

# COVER SHEET

SEC Registration Number

A	S	0	9	4	-	0	0	2	7	3	3
---	---	---	---	---	---	---	---	---	---	---	---

Company Name

E	A	S	T		W	E	S	T		B	A	N	K	I	N	G		C	O	R	P	O	R	A	T	I	O	N
---	---	---	---	--	---	---	---	---	--	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	---

A	N	D		S	U	B	S	I	D	I	A	R	I	E	S														
---	---	---	--	---	---	---	---	---	---	---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Principal Office (No./Street/Barangay/City/Town/Province)

T	h	e		B	e	a	u	f	o	r	t	,		5	t	h		A	v	e	n	u	e					
---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---	--	---	---	---	---	---	---	--	--	--	--	--

c	o	r	n	e	r		2	3	r	d		S	t	r	e	e	t	,		F	o	r	t					
---	---	---	---	---	---	--	---	---	---	---	--	---	---	---	---	---	---	---	--	---	---	---	---	--	--	--	--	--

B	o	n	i	f	a	c	i	o		G	l	o	b	a	l		C	i	t	y	,		T	a	g	u	i	g
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	--	---	---	---	---	---	--	---	---	---	---	---	---

C	i	t	y																									
---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

## CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
<b>Minda L. Cayabyab</b>	MLCayabyab@eastwestbanker.com	<b>8575-3390</b>	

Form Type	Department requiring the report	Secondary License Type, If Applicable
1 7 - Q	<b>Corporate Finance Dept.</b>	
No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
<b>105</b>	<b>April 24</b>	<b>December 31</b>

-----  
To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

\_\_\_\_\_ LGU

--	--	--	--	--	--	--	--	--	--

Document ID

\_\_\_\_\_ Cashier

STAMPS

**SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended : **March 31, 2023**
2. Commission Identification Number : **AS094-002733**
3. BIR Tax Identification Number : **003-921-057-000**
4. Exact name of issuer as specified in its charter : **EAST WEST BANKING  
CORPORATION**
5. Province, country or other jurisdiction of  
incorporation or organization : **PHILIPPINES**
6. Industry Classification Code :  (SEC Use Only)
7. Address of issuer's principal office : **The Beaufort, 5<sup>th</sup> Avenue, Corner  
23<sup>rd</sup> St. Fort Bonifacio Global City,  
Taguig City  
Postal Code 1634**
8. Issuer's telephone number, including area code : **+632 8575 3888 Extension 3304**
9. Former name, former address and former fiscal  
year, if changed since last report : **N/A**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the  
RSA

Title of each Class : **Common Stock**

Number of shares of Stock : **2,249,975,411 shares as of  
March 31, 2023**

Amount Outstanding : **₱22,499,754,110**

**Subordinated Debt**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No []

**The company was listed in the Philippine Stock Exchange on May 7, 2012.**

If yes, state the name of such Stock Exchange and the classes of securities listed therein:

Name of exchange : **Philippine Stock Exchange**  
Class of securities : **Common Shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes []      No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes []      No []

## PART I – FINANCIAL INFORMATION

- Item 1. **Management's Discussion & Analysis of Consolidated Financial Position and Result of Operations** - Annex 1

Item 2. **Financial Statements**

Attached are the following:

- Interim Consolidated Statements of Financial Position - Annex 2
- Interim Consolidated Statements of Income - Annex 3(*page 1 of 2*)
- Interim Consolidated Statements of Comprehensive Income - Annex 3(*page 2 of 2*)
- Interim Consolidated Statements of Changes in Equity - Annex 4
- Interim Consolidated Statements of Cash Flows - Annex 5
- General Notes to Interim Consolidated Financial Statements - Annex 6
- Financial Indicators - Annex 7
- Aging of Loans and Receivables - Annex 8

## PART II – OTHER INFORMATION

### I. Control of Registrant

The following stockholders own more than 5% of the total outstanding number of shares issued as of March 31, 2023:

Name of Stockholder	Number of Shares Held	Percent of Total of Number of Shares Issued
Filinvest Development Corporation	900,136,017	40.0%
FDC Forex Corporation	851,517,164	37.9%
PCD Nominee Corporation*	466,868,847	20.8%

*\*As of March 31, 2023, none among the stockholders under the PCD Nominee Corporation holds 5% of more of the Bank's securities.*

### II. Pending Legal Proceedings

The Bank is involved in various legal proceedings in connection with the ordinary course of its business. The Bank believes that these cases will not have a material adverse effect on its financial position.

### III. Board Resolutions

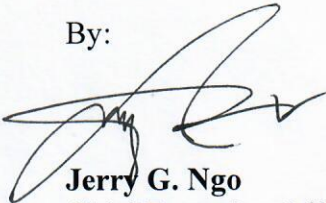
There are no material disclosures that have not been reported under SEC Form 17-C during the period covered by this report.

**SIGNATURE**

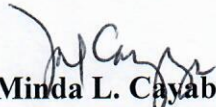
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**East West Banking Corporation**  
Issuer

By:



**Jerry G. Ngo**  
Chief Executive Officer



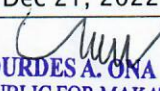
**Minda L. Cayabyab**  
Financial Controller

**May 12, 2023**

**SUBSCRIBED AND SWORN** to before me this 12 MAY 2023 day of \_\_\_\_\_ 2023 affiants exhibiting to me his/their proof of identification, as follows:

NAMES	PROOF OF IDENTIFICATION	DATE OF ISSUE	PLACE OF ISSUE
JERRY G. NGO	PP No. K2328354B	Nov 02, 2021	Ministry of Home Affairs, Singapore
MINDA L. CAYABYAB	PP No. P2730616C	Dec 21, 2022	DFA Manila

DOC. NO 79  
PAGE NO 14  
BOOK NO XII  
SERIES OF 2021

  
**LOURDES A. ONA**  
NOTARY PUBLIC FOR MAKATI CITY  
Appointment No. M-066 until December 31, 2023  
MCLE Compliance No. VII-0025815 valid until April 14, 2025  
Office Address: 2264 Pasong Tamo Extension Makati City  
Roll No. 38397/IBP Lifetime No. 02701  
PTR No. 9563589 January 3, 2023 Makati City

**Notary Public**

**EAST WEST BANKING CORPORATION**  
**SEC FORM 17 - Q**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

**ITEM 1 - Management's Discussion & Analysis of Consolidated Financial Position and Results of Operations**

**Financial Performance Highlights**

*As of March 31, 2023 (Unaudited) and December 31, 2022 (Audited)*

The consolidated total assets of EastWest Banking Corporation and its Subsidiaries (the Group) stood at ₱403.0 billion, 4.4% lower than the ₱421.4 billion recorded as of December 31, 2022. Major changes in assets are registered in the following accounts.

Loans and Receivables, net of allowance and unearned interest and discounts, slightly declined by less than a percentage point, from ₱258.1 billion to ₱258.0 billion. Loans and Receivables represented 64.0% of the Bank's total assets. Except for corporate loans, which decreased from normal business flows, all consumer loan products showed an increasing trend.

Interbank Loans Receivable and Securities Purchased under Resale Agreements decreased by 75.2% from ₱10.0 billion to ₱2.5 billion. Cash and Other Cash Items was lower by 17.5% to ₱7.2 billion as a result of lower cash requirement coming from December holiday season. Due from Other Banks decreased by ₱2.1 billion from ₱4.5 billion to ₱2.5 billion due to lower net inward remittances from December peak season. Meanwhile, Due from Bangko Sentral ng Pilipinas, representing 8.0% of total assets, decreased from ₱36.1 billion to ₱32.3 billion from lower level of BSP placements.

Fair Value Through Other Comprehensive Income (FVOCI) went down by ₱4.3 billion to ₱12.5 billion. Investment Securities at Amortized Cost amounted to ₱62.6 billion as of March 31, 2023 from ₱63.6 billion. Meanwhile, Fair Value through Profit or Loss Investments (FVTPL) increased from ₱2.0 billion to ₱3.0 billion. Movements on investments are aligned with the Bank's business models.

Investment Properties increased by ₱6.2 million from ₱840.2 million to ₱846.4 million as a result of higher net foreclosures of real estate mortgage properties. In addition, Property and Equipment went up by ₱73.6 million from ₱5.6 billion to ₱5.7 billion from renewal of lease contracts during the first quarter.

Investments in a joint venture increased by ₱317.4 million from ₱929.0 million to ₱1.3 billion, due to additional capital infusion and the recognition of EW's share in the net performance of East West Ageas Life Insurance Corporation ("EWAL"), a joint venture between EW and EWAL. As of March 31, 2023, the Bank's ownership interest in EWAL was at 50.0%.

Deferred Tax Assets went up by 4.9% to ₱4.1 billion versus ₱3.9 million as of December 2022.

Other assets increased by 8.8% or ₱308.4 million from ₱3.5 billion to ₱3.8 billion mainly from prepayments of PDIC insurance, system licenses and software maintenance and subscription to digital banking in 2023.

The Bank's deposit level, representing 79.3% of total liabilities, reached ₱319.4 billion, ₱9.8 million lower than ₱329.2 billion as of December 2022. CASA went down by ₱5.9 billion to ₱255.0 billion while Time deposits decreased by 5.9% from ₱65.8 billion to ₱61.9 billion. Long Term Negotiable Certificate of Time Deposits (LTNCD) amounted to ₱2.5 billion. Deposits declined across all products with the drop in FCDU deposits attributable to the decrease in volume and revaluation.

