

EAST WEST BANCORP INC
Form DEF 14A
April 18, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-12

East West Bancorp, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

East West Bancorp, Inc.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 28, 2013

Notice is hereby given that the annual meeting (the Meeting) of the stockholders of East West Bancorp, Inc. (the Company) will be held at 135 N. Los Robles Ave., 6th Floor, Pasadena, California on May 28, 2013, beginning at 2:00 p.m. for the following purposes:

1. **Election of Directors.** The election of all directors to serve until the next annual meeting of stockholders and to serve until his or her successors are elected and qualified;
2. **Ratification of Auditors.** Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2013;
3. **Advisory Vote to Approve Executive Compensation.** An advisory vote to approve executive compensation; and
4. **Other Business.** The transaction of such other business as may properly come before the Meeting or any postponement or adjournment of the Meeting.

Properly signed and returned proxy cards permit each Proxyholder named therein to vote on such other business as may properly come before the Meeting and at any and all adjournments thereof, in his discretion. As of the date of mailing, the Board of Directors of the Company is not aware of any other matters that may come before the Meeting.

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Only those stockholders of record at the close of business on March 29, 2013, shall be entitled to notice of and to vote at the Meeting.

YOUR VOTE IS VERY IMPORTANT. STOCKHOLDERS ARE URGED TO SIGN AND RETURN THE ENCLOSED PROXY IN THE POSTAGE PREPAID ENVELOPE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT THEY PLAN TO ATTEND THE MEETING IN PERSON. STOCKHOLDERS WHO ATTEND THE MEETING MAY WITHDRAW THEIR PROXY AND VOTE IN PERSON IF THEY WISH TO DO SO.

By order of the Board of Directors

DOUGLAS P. KRAUSE
Corporate Secretary

Pasadena, California

April 18, 2013

East West Bancorp, Inc.

135 N. Los Robles Avenue, 7th Floor

Pasadena, California 91101

(626) 768-6000

PROXY STATEMENT

For

ANNUAL MEETING OF STOCKHOLDERS

To be held May 28, 2013

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (**Board of Directors** or **Board**) of East West Bancorp, Inc. (the **Company**) for use at its annual meeting (**Meeting**) of stockholders to be held on May 28, 2013, at 135 N. Los Robles Avenue, 6th Floor, Pasadena, California, at 2:00 p.m. and at any adjournment thereof. This Proxy Statement and the enclosed proxy card (**Proxy**) and other enclosures are first being mailed to stockholders on or about April 18, 2013. Only stockholders of record on March 29, 2013 (**Record Date**) are entitled to vote in person or by proxy at the Meeting or any adjournment thereof. The mailing address of the Company's principal executive office is 135 N. Los Robles Avenue, 7th Floor, Pasadena, California 91101.

Matters to be Considered

The matters to be considered and voted upon at the Meeting will be:

1. **Election of Directors.** The election of eleven persons as directors for one year terms until the next annual meeting of stockholders and to serve until their successors are elected and qualified. The Board of Directors' nominees are:

Iris S. Chan
Rudolph I. Estrada
Julia S. Gouw
Paul H. Irving
Andrew S. Kane

Tak-Chuen Clarence Kwan
John Lee
Herman Y. Li
Jack C. Liu
Dominic Ng
Keith W. Renken

2. **Ratification of Auditors.** Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2013;

3. **Advisory Vote to Approve Executive Compensation.** An advisory vote to approve executive compensation; and

4. **Other Business.** The transaction of such other business as may properly come before the Meeting or any postponement or adjournment of the Meeting.

Costs of Solicitation of Proxies

This solicitation of Proxies is made on behalf of the Board of Directors of the Company. The Company will bear the costs of solicitation, including the expense of preparing, assembling, printing and mailing this Proxy Statement and the materials used in this solicitation of Proxies. It is contemplated that Proxies will be solicited principally through the mail, but directors, officers and employees of the Company may solicit Proxies personally or by telephone. Although there is no formal agreement to do so, the Company may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding these proxy materials to their principals.

Outstanding Securities and Voting Rights; Revocability of Proxies

The authorized capital stock of the Company consists of 200,000,000 shares of common stock, par value \$0.001 per share (Common Stock), of which 136,591,635 shares were issued and outstanding on the Record Date, and 5,000,000 shares of serial preferred stock, par value \$0.001 per share, of which 85,710 shares were issued and outstanding on the Record Date. A majority of the outstanding shares of Common Stock constitutes a quorum for the conduct of business at the Meeting. Abstentions and broker non-votes will be treated as shares present and entitled to vote for purposes of determining the presence of a quorum. Each stockholder is entitled to one vote, in person or by proxy, for each share of Common Stock standing in his or her name on the books of the Company as of the Record Date on any matter submitted to the stockholders.

