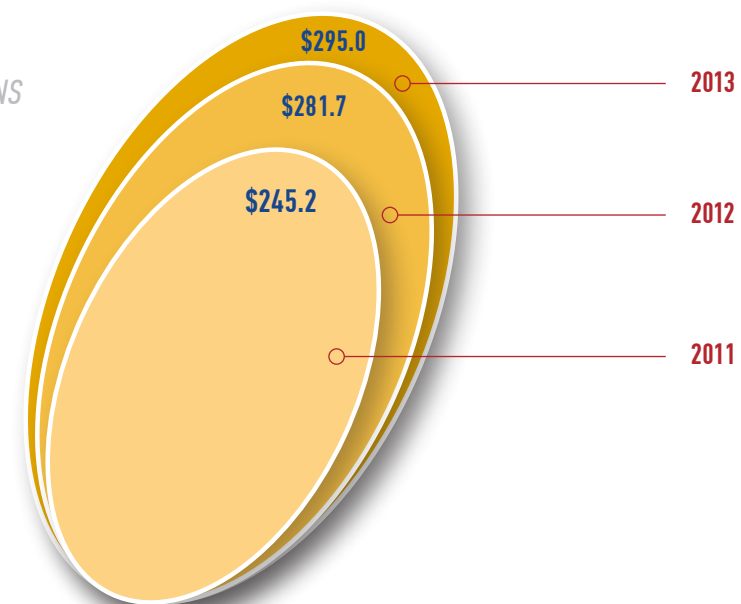
Our ability to consistently generate strong financial performance is a result of our success in prudently and profitably growing loans and deposits, while maintaining strong credit quality and strong operating efficiency. Further, supporting the financial needs of our customers in the United States and Greater China and providing cross-border expertise gives East West Bank a distinct competitive advantage over our peers and drive our business forward.

In 2013, total loans grew to a record \$18.1 billion, a 20% or \$3 billion increase over 2012. We had strong growth across the loan portfolio, including

commercial and industrial and trade finance loans, single-family residential loans, consumer loans, and commercial real estate loans.

We have also continued to acquire new commercial deposit relationships, resulting in healthy core deposit growth. Total deposits grew to a record \$20.4 billion in 2013, increasing 11% or \$2.1 billion during the year. Core deposits increased by 20% or \$2.4 billion, to a record \$14.6 billion. The strong growth in core deposits for the full year was fueled by a 28% or \$1.3 billion increase in noninterest-bearing demand deposits.

## NET INCOME IN MILLIONS



Along with record loan and deposit growth, we have also increased fee income to record levels. Although we believe that we have more opportunity to improve fee income as a percentage of total revenue, year over year we have made strong progress toward this goal. During 2013, we increased fee income by 21%, to \$115 million from \$95 million during the full year 2012.

Further, we continued to maintain strong asset quality and operating efficiency. As of December 31, 2013, nonperforming assets were 0.53% of total assets, an improvement of 10 basis points from 0.63% as of December 31, 2012. We also achieved

an efficiency ratio of 43.87% at a time when the industry average has remained well over 60%. Our capital levels remain very strong. As of December 31, 2013, our Tier 1 risk-based capital and total risk-based capital ratios were 11.9% and 13.5%, respectively, well over the well-capitalized requirements of 6% and 10%, respectively.

As a result of our record earnings, strong balance sheet, and capital levels, during 2013, the board of directors approved an increase in the annual dividend rate from \$0.40 to \$0.60 per share, resulting in a healthy dividend payout ratio of 29%. Additionally, in early 2014, our board of directors



## LOAN GROWTH IN BILLIONS

TOTAL LOANS



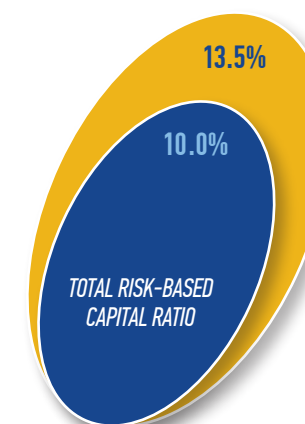
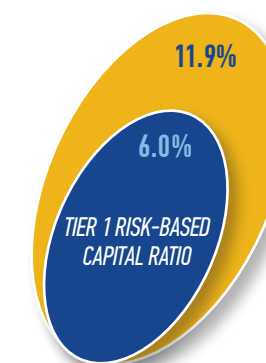
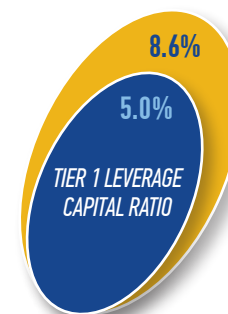
## DEPOSIT GROWTH IN BILLIONS

TOTAL DEPOSITS



WELL-CAPITALIZED REGULATORY REQUIREMENTS

EAST WEST 12.31.13



approved a further 20% increase in the annual dividend to \$0.72 per share.