Bonds payable with carrying amount of ₱3.7 billion as of December 31, 2022 matured last February 23, 2023. Meanwhile, Bills payable declined by ₱5.7 billion to ₱1.0 billion mainly due to the maturity of various repo borrowings.

Treasurer's, Cashier's and Manager's Checks decreased by 42.0% or ₱579.6 million from ₱1.4 billion to ₱801.9 million from lower level of outstanding issued checks.

Accrued Taxes, Interest and Other Expenses increased by ₱685.1 million from ₱3.5 billion to ₱4.2 billion.

Income Tax Payable was at ₱396.2 million as of March 31, 2023 representing accrual for the current quarter and previous year which is due for remittance to BIR in succeeding month.

Other Liabilities decreased by 15.3% or 1.7 billion from ₱11.4 billion to ₱9.6 billion, mainly from cleared Manager's Check issued last quarter related to consumer loan releases by ₱1.06 billion and lower bills purchased availment by ₱462M.

Total Capital remained strong at ₱63.0 billion, ₱2.0 billion higher than December 31, 2022 level of ₱61.0 billion. Fair Value Reserves on Financial Assets at FVOCI was recorded at (₱1.8) billion in March 2023 versus ₱2.1 billion in December 2022.

The Bank recorded Remeasurement Losses on Retirement Plan of ₱437.7 million based on the Bank's latest actuarial valuation report.

As of March 31, 2023, and December 31, 2022, Cumulative Translation Adjustment amounted to (₱140.9) million and (₱210.7) million, respectively.

As of March 31, 2023, Capital Adequacy Ratio (CAR) was at 14.4%. This was above the minimum regulatory requirement of 10%.

Return on Average Equity (ROAE) was registered at 10.3% in March 2023 compared to the 7.7% recorded in December 2022. Return on Average Assets (ROAA) was at 1.6% in March 2023 versus 1.1% in December 2022.

## Discussion of Results of Operations

### *For the three months ended March 31, 2023 (Unaudited) and March 31, 2022 (Unaudited)*

The Bank registered a Net Income after Tax of ₱1.6 billion for the three months ended March 31, 2023, higher by more than three times from only ₱507.6 million during the same period last year. The significant increase on income performance was a result of strengthened core income offset by higher Operating Expenses (OPEX).

Total Interest Income was at ₱7.5 billion, 30.9% higher than the ₱5.7 billion recorded in the same period last year. Total Interest Expense went up from ₱524.8 million to ₱1.4 billion. With that, Net Interest Income increased by 17.3% or ₱899.8 million from ₱5.2 billion to ₱6.1 billion.

Interest income on Loans and Receivables ended at ₱6.4 billion, 28.4% higher than the ₱5.0 billion recorded in the same period last year.

Interest earned from BSP and Other Banks; Interbank Loans Receivable and SPURA decreased to ₱141.4 million or 6.8% lower than the ₱151.6 million posted in the same period in 2022.

Interest income on Investment Securities went up from ₱561.3 million to ₱915.6 million.

Interest Expense on the Bank's deposit liabilities increased by 203.2% to ₱1.3 billion. Interest Expense on Bills and acceptances payable and SSURA, bonds payable, subordinated debt and other borrowings increased by 5.1% from ₱59.5 million to ₱62.5 million. The Bank recorded ₱77.0 million in Interest Expense on lease liabilities for the period ended March 31, 2023.

Non-interest income improved by 184.7% or ₱1.1 billion from ₱595.7 million to ₱1.7 billion due to higher foreign exchange gain and service fees and commission income during the three-month period of 2023.

Service Fees and Commission Income increased to ₱1.2 billion, 71.3% higher than the ₱687.0 million recorded last year from higher loan processing as loan bookings have normalized.

Foreign exchange gain was higher by 207.7% or ₱66.9 million from ₱32.2 million to ₱99.0 million. Meanwhile, the Bank reflected ₱111.1 million in trading gains as of March 2023 from mark to market gains on trading portfolio and sale of investments.

The Bank posted a net gain on foreclosure and sale on assets amounting to ₱132.2 million for the period ended March 31, 2023 and net loss on foreclosure and sale on assets amounting to (₱123.1) million for the period ended March 31, 2022.

Miscellaneous Income was lower by 38.0% or ₱88.7 million from ₱233.41 million to ₱144.7 million.

Other Operating Expenses, excluding provision for impairment and credit losses, increased by 18.0% from ₱4.0 billion to ₱4.8 billion. Taxes and Licenses went up by ₱136.8 million or 31.0% from ₱441.8 million to ₱578.6 million due to higher gross taxable income and Documentary Stamp Tax (DST) due to increase in Time Deposit placements and renewals.



Depreciation and amortization of Bank's properties and leasehold improvements slid to ₱344.5 million, 41.2% lower than ₱586.0 million recorded a year ago. Meanwhile, amortization of software costs ended at ₱50.1 million from ₱39.2 million last year. Compensation and Fringe Benefits amounted to ₱1.7 billion while Rent expense was recorded at ₱88.3 million. Miscellaneous Expenses increased by ₱508.3million to ₱2.01 billion versus ₱1.5 billion during the same period last year.

For the period ended March 31, 2023, the Bank set aside ₱1.4 billion in provision for impairment and credit losses.

The Bank also reported share in net income from its investment in East West Ageas Life Insurance Corporation ("EWAL"), amounting to a net income of ₱86.3 million from net loss of (₱36.2) million. This is on account of one-time adjustment as a result of the valuation of its insurance liability.

### **Business Segment Performance**

The Bank's net interest margin (NIM) has improved to 7.4% as consumer loans continued to increase, coupled with the build-up of high-yielding fixed income securities.

Consumer Lending was up by 6.16% YoY to ₱201.62 billion driven mainly by auto loans, credit cards and salary loans. On the other hand, Corporate Banking posted a decrease of 14.0% to ₱59.2 billion.

### **Other Information:**

As of March 31, 2023, EastWest Bank has a total of 392 stores, with 214 of these stores in Metro Manila. For the rest of the country, the Bank has 100 stores in other parts of Luzon, 40 branches in Visayas, and 39 stores in Mindanao. The total ATM network is 580, composed of 475 on-site ATMs and 105 off-site ATMs. Total headcount of EastWest is 5,853.

The Bank's subsidiaries have a total of 76 stores and 1,380 officers/staff, bringing the group store network total to 468 with 580 ATMs and a combined manpower complement of 7,233.

### **Known trends, demands, commitments, events or uncertainties**

There are no known demands, commitments, events or uncertainties that will have a material impact on the Bank's liquidity within the next twelve (12) months.

### **Events that will trigger direct or contingent financial obligation**

There are no events that will trigger direct or contingent financial obligation that is material to the Bank, including any default or acceleration of an obligation.

### **Material off-balance sheet transactions, arrangements or obligations**

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Bank with unsolicited entities or other

persons created during the reporting period other than those disclosed in the financial statements.

**Capital Expenditures**

The Bank has commitments for capital expenditures mainly for implementation of IT projects. These are not expected to significantly affect the Bank's cash or liquidity position.

**Significant Elements of Income or Loss**

Significant elements of the consolidated net income of the Bank for the three (3) months ended March 31, 2023, and 2022 came from its continuing operations.

**Seasonal Aspects**

There are no seasonal aspects that had a material effect on the Bank's financial condition and results of operations.

# EAST WEST BANKING CORPORATION AND SUBSIDIARIES

## **Interim Consolidated Financial Statements**

As of March 31, 2023 (Unaudited) and December 31, 2022 (Audited)  
and for the three months ended March 31, 2023 and March 31, 2022 (Unaudited)

**EAST WEST BANKING CORPORATION AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(Amounts in Thousands)*

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>ASSETS</b>		
Cash and Other Cash Items	₱7,188,881	₱8,713,151
Due from Bangko Sentral ng Pilipinas	32,334,530	36,114,397
Due from Other Banks	2,457,472	4,529,635
Interbank Loans Receivables and Securities Purchased Under Resale Agreements	2,480,906	10,009,266
Financial Assets at Fair Value Through Profit or Loss (FVTPL) (Note 6)	2,976,777	1,958,310
Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI) (Note 6)	12,447,357	16,746,386
Investment Securities at Amortized Cost (Note 6)	62,559,723	63,546,191
Loans and Receivables (Note 7)	257,968,333	258,089,075
Investment in a Joint Venture	1,246,340	928,977
Property, Equipment and Right-of-Use Assets	5,673,577	5,599,958
Investment Properties	846,393	840,242
Deferred Tax Assets	4,099,036	3,906,672
Goodwill and Other Intangible Assets	6,911,177	6,896,471
Other Assets	3,801,203	3,492,802
<b>TOTAL ASSETS</b>	<b>₱402,991,705</b>	<b>₱421,371,533</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Deposit Liabilities</b>		
Demand	₱118,087,957	₱124,767,617
Savings	136,938,183	136,126,924
Time	61,933,342	65,824,377
Long-term negotiable certificates of deposits	2,448,118	2,447,204
	319,407,600	329,166,122
Lease Liability (Note 10)	4,499,442	4,378,945
Bills and Acceptances Payable	1,051,594	6,761,456
Accrued Taxes, Interest and Other Expenses	4,164,107	3,478,980
Cashier's Checks and Demand Draft Payable	801,918	1,381,537
Bonds Payable (Note 8)	-	3,698,439
Income Tax Payable	396,215	126,208
Other Liabilities	9,615,224	11,345,276
<b>TOTAL LIABILITIES</b>	<b>339,936,100</b>	<b>360,336,963</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY</b>		
Common Stock (Note 14)	22,499,754	22,499,754
Additional Paid-in Capital	5,065,059	5,065,059
Surplus Reserves	958,741	958,741
Surplus	36,877,074	35,298,878
Fair Value Reserves on Financial Assets at FVTOCI	(1,766,487)	(2,139,544)
Remeasurement Losses on Retirement Plans	(437,667)	(437,667)
Cumulative Translation Adjustment	(140,869)	(210,651)
<b>TOTAL EQUITY</b>	<b>63,055,605</b>	<b>61,034,570</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱402,991,705</b>	<b>₱421,371,533</b>