In January 2013, our Board amended our bylaws to provide for majority voting in uncontested elections and plurality voting in any election that is contested. Any director who fails to receive a sufficient number of votes for reelection at the annual meeting of stockholders must offer to resign. Our Nominating and Corporate Governance Committee and the Board have 90 days to act on the tendered offer to resign.

Unless otherwise required by law, the Certificate of Incorporation, or Bylaws, approval of the proposals that may properly come before the Meeting, other than the election of directors, require the affirmative vote of the majority of shares present in person or by proxy at the Meeting and entitled to vote. Accordingly, abstentions as to a particular proposal, other than the election of directors, will have the same effect as a vote against that proposal and broker non-votes will have no effect on the vote. Proposal 3 is an advisory vote and is non-binding on our Board of Directors.

A Proxy for use at the Meeting is enclosed. The Proxy must be signed and dated by you or your authorized representative or agent. You may revoke a Proxy at any time before it is exercised at the Meeting by submitting a written revocation to the Secretary of the Company or a duly executed Proxy bearing a later date or by voting in person at the Meeting. Attendance at the Meeting will not in and of itself constitute revocation of a proxy. The enclosed Proxy also contains directions for voting by phone and through the Internet.

Unless revoked, the shares of Common Stock represented by properly executed Proxies will be voted in accordance with the instructions given thereon. In the absence of any instruction in a properly executed Proxy, your shares of Common Stock will be voted as recommended by the Board of Directors. If you hold shares of common stock through a broker or other nominee, your broker or other nominee will vote your shares on your behalf if you provide instructions on how to vote your shares. It is important that you provide voting instructions, because in the absence

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of instructions, your broker can only vote your shares on the ratification of the Company's independent registered public accounting firm, but will not be able to vote your shares on the other proposals.

The enclosed Proxy confers discretionary authority with respect to matters incident to the Meeting and any other proposals of which management did not have notice at least 45 days prior to the date on which the Company mailed its proxy material for last year's annual meeting of stockholders. As of the date hereof, management is not aware of any other matters to be presented for action at the Meeting. However, if any other matters properly come before the Meeting, the Proxies solicited hereby will be voted by the Proxyholders in accordance with the recommendations of the Board of Directors.

Important Notice Regarding Availability of Proxy Materials**for the 2013 Annual Meeting of Stockholders to be Held on May 28, 2013**

Pursuant to the Securities and Exchange Commission (SEC) rules related to the availability of proxy materials, we have made our Proxy Statement, Annual Report on Form 10-K, and Proxy Card available on the Internet at the Investor Relations Investor Relations Kit section of our corporate website at www.eastwestbank.com. Additionally, you may access our proxy statement at <http://www.eastwestbank.com/investorproxy>, where the Company cannot identify visitors to the site.

BENEFICIAL STOCK OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT

The following table sets forth the beneficial ownership of our common stock as of March 29, 2013, by (i) each person known to us to beneficially own more than 5% of our outstanding common stock, (ii) our directors and director nominees, (iii) our Chief Executive Officer, Chief Financial Officer, and our three highest compensated executive officers whose total annual compensation in 2012 exceeded \$100,000 (the Named Executive Officers or NEOs), and (iv) all our directors and Named Executive Officers, as a group:

Name and Address of Beneficial Owner	Common Stock Number of Shares Beneficially Owned (1)(2)	Percent of Class
<i>5% Holders</i>		
T. Rowe Price Associates, Inc.(3) 100 E. Pratt Street Baltimore, Maryland 21202	8,252,086	6.04%
The Vanguard Group(4) 100 Vanguard Blvd. Malvern, PA 19355	8,032,798	5.88%
BlackRock, Inc.(5) 40 East 52nd Street New York, NY 10022	7,384,669	5.41%
State Street Corporation(6) One Lincoln Street Boston, MA 02111	7,104,135	5.20%
<i>Directors and Named Executive Officers</i>		
Dominic Ng (7)	713,626	*
Julia S. Gouw(8)	364,493	*
John Lee	357,005	*
Douglas P. Krause	123,525	*
Keith W. Renken (9)	71,130	*
Herman Y. Li	50,922	*
Irene H. Oh	31,985	*
Jack C. Liu	29,234	*
Andrew S. Kane	26,080	*
Rudolph I. Estrada(10)	24,265	*
James T. Schuler	16,000	*
Paul H. Irving	13,483	*
Iris S. Chan	11,648	*

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Tak-Chuen Clarence Kwan	4,129	*
All Directors and Named Executive Officers, as a group (14 persons)	1,837,525	1.35%

* Less than 1%.

