## Joe Vernuccio

From: Sent: Dominic Ng [kadams@eastwestbank.com] Wednesday, April 01, 2009 4:57 PM

To:

Director - FASB

Subject:

Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

Dominic Ng 135 N. Los Robles Ave., 7th Fl. Pasadena, CA 91101-4525

April 1, 2009

FASB Director



Dear FASB Director:

I am the President and CEO of East West Bank, the second largest independent commercial bank based in Southern California. I write to support the efforts of FASB to amend its referenced guidance with respect to impaired securities. Under the existing guidance, to avoid considering an impairment to be other-than-temporary, management must assert it has both the intent and the ability to hold an impaired security for a period of time sufficient to allow for any anticipated recovery in fair value.

We support a modification such that management is required to assert that (a) it does not have the intent to sell the security and (b) it is more likely than not that it will not have to sell the security before recovery of its cost basis. FASB proposes that in such circumstances the impairment would be separated into credit losses and all other factors.

The impairment related to credit losses would be included in earnings and the amount related to all other factors would be included in other comprehensive income.

East West Bank supports this change in concept because it is more operational and provides a truer economic picture than the current guidance. We acknowledge that probable credit losses represent actual economic losses of a security and should be recorded in earnings, but non-credit losses on held-to-maturity debt securities should not be a part of OTTI. In addition, we believe that the new FASB guidance should be applied retroactively to the prior year to properly recognize the correct accounting treatment on a consistent basis.

Once again, I appreciate FASB's efforts on this issue that is most important to East West Bank and to the financial services industry.

Sincerely,

Dominic Ng 626-768-6000