We retained our position among the top 30 largest public banks in the United States by both market capitalization and asset size, with a market capitalization of more than \$4.8 billion and total assets of \$24.7 billion as of December 31, 2013. Further, we maintained our investment-grade credit rating.

As we look back on a challenging year for our industry, 2013 was a year of record achievement

for East West Bank. We grew loans and deposits to record levels, achieved record net income, and maintained return on asset and return on equity ratios that were above our peers. We are confident that we are building lines of business and making operational improvements that will deliver solid shareholder returns in 2014 and for many years to come.

Sincerely,

Julia S. Gouw  
President and  
Chief Operating Officer



INVESTOR INFORMATION

Common Stock and Dividends

East West Bancorp, Inc. common stock trades on the Nasdaq Global Select market under the symbol EWBC. As of December 31, 2013, there were 137,630,896 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, 2013:

Year Ended Dec. 31:	2013		2012	
	HIGH	LOW	HIGH	LOW
First quarter	\$25.78	\$22.29	\$24.22	\$19.95
Second quarter	27.50	22.67	23.46	20.82
Third quarter	31.95	27.98	23.96	21.12
Fourth quarter	35.15	32.18	22.15	19.71

East West Bancorp 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 2014 Annual Meeting of Stockholders will be held at 2:00 p.m. Pacific Daylight Time on Tuesday, May 6, 2014, at:

East West Bank Corporate Headquarters

135 N. Los Robles Avenue, 6th Floor  
Pasadena, CA 91101

Formal notice of the meeting with a proxy card and proxy statement is being mailed to all stockholders of record as of March 10, 2014.

The proxy statement, annual report on Form 10-K and proxy card are available on the Internet at the “Investor Relations — SEC Filings” section of our corporate website at: eastwestbank.com.

Stock Transfer Statement

Shareholders with inquiries about accounts, lost stock certificates or changes of address may contact the Computershare customer service department by calling 877.254.8651, available 24 hours a day. Written correspondence may be sent to the following address:

Computershare

250 Royall Street  
Canton, MA 02021

Financial Information and Mailings

You may obtain the company’s annual reports on Form 10-K, quarterly financial results and other financial information by writing or calling:

East West Bancorp, Inc.

Investor Relations  
135 N. Los Robles Avenue, 7th Floor  
Pasadena, CA 91101  
626.768.6000

Alternatively, company information and news releases are also available at eastwestbank.com. To receive company news releases via e-mail, please contact Investor Relations at the telephone number or address above.

East West Bancorp, Inc. and Subsidiaries

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL INFORMATION

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	2013	2012	2011	2010	2009
<b>Summary of Operations</b>					
Interest and dividend income	\$ 1,068,685	\$ 1,051,095	\$ 1,080,448	\$ 1,095,831	\$ 722,818
Interest expense	112,492	132,168	177,422	201,117	237,129
Net interest income	956,193	918,927	903,026	894,714	485,689
Provision for loan losses, excluding covered loans	18,336	60,168	92,584	195,934	528,666
Provision for loan losses on covered loans	4,028	5,016	2,422	4,225	—
Net interest income (loss) after provision for loan losses	933,829	853,743	808,020	694,555	(42,977)
Noninterest (loss) income <sup>(1)</sup>	(92,468)	(5,618)	10,924	39,270	390,953
Noninterest expense	415,511	422,533	435,610	477,916	243,254
Income before provision for income taxes	425,850	425,592	383,334	255,909	104,722
Provision for income taxes	130,805	143,942	138,100	91,345	22,714
Net income before extraordinary item	295,045	281,650	245,234	164,564	82,008
Extraordinary item, net of tax	—	—	—	—	(5,366)
Net income	\$ 295,045	\$ 281,650	\$ 245,234	\$ 164,564	\$ 76,642
Preferred stock dividends, amortization of preferred stock discount, and inducement of preferred stock conversion	3,428	6,857	6,857	43,126	49,115
Net income available to common stockholders	\$ 291,617	\$ 274,793	\$ 238,377	\$ 121,438	\$ 27,527
<b>Per Common Share</b>					
Basic earnings per share	\$ 2.11	\$ 1.92	\$ 1.62	\$ 0.88	\$ 0.35
Diluted earnings per share	\$ 2.10	\$ 1.89	\$ 1.60	\$ 0.83	\$ 0.33
Common dividends per share	\$ 0.60	\$ 0.40	\$ 0.16	\$ 0.04	\$ 0.05
Average number of shares outstanding, basic	137,342	141,457	147,093	137,478	78,770
Average number of shares outstanding, diluted	139,574	147,175	153,467	147,102	84,523
<b>At Year End:</b>					
Total assets	\$ 24,730,068	\$ 22,536,110	\$ 21,968,667	\$ 20,700,537	\$ 20,559,212
Loans receivable	15,412,715	11,710,190	10,061,788	8,430,199	8,218,671
Covered loans	2,187,898	2,935,595	3,923,142	4,800,876	5,598,155
Investment securities	2,733,797	2,607,029	3,072,578	2,875,941	2,564,081
Deposits	20,412,918	18,309,354	17,453,002	15,641,259	14,987,613
Securities sold under repurchase agreements	995,000	995,000	1,020,208	1,083,545	1,026,870
Stockholders’ equity	2,364,225	2,382,122	2,311,743	2,113,931	2,284,659
Common shares outstanding	137,631	140,294	149,328	148,543	109,963
Book value per common share	\$ 17.18	\$ 16.39	\$ 14.92	\$ 13.67	\$ 14.37
<b>Financial Ratios:</b>					
Return on average assets	1.25%	1.29%	1.14%	0.82%	0.55%
Return on average total equity	12.59	12.14	10.98	7.02	4.69
Common dividend payout ratio	28.57	20.96	10.02	4.57	13.03
Average stockholders’ equity to average assets	9.95	10.62	10.36	11.62	11.81
Net interest margin	4.38	4.63	4.66	5.05	3.76
<b>Asset Quality Ratios:</b>					
Net chargeoffs to average non-covered loans	0.03%	0.38%	1.16%	2.35%	5.69%
Nonperforming assets to total assets	0.53	0.63	0.80	0.94	0.91
Allowance for loan losses to total gross non-covered loans	1.54	1.92	2.04	2.64	2.81