*See accompanying Notes to Unaudited Interim Financial Statements.*

**EAST WEST BANKING CORPORATION AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands, Except earnings per share)

	<b>For the three months ended March 31</b>	
	<b>2023(Unaudited)</b>	<b>2022(Unaudited)</b>
<b>INTEREST INCOME</b>		
Loans and receivables	<b>₱6,447,081</b>	₱5,021,894
Financial assets at fair value through other comprehensive income and investment securities at amortized cost	<b>888,878</b>	515,512
Financial assets at fair value through profit or loss	<b>26,675</b>	45,796
Due from BSP and other banks and interbank loans receivables and securities purchased under resale agreement	<b>141,391</b>	151,629
	<b>7,504,025</b>	5,734,831
<b>INTEREST EXPENSE</b>		
Deposit liabilities	<b>1,254,662</b>	413,808
Bills and acceptances payable and SSURA, bonds payable, subordinated debt and other borrowings	<b>62,525</b>	59,479
Lease liability	<b>76,986</b>	51,521
	<b>1,394,173</b>	524,808
<b>NET INTEREST INCOME</b>	<b>6,109,852</b>	5,210,023
Service charges, fees and commissions	<b>1,176,951</b>	687,032
Trading and securities gain (loss)	<b>111,142</b>	(262,079)
Foreign exchange gain	<b>99,077</b>	32,197
Gain (loss) on sale of asset	<b>64,630</b>	(104,531)
Loss on asset foreclosure and dacion transactions	<b>67,523</b>	(18,601)
Trust income	<b>31,993</b>	28,246
Miscellaneous	<b>144,737</b>	233,405
<b>TOTAL OPERATING INCOME</b>	<b>7,805,905</b>	5,805,692
<b>OPERATING EXPENSES</b>		
Compensation and fringe benefits	<b>1,682,176</b>	1,383,065
Provision for impairment and credit losses	<b>1,375,897</b>	1,030,020
Taxes and licenses	<b>578,605</b>	441,775
Depreciation and amortization	<b>344,513</b>	586,016
Amortization of intangible assets	<b>50,058</b>	39,224
Rent	<b>88,272</b>	74,839
Miscellaneous	<b>2,014,768</b>	1,506,456
<b>TOTAL OPERATING EXPENSES</b>	<b>6,134,289</b>	5,061,395
<b>INCOME BEFORE SHARE IN NET INCOME OF JOINT VENTURE</b>	<b>1,671,616</b>	744,297
<b>SHARE IN NET LOSS OF JOINT VENTURE</b>	<b>86,274</b>	(36,221)
<b>INCOME BEFORE INCOME TAX</b>	<b>1,757,890</b>	708,076
<b>PROVISION FOR INCOME TAX</b>	<b>179,751</b>	200,518
<b>NET INCOME</b>	<b>₱1,578,139</b>	₱507,558
<b>ATTRIBUTABLE TO:</b>		
<b>Equity holders of the Parent Company</b>	<b>₱1,578,139</b>	₱507,558
<b>Non-controlling interest</b>	<b>-</b>	-
<b>NET INCOME</b>	<b>₱1,578,139</b>	₱507,558
Basic Earnings Per Share Attributable to Equity Holders of the Parent Company	<b>₱0.70</b>	₱0.23
Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	<b>₱0.70</b>	₱0.23

See accompanying Notes to Unaudited Interim Financial Statements

**EAST WEST BANKING CORPORATION AND SUBSIDIARIES**  
**INTERIM STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands of Philippine Peso)

	<b>(Unaudited)</b>	
	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>₱1,578,139</b>	<b>₱507,558</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Change in remeasurement loss of retirement liability	–	1,357
Change in fair value reserves on equity securities at FVTOCI	<b>15,090</b>	(12,638)
Change in fair value reserves on debt securities at FVTOCI	<b>357,966</b>	(714,997)
Cumulative translation adjustment	<b>69,782</b>	103,663
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>442,838</b>	<b>(622,615)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,020,977</b>	<b>(115,057)</b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the Parent Company	<b>₱2,020,977</b>	<b>(₱115,057)</b>
Non-controlling interest	–	–
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱2,020,977</b>	<b>(₱115,057)</b>

*See accompanying Notes to Unaudited Interim Financial Statements.*

**EAST WEST BANKING CORPORATION AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Amounts in Thousands of Philippines Peso)

	(Unaudited)							
	For the three months ended March 31							
	Equity Attributable to Equity Holders of the Parent Company							
	Common Stock	Additional Paid-in Capital	Surplus Reserves	Surplus	Net Unrealized Gain on Financial Assets at FVTOCI	Remeasurement Gains (Losses) on Retirement Plan	Cumulative Translation Adjustment	Total Equity
Balances at January 1, 2023	P22,499,754	P5,065,059	P958,741	P35,298,878	(P2,139,544)	(P437,667)	(P210,651)	P61,034,570
Adjustment	–	–	–	58	–	–	–	58
Balances at January 1, 2023, as restated	P22,499,754	P5,065,059	P958,741	P35,298,936	(P2,139,544)	(P437,667)	(P210,651)	P61,034,628
Net Income	–	–	–	1,578,138	–	–	–	1,578,138
Other Comprehensive Income	–	–	–	–	373,057	–	69,782	442,839
Total comprehensive income (loss)	–	–	–	1,578,138	373,057	–	69,782	2,020,977
Balances at March 31, 2023	P22,499,754	P5,065,059	P958,741	P36,877,074	(P1,766,487)	(P437,667)	(P140,869)	P63,055,605

(Unaudited)

For the three months ended March 31

Equity Attributable to Equity Holders of the Parent Company

	Common Stock	Additional Paid-in Capital	Surplus Reserves	Surplus	Net Unrealized Gain on Financial Assets at FVTOCI	Remeasurement Gains (Losses) on Retirement Plan	Cumulative Translation Adjustment	Total Equity
<b>Balances at January 1, 2022</b>	₱22,499,754	₱5,065,059	₱946,618	₱31,585,667	(₱138,820)	(₱211,495)	(₱397,148)	₱59,349,635
<b>Net Income</b>	–	–	–	507,557	–	–	–	507,557
<b>Other Comprehensive Income</b>	–	–	–	–	(727,635)	1,357	103,663	(622,615)
<b>Total comprehensive income (loss)</b>	–	–	–	507,557	(727,635)	1,357	103,663	(115,058)
<b>Transfer to surplus reserves</b>	–	–	2,825	(2,825)	–	–	–	–
<b>Balances at March 31, 2022</b>	₱22,499,754	₱5,065,059	₱949,443	₱32,090,399	(₱866,455)	(₱210,138)	(₱293,485)	₱59,234,577



**EAST WEST BANKING CORPORATION AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Amounts in Thousands of Philippine Peso)*

	(Unaudited)	
	For the three months ended March 31	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	P1,757,890	P708,076
Adjustments for:		
Provision for credit and impairment losses	1,375,896	1,030,021
Depreciation and amortization	344,513	586,015
Loss (gain) on sale and foreclosure of assets	(2,893)	(85,942)
Gain on sale of investment securities at amortized cost	–	(13)
Share in net loss of joint venture	(86,273)	36,221
Amortization of intangible assets	50,058	39,224
Amortization of debt issuance costs	–	305
Amortization of bond issuance cost	–	2,640
Amortization of premium on financial assets at fair value through other comprehensive income and investment securities at amortized cost	1,305,050	(636,452)
Accretion of lease liability	76,986	51,521
Loss on modification of loans	–	(4,375)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets at fair value through profit or loss	(1,018,467)	905,442
Loans and receivables	(1,744,699)	(3,770,848)
Other assets	(589,794)	(216,966)
Increase (decrease) in:		
Deposit liabilities	(9,758,522)	(2,899,776)
Accrued taxes, interest and other expenses	685,127	144,277
Cashier's checks and demand draft payable	(579,619)	12,912
Other liabilities	(1,730,052)	1,902,219
Net cash generated from (used in) operations	(9,914,799)	(2,195,498)
Income taxes paid	(109,733)	(110,004)
Net cash provided in operating activities	(10,024,532)	(2,305,502)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale/maturity of:		
Financial Assets at fair value through OCI	4,337,306	69,505,516
Investment properties and other repossessed assets	799,596	1,726,882
Property and equipment	1,540	1,842
Acquisitions of:		
Investment securities at amortized cost	–	(7,603,010)
Financial asset at fair value through OCI	–	(74,654,781)
Property and equipment	(88,966)	(39,906)
Capitalized software	(58,640)	(4,745)
Additional capital infusion in a joint venture	(216,000)	(175,000)
Net cash used in investing activities	4,774,837	(11,243,202)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bills and acceptances payable	(5,709,862)	69,381
Payment on lease liability	(247,577)	(269,570)
Payment from the maturity of bonds payable	(3,698,439)	–
Net cash provided by financing activities	(9,655,878)	(200,189)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(14,905,573)</b>	<b>(P13,748,893)</b>