(1) All amounts are based on the respective Schedule 13G filings of the 5% Holders. Except as otherwise noted and except as required by applicable community property laws, each person has sole voting and disposition powers with respect to the shares.

(2) Shares that the person (or group) has the right to acquire within 60 days after the Record Date are deemed to be outstanding in calculating the ownership and percentage ownership of the person (or group). Does not include unvested time-based or performance-based restricted stock units. The following individuals have the right to acquire the shares indicated after their names upon the exercise of such stock options: Mr. Ng, 222,878; Ms. Gouw, 27,041; Mr. Krause, 20,685; and Ms. Oh, 7,843. The aggregate number of shares issuable upon the exercise of options currently exercisable held by the Named Executive Officers as a group is 278,447.

(3) Based on Schedule 13G filed with the Securities and Exchange Commission on February 11, 2013, by T. Rowe Price Associates, Inc. These securities are owned by various individual and institutional investors for which T. Rowe Price Associates, Inc. (Price Associates) serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities and Exchange Act of 1934, as amended, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. This figure includes shares of Series A Preferred Stock which the holder has the right to acquire within 60 days after the Record Date.

(4) Based on Schedule 13G filed with the Securities and Exchange Commission on February 2, 2013, by Vanguard Group, Inc.

(5) Based on Schedule 13G filed with the Securities and Exchange Commission on February 8, 2013, by BlackRock, Inc.

(6) Based on Schedule 13G filed with the Securities and Exchange Commission on February 11, 2013, by State Street Corp.

(7) 53,000 of these shares are held in two trusts, held by family members, for which Mr. Ng has voting and investment power.

(8) 2,000 of these shares are owned by family members for whom Ms. Gouw has voting and investment power; Ms. Gouw disclaims any beneficial interest in such shares.

(9) 32,000 of these shares are owned by a partnership for which Mr. Renken, as a partner, has voting and investment power.

(10) 2,414 of these shares are held in the Summit Group Profit Sharing Plan for which Mr. Estrada has voting and investment power.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires that the Company s directors, executive officers and persons who own more than ten percent of a registered class of the Company s equity securities file with the SEC, and with each exchange on which the Common Stock trades, initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Directors, officers and greater than ten percent holders are required by the SEC s regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely upon a review of copies of reports provided during the fiscal year ended December 31, 2012, the Company believes that all persons subject to the reporting requirements of Section 16(a) filed all required reports on a timely basis.

PROPOSAL NO. 1**ELECTION OF DIRECTORS****The Board of Directors Recommends a Vote For All Nominees****Board of Directors and Nominees**

The Company's Certificate of Incorporation and Bylaws provide that the number of directors shall be determined from time to time by the Board of Directors, but may not be less than five. The Board of Directors is currently composed of eleven members elected to serve one-year terms.

The directors nominated for election at the Meeting are Iris S. Chan, Rudolph I. Estrada, Julia S. Gouw, Paul H. Irving, Andrew S. Kane, Tak-Chuen Clarence Kwan, John Lee, Herman Y. Li, Jack C. Liu, Dominic Ng and Keith W. Renken. All of the nominees have indicated their willingness to serve and, unless otherwise instructed, Proxies will be voted in such a way as to effect, if possible, the election of the eleven nominees for election as directors. In the event that any nominee should be unable to serve as a director, it is intended that the Proxies will be voted for the election of such substitute nominee, if any, as shall be designated by the Board of Directors. Management has no reason to believe that any of the nominees for director will be unavailable to serve on the Board of Directors.

None of the directors, nominees for director or executive officers were selected pursuant to any arrangement or understanding, other than with the directors and executive officers of the Company acting within their capacity as such. There are no family relationships among directors or executive officers of the Company. As of the date hereof, no directorships are held by any director with a company which has a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act, or any company registered as an investment company under the Investment Company Act of 1940, except that Mr. Ng is a director of Mattel, Inc. and Mr. Renken is a director of Willdan Group, Inc. and Limoneira Company.

The following table sets forth certain information with respect to the Board's nominees for director and the current continuing directors of the Company. All directors of the Company are also directors of East West Bank (the Bank), the Company's principal subsidiary. Executive officers serve at the pleasure of the Board of Directors, subject to restrictions set forth in their employment agreements. See ELECTION OF DIRECTORS and Employment Agreements and Potential Payments Upon Termination or Change-in-Control.

		Year First Elected	Current Term
Name of Director	Age(1)	or Appointed(2)	to Expire
<i>Nominees for term expiring 2014:</i>			
Iris S. Chan	66	2010	2013
Rudolph I. Estrada	65	2005	2013
Julia S. Gouw	53	1997	2013

Paul H. Irving
Andrew S. Kane

60

2010

2013