<sup>(1)</sup> 2012, 2011 and 2010 include other-than-temporary impairment (“OTTI”) relating to investment securities of \$99 thousand, \$633 thousand and \$16.7 million, respectively, and pre-tax gain on acquisition of \$22.9 million and \$471.0 million during 2010 and 2009, respectively.



## East West Bancorp, Inc. and Subsidiaries

## CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT SHARE DATA)

December 31,	2013	2012
<b>Assets</b>		
Cash and cash equivalents	\$ 895,820	\$ 1,323,106
Short-term investments	257,473	366,378
Securities purchased under resale agreements	1,300,000	1,450,000
Investment securities available-for-sale, at fair value (with amortized cost of \$2,786,490 at December 31, 2013 and \$2,599,018 at December 31, 2012)	2,733,797	2,607,029
Loans held for sale	204,970	174,317
Loans receivable, excluding covered loans (net of allowance for loan losses of \$241,930 at December 31, 2013 and \$229,382 at December 31, 2012)	15,412,715	11,710,190
Covered loans (net of allowance for loan losses of \$7,745 at December 31, 2013 and \$5,153 at December 31, 2012)	2,187,898	2,935,595
Total loans receivable, net	17,600,613	14,645,785
FDIC indemnification asset	74,708	316,313
Other real estate owned, net	18,900	32,911
Other real estate owned covered, net	21,373	26,808
Total other real estate owned	40,273	59,719
Investment in Federal Home Loan Bank stock, at cost	62,330	107,275
Investment in Federal Reserve Bank stock, at cost	48,333	48,003
Investment in affordable housing partnerships	165,724	185,645
Premises and equipment, net	177,710	107,517
Accrued interest receivable	116,314	94,837
Due from customers on acceptances	21,236	28,612
Premiums on deposits acquired, net	46,920	56,285
Goodwill	337,438	337,438
Cash surrender value of life insurance policies	112,650	110,133
Other assets	533,759	517,718
<b>Total</b>	<b>\$ 24,730,068</b>	<b>\$ 22,536,110</b>
<b>Liabilities and Stockholders' Equity</b>		
Customer deposit accounts:		
Noninterest-bearing	\$ 5,821,899	\$ 4,535,877
Interest-bearing	14,591,019	13,773,477
Total deposits	20,412,918	18,309,354
Federal Home Loan Bank advances	315,092	312,975
Securities sold under repurchase agreements	995,000	995,000
Other borrowings	—	20,000
Bank acceptances outstanding	21,236	28,612
Long-term debt	226,868	137,178
Accrued expenses and other liabilities	394,729	350,869
Total liabilities	22,365,843	20,153,988
Stockholders' Equity		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized; Series A, non-cumulative convertible, 200,000 shares issued; no shares outstanding as of December 31, 2013 and 85,710 shares outstanding in 2012.	—	83,027
Common stock, \$0.001 par value, 200,000,000 shares authorized; 163,098,008 and 157,160,193 shares issued in 2013 and 2012, respectively; 137,630,896 and 140,294,092 shares outstanding in 2013 and 2012, respectively.	163	157
Additional paid in capital	1,571,670	1,464,739
Retained earnings	1,360,130	1,151,828
Treasury stock, at cost — 25,467,112 shares in 2013 and 16,866,101 shares in 2012.	(537,279)	(322,298)
Accumulated other comprehensive (loss) income, net of tax	(30,459)	4,669
Total stockholders' equity	2,364,225	2,382,122
<b>Total</b>	<b>\$ 24,730,068</b>	<b>\$ 22,536,110</b>