---

**CASH AND CASH EQUIVALENTS AT BEGINNING  
OF YEAR**

Cash and other cash items	<b>8,713,151</b>	₱7,705,729
Due from Bangko Sentral ng Pilipinas	<b>36,114,397</b>	58,842,366
Due from other banks	<b>4,529,635</b>	19,335,182
Interbank Loans Receivable	<b>10,009,266</b>	17,518,984
	<b>₱59,366,449</b>	₱103,402,261

---

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

Cash and other cash items	<b>7,188,881</b>	6,519,737
Due from Bangko Sentral ng Pilipinas	<b>32,334,530</b>	41,547,065
Due from other banks	<b>2,457,472</b>	30,031,784
Interbank Loans Receivable	<b>2,480,906</b>	11,554,782
	<b>₱44,461,789</b>	₱89,653,368

---

---

**OPERATIONAL CASH FLOWS FROM INTEREST**

---

Interest received	<b>₱10,022,461</b>	₱7,058,507
Interest paid	<b>1,687,916</b>	663,400

---

---

*See accompanying Notes to Unaudited Interim Financial Statements.*

**EAST WEST BANKING CORPORATION AND SUBSIDIARIES****GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

---

**1. Corporate Information**

East West Banking Corporation (EW or the Bank or the Parent Company) is a domestic universal bank which was registered with the SEC on March 22, 1994. The Bank was granted authority by the Bangko Sentral ng Pilipinas (BSP) to operate as a commercial bank and operate an expanded foreign currency deposit unit in 1994. Subsequently in 2012, the Parent Company has been authorized by the BSP to operate as a universal bank. The Parent Company's common shares were listed and commenced trading in the Philippine Stock Exchange (PSE) on May 7, 2012.

As of March 31, 2023, the Parent Company is effectively 77.85% owned by Filinvest Development Corporation (FDC). The Parent Company's ultimate parent company is A.L. Gotianun, Inc. The Parent Company's head office is located at East West Corporate Center, The Beaufort, 5th Avenue corner 23rd Street, Fort Bonifacio Global City, Taguig City.

Through its network of 468 branches as of March 31, 2023, the Bank and its subsidiaries (the Group) provides a wide range of financial services to consumer and corporate clients which includes deposit-taking, loan and trade finance, treasury, trust services, credit cards, cash management, custodial services, insurance services and leasing and finance.

---

**2. Summary of Significant Accounting Policies****Basis of Presentation**

The accompanying financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVTOCI) and derivative financial instruments that have been measured at fair value. The financial statements are presented in Philippine peso (₱) and all values are rounded to the nearest thousand except when otherwise indicated.

The financial statements of the Parent Company include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of the RBU and the FCDU is the Philippine peso and United States dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in Philippine peso, which is the Parent Company's presentation currency (accounting policy on Foreign Currency Transactions and Translation). The financial statements individually prepared for these units are combined after eliminating inter-unit accounts.

The functional currency of all subsidiaries and the joint venture is the Philippine peso.

**Statement of Compliance**

The accompanying financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

**Presentation of Financial Statements**

The Group presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date

(current) and more than 12 months after the statement of financial position date (non-current) is presented in Note 22.

### Basis of Consolidation

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies. The following are the wholly-owned subsidiaries of the Parent Company as of December 31, 2022 and 2021:

	Principal Activities
East West Rural Bank, Inc. (EWRB)	Consumer banking
East West Insurance Brokerage, Inc. (EWIB)	Non-life insurance brokerage
Quest Marketing and Integrated Services, Inc. (Q iMIS)	Sales and marketing
Assurance Solutions Insurance Agency (ASIA)*	General insurance and marketing
East West Leasing and Finance Corporation (EWLFC)*	Finance and leasing

\* *Non-operational since 2017*

All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in the consolidated financial statements.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control and continues to be consolidated until the date when control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable return from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Parent Company has power over the entity when it has existing rights that give it the current ability to direct relevant activities (i.e., activities that significantly affect the entity's returns). Consolidation of subsidiaries ceases when control is transferred out of the Parent Company. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income from the date of acquisition or up to the date of disposal, as appropriate.

### Adoption of New and Amended PFRS

The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these financial statements.

Other amendments and interpretations apply for the first time in 2023, but do not have an impact on the Group's consolidated financial statements.

### Significant Accounting Judgement and Estimates

The preparation of the Group's financial statements in compliance with PFRS requires the management to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as these become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

---

### 3. Financial Risk Management

The risk exposure of the Parent Company and its subsidiary (the Group) in credit, market, interest rate, and liquidity remain contained within its risk limits and adequately covered by its available capital.

Specifically, notable risk exposures, where most emanate from the Parent Company, as of the end of first quarter of 2023 in the following areas are summarized below.

- Credit risk: Potential risk is well within regulatory capital as gleaned from the following indicators.
  - Credit quality of portfolio remains at a composite rating of ‘Satisfactory’ for its corporate portfolio, ‘Standard’ grade for most of its consumer portfolio, and its non – tradable investment portfolio at ‘BBB’ composite rating.
  - Loan portfolio security profile is less than 50% secured given the proportion of consumer lending business. For the portfolio of products that normally require collateral, the Bank remains healthy at approximately 70% secured.
  - No credit concentration in size, borrower, and industry as defined by BSP and internal risk policies.
- Market risk: Less than 0.5% of the Parent Company's Qualifying Capital or around 2% of the market value of the trading position is the potential loss on the Parent Company's trading book on account of potential adverse movements in interest rate and foreign exchange rate.
- Interest rate risk: The interest rate risk impact given a potential adverse movement remains compliant with the minimum internal Earnings-at-Risk (EaR) limit. At the consolidated level of the banking book, given the upward trend in interest rate, the budgeted Net Interest Income and Net Income for 2023 will reduce by around 5% and 25%, respectively.

On account of the expected upward trend in interest rate, the Group's Change in Economic Value of Equity shows that the capital will reduce by no more than 10% given the Group's balance sheet structure.

Meanwhile, around 1% of the Parent Company's Qualifying Capital as well as the market value of the banking book position is the potential loss on the Parent Company's banking book in view of the potential adverse movements in interest rates.

- Liquidity risk: There is no imminent liquidity risk as the Group remains to be generally liquid, particularly in the near term or within the one-year horizon, with sufficient sources of funding as and when the need arises. Regulatory and internal risk limits are duly complied with.

The Group's capital levels remain strong, standing at over P50 billion on a net basis and compliant with the regulatory minimum, in accordance with the supervisor's prescriptions, as well as cover for the above approximated risk exposures. Thus, the Group's risk management policies remain generally the same as in 2022. The Group's 2022 audited financial statements discuss in detail its risk exposures and its related policies.

---

#### 4. Fair Value Measurement

The Group has assets and liabilities in the consolidated and Parent Company statements of financial position that are measured at fair value on a recurring and non-recurring basis after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized on the statements of financial position at the end of the year. These include financial assets and liabilities at FVTPL and Financial assets at FVTOCI.

The methods and assumptions used by the Group in estimating the fair values of the financial instruments are:

*Cash and other cash items, due from BSP and other banks, Interbank loans receivables and SPURA and accrued interest receivables* – The carrying amounts approximate their fair values in view of the relatively short-term maturities of these instruments.

*Debt securities* - Fair values are generally based on quoted market prices. If the market prices are not readily available, fair values are estimated using the discounted cash flow methodology.

*Equity securities* - Fair values of quoted equity securities are based on quoted market prices.

*Derivative instruments (presented as other financial assets and liabilities in 'Other assets' and 'Other liabilities')* - Fair values of derivative instruments, mainly currency forwards and swaps and interest rate swaps, are valued using a valuation technique using market observable inputs. The valuation technique applied includes forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates, yield curves of the respective currencies and interest rate curves prevailing at the statement of financial position date. For futures, these are valued considering the prevailing futures prices on the exchange as of the statement of financial position date.

*Receivable from customers and unquoted debt securities classified as loans* - Fair values of loans and receivables are estimated using the discounted cash flow methodology, using the Group's current incremental lending rates for similar types of loans and receivables.

*Accounts receivable, sales contract receivable and other financial assets included in other assets* – quoted market prices are not readily available for these assets. These are reported at cost and are not significant in relation to the Group's total portfolio of securities

*Investment properties* – Fair value of investment properties are determined by independent or in-house appraisers using the market data approach. Valuations were derived on the basis of recent sales of similar properties in the same area as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made, and comparability of similar properties sold with the property being valued.

*Deposit liabilities (demand, savings and time)* – For demand and savings deposit, carrying amounts approximate fair values considering that these are due and demandable. Fair value of time deposit liabilities is estimated using the discounted cash flow methodology using the Group's incremental borrowing rates for similar borrowing with maturities consistent with those for the liabilities being valued.

*LTNCDs and subordinated debt* - Fair values of LTNCD and subordinated debt are estimated using adjusted quoted market prices of comparable investments. The adjustments on market quoted prices are unobservable inputs.

*Bonds Payable* – Fair value of Bonds Payable are measured using the Present Value (PV) of the computed cash flows by the PV factor.

*Lease Liabilities* – Fair value of lease liabilities are measured using the Bloomberg valuation (Bval) rate as of the reporting period plus the spread which is the derived difference between the actual market rate and the BVal rate.

*Bills and acceptances payable, cashier's checks and demand draft payable* – Carrying amounts approximate fair values due to the short-term nature of the accounts.

*Other financial liabilities included in 'Other liabilities'* – Quoted market prices are not readily available for these liabilities. These are reported at cost and are not significant in relation to the Group's total portfolio.

The following table provides the fair value hierarchy of the Group's consolidated assets and liabilities measured at fair value and those for which fair values are required to be disclosed as of March 31, 2023 and December 31, 2022 as follows:

	March 31, 2023 (Unaudited)				
	Carrying Value	Fair Value			
		Fair Value	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>					
<u>Financial assets</u>					
Financial assets at FVTPL:					
Government securities	2,923,501	P2,923,501	2,923,501	P-	P-
Private bonds	42,910	42,910	42,910	-	-
Equity securities	10,366	10,366	10,366	-	-
	<b>2,976,777</b>	<b>2,976,777</b>	<b>2,976,777</b>	<b>-</b>	<b>-</b>
Derivative assets*	86,971	86,971	-	86,971	-
Financial assets at FVTOCI:					
Government securities	5,945,722	5,945,722	5,945,722	-	-
Private bonds	6,486,566	6,486,566	6,486,566	-	-
Equity Securities	15,068	15,068	15,068	-	-
	<b>12,447,356</b>	<b>12,447,356</b>	<b>12,447,356</b>	<b>-</b>	<b>-</b>
	<b>15,511,104</b>	<b>15,511,104</b>	<b>15,424,133</b>	<b>86,971</b>	<b>-</b>

	March 31, 2023 (Unaudited)				
	Carrying Value	Fair Value			
		Fair Value	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets for which fair values are disclosed</b>					
<b>Financial assets</b>					
Investment securities at amortized cost:					
Government securities	59,047,131	59,057,913	59,057,913	P-	P-
Private bonds	3,512,592	3,513,285	3,513,285	-	-
	62,559,723	62,571,198	62,571,198	-	-
Loans and receivables					
Receivable from customers:					
Corporate lending	56,918,221	58,702,032	-	-	58,702,032
Consumer lending	193,331,337	216,456,414	-	-	216,456,414
Other receivables	7,718,776	9,153,858	-	-	9,153,858
	257,968,334	284,312,304	-	-	284,312,304
Other financial assets	567,518	567,518	-	-	567,518
<b>Non-financial assets</b>					
Investment properties	846,393	2,200,374	-	-	2,200,374
	337,453,072	365,162,498	77,995,331	86,971	287,080,196
<b>Financial liabilities</b>					
Derivative liabilities**	87,673	87,673	-	87,673	-
<b>Liabilities for which fair values are disclosed</b>					
<b>Financial liabilities</b>					
Deposit liabilities					
Demand	118,087,957	118,087,957	-	-	118,087,957
Savings	136,938,184	136,938,184	-	-	136,938,184
Time	61,933,342	61,978,133	-	-	61,978,133
LTNCD	2,448,118	2,640,098	-	-	2,640,098
	319,407,601	319,644,372	-	-	319,644,372
Lease liability	4,499,442	4,509,923	-	-	4,509,923
Accrued Interest Payable	337,235	337,235	-	-	337,235
Other financial liabilities	7,203,388	7,203,388	-	-	7,203,388
Bills and acceptances payable and SSURA	1,051,594	1,051,594	-	-	1,051,594
	332,586,933	332,834,185	-	87,673	332,746,512

\*Presented under 'Other Assets'

\*\*Presented under 'Other Liabilities'



December 31, 2022 (Audited)

	Fair Value				
	Carrying Value	Fair Value	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>					
<u>Financial assets</u>					
Financial assets at FVTPL:					
Government securities	₱1,903,956	₱1,903,956	₱1,903,956	₱–	₱–
Private bonds	44,011	44,011	44,011	–	–
Equity securities	10,343	10,343	10,343	–	–
	1,958,310	1,958,310	1,958,310	–	–
Derivative assets*	18,750	18,750	–	18,750	–
Financial assets at FVTOCI:					
Government securities	10,220,132	10,220,132	10,220,132	–	–
Private bonds	6,511,186	6,511,186	6,511,186	–	–
Equity Securities	15,068	15,068	15,068	–	–
	16,746,386	16,746,386	16,746,386	–	–
	18,723,446	18,723,446	18,704,696	18,750	–
<b>Assets for which fair values are disclosed</b>					
<u>Financial assets</u>					
Investment securities at amortized cost:					
Government securities	59,942,557	59,953,107	59,953,107	–	–
Private bonds	3,603,634	3,604,364	3,604,364	–	–
	63,546,191	63,557,471	63,557,471	–	–
Loans and receivables					
Receivable from customers:					
Corporate lending	66,545,827	67,875,565	–	–	67,875,565
Consumer lending	181,408,629	199,950,590	–	–	199,950,590
Other receivables	10,134,620	11,587,411	–	–	11,587,411
	258,089,076	279,413,566	–	–	279,413,566
Other financial assets*	486,871	486,871	–	–	486,871
<u>Non-financial assets</u>					
Investment properties	840,242	2,221,628	–	–	2,221,628
	₱341,685,826	₱364,402,982	₱82,262,167	₱18,750	₱282,122,065
<u>Financial liabilities</u>					
Derivative liabilities**	₱107,835	₱107,835	₱–	₱107,835	₱–
<b>Liabilities for which fair values are disclosed</b>					
<u>Financial liabilities</u>					
Deposit liabilities					
Demand	124,767,617	124,767,617	–	–	124,767,617
Savings	136,126,924	136,126,924	–	–	136,126,924
Time	65,824,377	65,750,292	–	–	65,750,292
LTNCD	2,447,204	4,888,686	–	–	4,888,686
	₱329,166,122	₱331,533,519	–	–	₱331,533,519
Lease liability	4,376,310	4,163,693	–	–	4,163,693
Accrued interest payable	293,743	293,743	–	–	293,743
Other financial liabilities	8,696,093	8,696,093	–	–	8,696,093
Bills and acceptances payable and SSURA	6,761,456	6,761,456	–	–	6,761,456
Bonds payable	3,698,439	3,698,439	–	–	3,698,439
	₱353,099,998	₱355,254,778	₱–	₱107,835	₱355,146,943

\*Presented under 'Other Assets'

\*\*Presented under 'Other Liabilities'

---

## 5. Segment Reporting

The Group's main operating businesses are organized and managed primarily according to the current organizational structure. Each segment represents a strategic business unit that caters to the Group's identified markets. The Group's business segments are:

- (a) *Retail banking* - this segment mainly covers traditional branch banking products and services such as deposits, back-to-back/emerging market loans and other over-the-counter (OTC) transactions. It likewise caters to the needs of high net-worth clients for alternative investment channels. It includes entire transaction processing, service delivery and infrastructure consisting of the Group's network of branches, automated teller machines as well as its internet banking platform;
- (b) *Corporate banking* - this segment handles lending and trade financing for both large corporations and middle market clients;
- (c) *Consumer banking* - this segment primarily caters to loans for individuals; and
- (d) *Treasury and Trust* - this segment consists of Treasury and Trust operations of the Group. Treasury focuses on providing money market, trading and treasury services, as well as the management of the Group's funding operations through debt securities, placements and acceptances with other banks. Trust includes fund management, investment management services, custodianship, administration and collateral agency services, and stock and transfer agency services. In addition, the Parent Company through Trust, provides retail customers with alternative investment opportunities through its unit investment fund products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment assets are those operating assets employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross income and expense.

The Group's revenue-producing assets are located in the Philippines (i.e., one geographical location); therefore, geographical segment information is no longer presented. The Group has no significant customers which contribute 10.00% or more of the consolidated revenue, net of interest expense.

The segment results include internal transfer pricing adjustments across business units as deemed appropriate by management. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to the business units based on a pool rate which approximates the marginal cost of funds.

Segment information of the Group as of and for the Three Months Ended March 31, 2023 (in thousands):

	Retail Banking	Corporate Banking	Consumer Banking	Treasury & Trust	Executive & Elimination Items	Total Bankwide
<b>Statement of Income</b>						
<b>Net Interest Income</b>						
Third Party	2,257,390	116,168	3,220,418	(135,122)	650,998	6,109,852
Intersegment	-	508,655	-	162,349	(671,004)	-
	2,257,390	624,823	3,220,418	27,227	(20,006)	6,109,852
<b>Noninterest Income</b>	389,413	40,612	1,121,251	206,545	24,506	1,782,327
<b>Revenue - Net of Interest Expense</b>	2,646,804	665,435	4,341,669	233,772	4,499	7,892,179
<b>Noninterest Expense</b>	(1,985,430)	(167,208)	(3,469,895)	(186,644)	(325,112)	(6,134,290)
<b>Income Before Income Tax</b>	661,374	498,227	871,774	47,128	(320,613)	1,757,890
<b>Provision for Income Tax</b>	(226,732)	(124,557)	(75,241)	(8,575)	255,354	(179,751)
<b>Net Income for the Period</b>	434,642	373,670	796,533	38,552	(65,259)	1,578,139
<b>Statement of Financial Position</b>						
<b>Total Assets</b>	43,151,589	21,087,595	220,972,450	27,086,218	90,693,854	402,991,705
<b>Total Liabilities</b>	305,666,566	702,704	55,254,815	23,950,503	(45,638,488)	339,936,100
<b>Other Segment Information</b>						
Depreciation and Provision for Credit and Impairment Losses	254,986 (158)	6,552 56	80,940 1,253,959	12,138 (5,095)	39,956 127,134	394,571 1,375,897

Segment information of the Group as of and for the Three Months Ended March 31, 2022 follow (in thousands):

	Retail Banking	Corporate Banking	Consumer Banking	Treasury & Trust	Executive & Elimination Items	Total Bankwide
<b>Statement of Income</b>						
<b>Net Interest Income</b>						
Third Party	1,761,623	188,322	3,336,527	(5,253)	(71,195)	5,210,024
Intersegment	-	562	-	89,757	(90,318)	-
	1,761,623	188,883	3,336,527	84,504	(161,513)	5,210,024
<b>Noninterest Income</b>	309,407	98,362	434,525	(201,046)	(81,801)	559,447
<b>Revenue - Net of Interest Expense</b>	2,071,030	287,246	3,771,052	(116,542)	(243,314)	5,769,471
<b>Noninterest Expense</b>				(185,173)	(143,428)	(5,061,396)
<b>Income Before Income Tax</b>	380,807	186,307	829,419	(301,715)	(386,742)	708,076
<b>Provision for Income Tax</b>				78,630	(73,532)	(200,518)
<b>Net Income for the Period</b>	253,048	164,727	773,142		(460,274)	507,558
<b>Statement of Financial Position</b>						
<b>Total Assets</b>	41,264,369	21,089,536	176,252,741	106,655,560	58,984,635	404,246,841
<b>Total Liabilities</b>	296,213,229	766,406	57,896,728	35,972,190	(45,836,290)	345,012,263
<b>Other Segment Information</b>						
Depreciation and Amortization Provision for Credit and Impairment Losses	269,159 1,134	21,254 (6,680)	282,786 928,576	12,960 2,549	39,081 104,442	625,240 1,030,020

The 'Elimination Items' includes the Group's executive office and elimination items related to the

Group's segment reporting framework.