## East West Bancorp, Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF INCOME

(IN THOUSANDS, EXCEPT PER SHARE DATA)

Year Ended December 31,	2013	2012	2011
<b>Interest and Dividend Income</b>			
Loans receivable, including fees	\$ 979,394	\$ 945,530	\$ 945,798
Investment securities	43,846	58,184	89,469
Securities purchased under resale agreements	21,236	20,392	19,216
Investment in Federal Home Loan Bank stock	3,982	1,808	550
Investment in Federal Reserve Bank stock	2,887	2,865	2,840
Short-term investments	17,340	22,316	22,575
Total interest and dividend income	1,068,685	1,051,095	1,080,448
<b>Interest Expense</b>			
Customer deposit accounts	63,496	75,895	107,110
Federal Home Loan Bank advances	4,173	6,248	15,461
Securities sold under repurchase agreements	41,381	46,166	48,561
Long-term debt	3,442	3,855	5,832
Other borrowings	—	4	458
Total interest expense	112,492	132,168	177,422
<b>Net Interest Income Before Provision for Loan Losses</b>	956,193	918,927	903,026
Provision for loan losses, excluding covered loans	18,336	60,168	92,584
Provision for loan losses on covered loans	4,028	5,016	2,422
<b>Net Interest Income After Provision for Loan Losses</b>	933,829	853,743	808,020
<b>Noninterest (Loss) Income</b>			
Impairment loss on investment securities	—	(5,165)	(5,736)
Less: Noncredit-related impairment loss recorded in other comprehensive income	—	5,066	5,103
Net impairment loss on investment securities recognized in earnings	—	(99)	(633)
Decrease in FDIC indemnification asset and receivable	(228,585)	(122,251)	(100,141)
Branch fees	32,036	30,906	31,510
Net gain on sales of investment securities	12,089	757	9,703
Letters of credit fees and commissions	22,116	19,104	13,997
Foreign exchange income	12,658	7,166	9,143
Ancillary loan fees	9,368	8,831	8,350
Income from life insurance policies	3,778	4,015	4,031
Net gain on sales of loans	7,750	17,045	20,185
Net gain on sale of fixed assets	1,521	4,275	2,274
Other operating income	34,801	24,633	12,505
Total noninterest (loss) income	(92,468)	(5,618)	10,924
<b>Noninterest Expense</b>			
Compensation and employee benefits	175,906	171,374	160,093
Occupancy and equipment expense	56,641	55,475	50,082
Amortization of investments in affordable housing partnerships and other investments	27,268	18,058	17,324
Amortization of premiums on deposits acquired	9,365	10,906	12,327
Deposit insurance premiums and regulatory assessments	16,550	14,130	20,531
Loan related expenses	12,520	14,987	19,379
Other real estate owned (gain on sale) expenses	(1,128)	22,349	40,435
Legal expense	31,718	25,441	21,327
Prepayment penalty for FHLB advances and other borrowings	—	6,860	12,281
Data processing	9,095	9,231	8,598
Deposit-related expenses	6,536	6,007	5,699
Consulting expense	6,446	7,984	7,151
Other operating expenses	64,594	59,731	60,383
Total noninterest expense	415,511	422,533	435,610
<b>Income Before Provision for Income Taxes</b>	425,850	425,592	383,334
Provision for income taxes	130,805	143,942	138,100
<b>Net Income</b>	295,045	281,650	245,234
Preferred stock dividends	3,428	6,857	6,857
<b>Net Income Available to Common Stockholders</b>	<b>\$ 291,617</b>	<b>\$ 274,793</b>	<b>\$ 238,377</b>
<b>Earnings Per Share Available to Common Stockholders</b>			
Basic	\$ 2.11	\$ 1.92	\$ 1.62
Diluted	\$ 2.10	\$ 1.89	\$ 1.60
<b>Weighted Average Number of Shares Outstanding</b>			
Basic	137,342	141,457	147,093
Diluted	139,574	147,175	153,467
<b>Dividends Declared Per Common Share</b>	<b>\$ 0.60</b>	<b>\$ 0.40</b>	<b>\$ 0.16</b>



At East West Bank, bridge-building between the United States and Greater China comes naturally — it's an innate part of who we are. Our deep understanding of cultural and business practices on both sides of the Pacific is enabling a new generation of customers to seamlessly scale their business and investment opportunities between East and West.

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2013 Annual Report

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