Non-interest income consists of service charges, fees and commissions, gain on sale of assets, gain (loss) on asset foreclosure and dacion transactions, trading and securities gain (loss), gain on sale of investment securities at amortized cost, foreign exchange gain, trust income, share in net loss of a joint venture and miscellaneous income. The share in net loss of a joint venture has been presented as part of the elimination items in the Group's segment reporting framework. Non-interest expense consists of compensation and fringe benefits, taxes and licenses, depreciation and amortization, rent, amortization of intangible assets, provision for impairment and credit losses, and miscellaneous expenses.

## 6. Trading and Investment Securities

The Group and the Parent Company have the following trading and investment securities:

	<b>31-March-23</b>	31-Dec-22
	<b>(Unaudited)</b>	(Audited)
Financial assets at FVTPL	<b>₱2,976,777</b>	₱1,958,310
Financial assets at FVTOCI	<b>12,447,356</b>	16,746,386
Investment securities at amortized cost	<b>62,559,723</b>	63,546,191
	<b>₱77,983,856</b>	₱82,250,887

### *Financial assets at FVTPL*

Financial assets at FVTPL of the Group and of the Parent Company consist of:

	<b>31-March-23</b>	31-Dec-22
	<b>(Unaudited)</b>	(Audited)
Government securities	<b>₱2,923,501</b>	₱1,903,956
Private bonds	<b>42,910</b>	44,011
Equity securities	<b>10,366</b>	10,343
	<b>₱2,976,777</b>	₱1,958,310

In the first quarter of 2023 and 2022, the yield rates range from 2.38% to 8.13% and 0.88% to 19.72% respectively.

### *Financial assets at FVTOCI*

Financial assets at FVTOCI of the Group and of the Parent Company consists of:

	<b>31-March-23</b>	31-Dec-22
	<b>(Unaudited)</b>	(Audited)
Government debt securities	<b>₱5,945,722</b>	₱10,220,132
Private bonds	<b>6,486,566</b>	6,511,186
Private equity securities	<b>15,068</b>	15,068
	<b>₱12,447,356</b>	₱16,746,386

In the first quarter of 2023 and 2022, the interest rates of financial assets at FVTOCI range from 0.25% to 8.13% and 0.13% to 6.50% respectively.

*Investment securities at amortized cost*

Investment securities at amortized cost of the Group and of the Parent Company consist of:

	<b>31-March-23</b>	31-Dec-22
	<b>(Unaudited)</b>	(Audited)
Government securities	<b>₱ 59,057,913</b>	₱59,953,107
Private bonds	<b>3,513,285</b>	3,604,364
Carrying value, gross of allowance for impairment losses	<b>62,571,198</b>	63,557,471
Allowance for impairment losses	<b>(11,475)</b>	(11,280)
	<b>₱62,559,723</b>	₱63,546,191

Peso-denominated government bonds have effective interest rates ranging from 2.88% to 8.75% and 4.96% to 8.11% in first quarter of 2023 and 2022. Foreign currency-denominated government and private bonds have effective interest rates ranging from 2.20% to 6.75% and 2.76% to 7.76% in 2023 and 2022.

Interest Income on Trading and Investment Securities

This account consists of:

	<b>31-March-23</b>	<b>31-March-22</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Financial assets at FVTPL	<b>₱26,675</b>	₱45,796
Financial assets at FVTOCI	<b>109,469</b>	204,832
Investment securities at amortized cost	<b>779,409</b>	310,680
	<b>₱915,553</b>	₱561,308

Trading and Securities Gains (Losses)

Trading and securities gains (losses) of the Group and of the Parent Company consists of:

	<b>31-March-23</b>	<b>31-March-22</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Financial assets at FVTPL	<b>₱45,796</b>	(₱178,185)
Financial assets at FVTOCI	-	(101,481)
US Treasury futures (Note 5)	<b>65,346</b>	17,574
Interest rate swaps (Note 5)	-	-
	<b>₱111,142</b>	(₱262,092)

---

## 7. Loans and Receivables

Loans and receivables consist of:

	<b>Consolidated</b>	
	<b>31-March-23</b>	<b>31-Dec-22</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Receivables from customers:		
Corporate lending*	<b>₱59,166,816</b>	₱68,800,510
Consumer lending	<b>197,196,075</b>	185,926,197
	<b>256,362,891</b>	254,726,707
Unamortized premium	<b>4,434,533</b>	4,005,507
	<b>260,797,424</b>	258,732,214
Other receivables:		
Accrued interest receivable	<b>5,688,892</b>	6,902,278
Other Loans and receivable	<b>3,343,018</b>	4,558,732
Sales contracts receivable	<b>121,949</b>	126,401
	<b>9,153,859</b>	11,587,411
	<b>269,951,283</b>	270,319,625
Allowance for credit and impairment losses	<b>(11,982,949)</b>	(12,230,550)
	<b>₱257,968,334</b>	₱258,089,075

*\*Include Corporate loans, Branch loans and Emerging enterprise loans*

Interest income on loans and receivables consist of:

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Receivables from customers	<b>₱6,447,081</b>	₱5,021,894
	<b>₱6,447,081</b>	₱5,021,894

---

## 8. Bonds Payable

This account consists of bonds payable that matured last February 21, 2023 with a face value of ₱3.70 billion and carrying value of ₱3.70 billion as of December 31, 2022 and nil as of March 31, 2023.

The bonds was issued by the Parent Company on February 10, 2020 with a 4.50% fixed-rate bonds with issue price at 100.00% face value. The bonds will bear interest at the rate of 4.50% per annum from and including February 21, 2020 to but excluding: (a) February 21, 2023, such date being the maturity date (if the pre-termination option is not exercised); or (b) the pre-termination date (if the pre-termination option is exercised), and the interest will be payable quarterly in arrears at the end of each interest period on February 21, August 21 and November 21 of each year commencing on 2020.

Unless the 2023 Bonds are previously redeemed, the Bonds are repayable to the Bond Holders at

100.00% of their face value on the maturity date or February 21, 2023.

As of March 31, 2023, and December 31, 2022, bonds issuance cost amounted to nil and ₱1.56 million, respectively.

For the period ended March 31, 2023, the Group recognized interest expense on bonds payable amounting to ₱23.29 million and 167.62 million as of December 31, 2022.

Reserve requirement

Peso-denominated bonds are subject to reserves equivalent to 3.00% in 2022 and 2021. The Parent Company was in compliance with such requirements as of March 31, 2023.

---

## 9. Subordinated Debt

Interest expense on subordinated debt

The Group's interest expense on the subordinated debt due 2025 and 2027 amounted to nil as of March 31, 2023, and ₱44.71 million as of December 31, 2022.

---

## 10. Leases

The Group leases several premises occupied by its head office and branches. Some leases are subject to annual escalation of 5.00% to 10.00% and for periods ranging from 5 to 15 years, renewable upon mutual agreement of both parties.

Adoption of PFRS 16

As discussed in Note 2, the Group adopted PFRS 16. The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for all leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Shown below is the Group's maturity analysis of the undiscounted lease payments as of March 31, 2023 and December 31, 2022, as required by PFRS 16:

	<b>31-March-23</b>	31-Dec-22
Within one year	<b>₱990,350</b>	₱976,317
After one year but not more than five years	<b>2,741,233</b>	2,691,738
More than five years	<b>2,110,885</b>	1,994,072
	<b>₱5,842,468</b>	₱5,662,127

Set out below is the Group's carrying amount of lease liabilities and the movements during the three months ended March 31, 2023:

Balance at beginning of the year	<b>₱4,378,945</b>
Additions/Adjustments	<b>291,088</b>
Payments and terminations	<b>(247,578)</b>
Accretion of interest	<b>76,986</b>
As of March 31, 2023	<b>₱4,499,442</b>

In the first quarter of 2023 and 2022, the interest expense on lease liabilities of the Group (included in 'Interest expense' in the statements of income) amounted to ₱76.99 million and ₱51.52 million, respectively. Rent expense from short-term leases and leases of low-value assets of the Group amounted to ₱88.27 million and ₱74.84 million for the period ended March 31, 2023 and 2022, respectively.

In the first quarter of 2023 and 2022, the Group's rental income amounted to ₱15.42 million, ₱15.70 million, respectively. As of March 31, 2023, and 2022, the Group has no contingent rental income.

## 11. Maturity Analysis of Assets and Liabilities

The following tables show an analysis of the Group's assets and liabilities analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the statement of financial position date:

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
<b>Financial assets:</b>						
Cash and other cash items	₱7,188,881	₱-	₱7,188,881	₱8,713,151	₱-	₱8,713,151
Due from BSP	32,334,530	-	32,334,530	36,114,397	-	36,114,397
Due from other banks - gross	2,458,254	-	2,458,254	4,530,832	-	4,530,832
Interbank loans receivables and SPURA	2,480,906	-	2,480,906	10,009,266	-	10,009,266
Financial assets at FVTPL	2,976,777	-	2,976,777	1,958,310	-	1,958,310
Financial assets at FVTOCI	12,447,356	-	12,447,356	16,746,386	-	16,746,386
Investment securities at amortized cost - gross	109,957	64,851,698	64,961,655	-	66,022,053	66,022,053
Loans and receivables - gross	140,865,009	124,651,740	265,516,749	110,850,787	155,463,331	266,314,118
Other assets - gross	135,575	361,423	496,998	63,663	354,275	417,938
	<b>200,997,244</b>	<b>189,864,861</b>	<b>390,862,105</b>	<b>188,986,792</b>	<b>221,839,659</b>	<b>410,826,451</b>
<b>Nonfinancial assets:</b>						
Investment in a joint venture	-	1,246,340	1,246,340	-	928,977	928,977
Property and equipment - gross	-	10,963,422	10,963,422	-	10,805,737	10,805,737
Investment properties - gross	-	1,330,178	1,330,178	-	1,334,657	1,334,657
Deferred tax assets	-	4,099,036	4,099,036	-	3,906,672	3,906,672
Goodwill and other intangible assets - gross	-	8,710,364	8,710,364	-	8,651,723	8,651,723
Other assets - gross	2,119,019	1,301,847	3,420,867	1,699,621	1,499,024	3,198,645
	<b>2,119,019</b>	<b>27,651,188</b>	<b>29,770,207</b>	<b>1,699,621</b>	<b>27,126,790</b>	<b>28,826,411</b>
	<b>203,116,263</b>	<b>217,516,049</b>	<b>420,632,312</b>	<b>190,686,413</b>	<b>248,966,449</b>	<b>439,652,862</b>



	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Allowances for impairment and credit losses	(782)	(12,183,287)	(12,184,069)	(1,197)	(12,436,156)	(12,437,353)
Unamortized premium/discount	(959,302)	3,003,378	2,044,076	(1,032,114)	2,573,039	1,540,925
Accumulated depreciation and amortization	–	(7,500,613)	(7,500,613)	–	(7,384,901)	(7,384,901)
	<b>₱202,156,180</b>	<b>₱200,835,526</b>	<b>₱402,991,706</b>	<b>₱175,766,902</b>	<b>₱245,604,631</b>	<b>₱421,371,533</b>
<b>Financial liabilities:</b>						
Deposit liabilities	316,229,495	3,178,106	319,407,600	₱326,098,650	₱3,067,472	₱329,166,122
Bills and acceptances payable	1,051,594	–	1,051,594	6,761,456	–	6,761,456
Cashiers' checks and demand drafts payable	801,918	–	801,918	1,381,537	–	1,381,537
Bonds Payable	–	–	–	3,698,439	–	3,698,439
Accrued interest, taxes and other expenses	3,337,969	–	3,337,969	2,645,107	–	2,645,107
Lease liability	794,654	3,704,788	4,499,442	784,016	3,594,929	4,378,945
Other liabilities	7,272,068	18,992	7,291,060	8,785,747	18,181	8,803,928
	<b>329,487,697</b>	<b>6,901,885</b>	<b>336,389,582</b>	<b>350,154,952</b>	<b>6,680,582</b>	<b>356,835,534</b>
<b>Nonfinancial liabilities:</b>						
Income tax payable	396,215	–	396,215	126,208	–	126,208
Accrued interest, taxes and other expenses	421,208	404,929	826,138	383,323	450,549	833,872
Other liabilities	1,143,527	1,180,638	2,324,165	1,304,888	1,236,461	2,541,349
	<b>1,960,951</b>	<b>1,585,567</b>	<b>3,546,518</b>	<b>1,814,419</b>	<b>1,687,010</b>	<b>3,501,429</b>
	<b>₱331,448,648</b>	<b>₱8,487,452</b>	<b>₱339,936,100</b>	<b>₱351,969,371</b>	<b>₱8,367,592</b>	<b>₱360,336,963</b>

## 12. Equity

### Capital Management

The Parent Company actively manages its capital to comply with regulatory requirements, enable growth targets, withstand plausible stress events and be at par with the Parent Company's peers. The primary objective of the Parent Company's capital management is to ensure that it maintains adequate capital to cover risks inherent to its banking activities without prejudice to optimizing shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure, or issue capital securities. No changes were made in the objectives, policies and processes from the previous year.

### *Regulatory Qualifying Capital*

Under existing BSP regulations, the determination of the Parent Company's compliance with regulatory requirements and ratios is based on the amount of the Parent Company's 'unimpaired capital' (regulatory net worth) reported to the BSP, which is determined on the basis of regulatory policies. In addition, the risk-based Capital Adequacy Ratio (CAR) of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both solo basis (head office and branches) and consolidated basis (Parent Company and subsidiaries engaged in financial allied undertakings). Qualifying capital and risk-weighted assets are computed based on BSP regulations.

### Capital Stock

Capital stock consists of (amounts in thousands, except for par value and number of shares):

	Shares		Amount	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Authorized:				
Common stock – 10.00 par value	<b>4,500,000,000</b>	4,500,000,000		
Preferred stock – 10.00 par value	<b>500,000,000</b>	500,000,000		
Common stock issued and outstanding:				
Balance at the beginning of the year	<b>2,249,975,411</b>	2,249,975,411	<b>₱22,499,754</b>	₱22,499,754
Issuance of stock dividends	-	-	-	-
<b>Balance at year end</b>	<b>2,249,975,411</b>	2,249,975,411	<b>₱22,499,754</b>	₱22,499,754

With the approvals by the PSE of the Parent Company's application for listing and by the SEC for the Registration Statement both on March 14, 2012, a total of 245,316,200 common shares, with ₱10.00 par value per share, representing 21.70% of outstanding capital stock, were offered and subscribed through an initial public offering at ₱18.50 per share on April 20 to 26, 2012. The common shares comprise of (a) 141,056,800 new shares issued by the Parent Company by way of a primary offer, and (b) 104,259,400 existing shares offered by FDC, the selling shareholder, pursuant to a secondary offer. Subsequently, on September 5, 2012, 36,715,300 shares under the over-allotment option were exercised at a price of ₱18.50 per share that brought the subscriptions to 25.00% of the outstanding capital stock. The Parent Company's common shares were listed and commenced trading in the PSE on May 7, 2012.

The preferred shares are perpetual non-voting and non-convertible to common shares. The dividends of the preferred shares shall be non-cumulative and to be fixed by the BOD at an annual dividend rate prior to the date of issue.

The total proceeds raised by the Parent Company from the sale of primary offer shares amounted to ₱2.61 billion while the net proceeds (after deduction of direct costs related to equity issuance) amounted to ₱2.39 billion.

On February 1, 2018, the BSP approved the following amendments to the Parent Company's Articles of Incorporation, which were approved and confirmed by the Parent Company's BOD at its special meeting on July 13, 2017, to provide flexibility for future capital requirements:

- a. Increase of the Parent Company's authorized capital stock from ₱20.00 billion to ₱50.00 billion consisting of 4.50 billion common shares with par value of ₱10.00 per share or a total par value of ₱45.00 billion and ₱0.50 billion preferred shares with par value of ₱10.00 per share or a total par value of ₱5.00 billion.
- b. Declaration of 50.00% stock dividends equivalent to ₱7.50 billion from the Parent Company's unrestricted retained earnings as of December 31, 2016 to meet the required subscribed and paid amount of capital stock per Corporation Code after the increase in the authorized capital of the Parent Company. The increase in the Parent Company's authorized capital stock and stock dividend declaration were subsequently approved by BSP on September 29, 2017 and by SEC on February 28, 2018.

On April 16, 2018, a total of 749,991,801 common shares were listed at the PSE.

### 13. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group's related parties include:

- key management personnel, close family members of key management personnel, and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members;
- subsidiaries, joint ventures and associates and their respective subsidiaries; and
- post-employment benefit plans for the benefit of the Group's employees.

The Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business.

The Group's significant investors pertain to FDC, the immediate Parent Company of the Group, and FDC Forex Corporation (a company under common control of FDC).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Group considers the members of the Management Committee to constitute key management personnel for purposes of PAS 24, *Related Party Disclosures*. The Group provides banking services to its key management personnel.

Other related parties pertain to the Group's affiliates (subsidiaries of FDC).

The Group and the Parent Company had no outright purchases and outright sale of debt securities with significant shareholders and key management personnel in 2023 and 2022.

No specific provision and allowance for loan losses was recognized by the Group for loans to significant investors, key management personnel and other related parties in 2023 and 2022.

The Parent Company's subsidiaries have no transactions with related parties outside of the Group.

The amounts and the balances arising from significant related party transactions of the Group are as follows:

Category	March 31, 2023 (Unaudited)		
	Amount/ Volume	Outstanding Balance	Terms and Conditions/Nature
<b>Significant investors:</b>			
Loans receivable	₱-	4,842,800	Loans granted with a term of five years, interest of 4.75%, secured with deposit holdout, no impairment
Releases	-	-	
Collection	-	-	
Deposit liabilities	-	2,445,453	Earns interest at the respective bank deposit rates
Deposits	1,385,192		
Withdrawals	1,285,787		
Accrued interest receivable	-	4,412	Interest income accrued on outstanding loans receivable
Accrued expenses	-	22,828	Payable for management and professional fees paid by FDC (reimbursement for expenses)
Guarantees and commitments	-	4,842,800	Unused credit line (omnibus facility) with term of 10 months
Interest income	57,508	-	Interest income on loans receivable
Interest expense	12,178	-	Interest expense on deposit liabilities
<b>Key management personnel:</b>			
Loans receivable	₱-	₱2,732	Loans granted with a term of five years, interest of 9.82%, no impairment
Releases	2,807	-	

<b>March 31, 2023 (Unaudited)</b>			
<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Balance</b>	<b>Terms and Conditions/Nature</b>
Collection	75	-	
Deposit liabilities	-	298,256	Earns interest at the respective bank deposit rates
Deposits	587,679	-	
Withdrawals	610,262	-	
Interest income	-	68	Interest income on loans receivable
Interest expense	646	-	Interest expense on deposit liabilities
<b>Other related parties:</b>			
Loans receivable		7,939,198	Loans granted with terms ranging from five days to thirteen and a half years, interest ranging from 2.45% to 17.07%, secured by chattel and real estate mortgage, no impairment
Releases	20,186	-	
Collection	719,790	-	
Receivables purchased (booked under 'Loans Receivable')	-	7,921	Receivables purchased by the Parent Company from FLI
Accounts receivable	-	39,935	Receivables from EW Ageas Life which represent expenses shouldered by the Parent Company
Deposit liabilities	-	3,802,871	Earns interest at the respective bank deposit rates
Deposits	42,276,911	-	
Withdrawals	43,487,535	-	
Accounts payable	-	57,192	Collection of loan insurance on behalf of EW Ageas Life that remained unremitted
Guarantees and commitments	-	7,931,104	Unused credit lines
Accrued interest receivable	-	75,780	Interest income accrued on outstanding loans receivable
Interest income	-	338,784	Interest income on loans receivable
Interest expense	10,051	-	Interest expense on deposit liabilities
Service fee expense	-	-	Service fees paid to FLI for account servicing equivalent to 1.12% of loan amounts collected by FLI on behalf of the Parent Company
Rent expense	17,149	-	Rent expenses paid for lease transactions with other related parties such as Filinvest Asia Corporation, FAI and FLI

<b>December 31, 2022 (Audited)</b>			
<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Balance</b>	<b>Terms and Conditions/Nature</b>
<b>Significant investors:</b>			
Loans receivable		P4,842,800	Loans granted with a term of five years, interest of 4.75%, secured with deposit holdout, current and not impaired
Releases	-	-	
Collection	-	-	
Deposit liabilities	-	2,346,047	Earns interest at the respective bank deposit rates
Deposits	11,920,865	-	
Withdrawals	12,426,558	-	
Accrued interest receivable	-	61,132	Interest income accrued on outstanding loans receivable
Accrued expenses	-	28,120	Payable for management and professional fees paid by FDC (reimbursement for expenses)
Guarantees and commitments	-	4,842,800	Unused credit line (omnibus facility) with term of 10 months

(Forward)

<b>December 31, 2022 (Audited)</b>			
<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Balance</b>	<b>Terms and Conditions/Nature</b>
Interest income	230,033	P-	Interest income on loans receivable
Interest expense	13,021	-	Interest expense on deposit liabilities
<b>Key management personnel:</b>			
Deposit liabilities	-	320,839	Earns interest at the respective bank deposit rates
Deposits	1,725,809	-	
Withdrawals	1,821,198	-	
Interest income	-	-	Interest income on loans receivable
Interest expense	1,096	-	Interest expense on deposit liabilities
<b>Other related parties:</b>			
Loans receivable	-	8,638,803	Loans granted with terms ranging from six days to thirteen and a half years, interest ranging from 4.42% to 17.07%, secured by chattel and real estate mortgage, current and not impaired
Releases	4,858,591	-	
Collection	3,151,081	-	
Receivables purchased (booked under 'Loans Receivable')	-	501,041	Receivables purchased by the Parent Company from FLI (Note 9), current and not impaired
Releases	501,041	-	
Collections	2,283,451	-	
Accounts receivable	-	30,836	Receivables from EW Ageas Life which represent expenses shouldered by the Parent Company
Deposit liabilities	-	5,013,495	Earns interest at the respective bank deposit rates
Deposits	142,032,724	-	
Withdrawals	142,859,448	-	
Accounts payable	-	53,151	Collection of loan insurance on behalf of EW Ageas Life that remained unremitted
Guarantees and commitments	-	8,137,550	Unused credit lines
Accrued interest receivable	-	55,578	Interest income accrued on outstanding loans receivable
Interest income	-	765,248	Interest income on loans receivable
Interest expense	13,936	-	Interest expense on deposit liabilities
Commission fees	-	-	Commission fees received from EW Ageas Life
Service fee expense	-	-	Service fees paid to FLI for account servicing equivalent to 1.12% of loan amounts collected by FLI on behalf of the Parent Company (Note 9)
Rent expense	81,553	-	Rent expenses paid for lease transactions with other related parties such as Filinvest Asia Corporation,

### Parent Company Related Party Transactions

Transactions between the Parent Company and its subsidiaries meet the definition of related party transactions.

In addition to the transactions discussed above, the following are the transactions between the Parent Company and its subsidiaries that are recognized in the Parent Company's statements of financial position and statements of income and eliminated in the consolidated financial statements:

<b>March 31, 2023 (Unaudited)</b>			
<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Balance</b>	<b>Terms and Conditions/ Nature</b>
<b>Subsidiaries:</b>			
Receivables purchased	-	P36,089,628	Receivables purchased by the Parent Company from EWRB
Receivable sold	-	442,659	Employee loans sold by the Parent Company to EWRB

Accounts receivable	–	<b>793,294</b>	Amount collected by EWRB from borrowers on behalf of the Parent Company that remained unremitted and other related expenses shouldered by the Parent Company on behalf of the Subsidiaries
Accounts receivable	–	<b>321,774</b>	Receivables from subsidiaries which represent expenses shouldered by Parent Company
Deposit liabilities	–	<b>507,363</b>	Earns interest at the respective bank deposit rates
Deposits	<b>75,750</b>	–	
Withdrawals	<b>9,637</b>	–	
Accounts payable	–	<b>60,209</b>	Cash reloading transactions between EWRB and the Parent Company
Interest expense	<b>247</b>	–	Interest expense on deposits of EWRB and EWIB
Interest income	<b>91</b>	–	Interest income on loans receivable
Service fee expense	<b>33,754</b>	–	Service fees paid to EWRB for account servicing equivalent to 0.37% of loan amounts collected by EWRB on behalf of the Parent Company for the receivables purchased and for collection of credit card payments
Service fee income	<b>233</b>	–	Service fees paid by EWRB for account servicing equivalent to 0.37% of loan amounts collected by the Parent Company on behalf of EWRB for the receivables sold
Commission expense	–	–	Commission expense paid by the Parent Company to QMIS
Rent income	<b>9,918</b>	–	Rent of office space leased to subsidiaries

**December 31, 2022 (Audited)**

Category	Amount/ Volume	Outstanding Balance	Terms and Conditions/Nature
<b>Subsidiaries:</b>			
Receivables purchased		₱32,433,426	Receivables purchased by the Parent Company from EWRB (Note 9)
Acquisitions	46,174,920	–	
Collections	13,741,493	–	
Receivable sold	–	255,972	Employee loans sold by the Parent Company to EWRB (Note 9)
Accounts receivable	–	510,091	Amount collected by EWRB from borrowers on behalf of the Parent Company that remained unremitted and other related expenses shouldered by the Parent Company on behalf of the Subsidiaries
Accounts receivable	–	244,637	Receivables from subsidiaries which represent expenses shouldered by Parent Company
Deposit liabilities	–	441,250	Earns interest at the respective bank deposit rates
Deposits	103,935,766	–	
Withdrawals	103,700,130	–	
Accounts payable	–	40,410	Cash reloading transactions between EWRB and the Parent Company
Interest expense	956	–	Interest expense on deposits of EWRB and EWIB
Interest income	3,738	–	Interest income on loans receivable
Service fee expense	56,159	–	Service fees paid to EWRB for account servicing equivalent to 0.37% of loan amounts collected by EWRB on behalf of the Parent Company for the receivables purchased (Note 9) and for collection of credit card payments
Service fee income	995	–	Service fees paid by EWRB for account servicing equivalent to 0.37% of loan amounts collected by the Parent Company on behalf of EWRB for the receivables sold (Note 9)

(Forward)

Commission expense

Rent income

41,153

Commission expense paid by the Parent Company to  
QMIS

Rent of office space leased to subsidiaries

---

#### 14. Commitments and Contingent Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. The Group does not anticipate material unreserved losses as a result of these transactions.

The Group has several loan related suits and claims that remain unsettled. It is not practicable to estimate the potential financial impact of these contingencies. However, in the opinion of management, the suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

##### Commitments and Contingencies

The following is a summary of commitments and contingencies of the Parent Company at their peso-equivalent contractual amounts arising from off-balance sheet items:

	<u>2022</u>	<u>2021</u>
Unused credit line - credit cards	<b>87,017,830</b>	₱146,356,010
Trust department accounts (Note 29)	<b>54,847,571</b>	52,457,448
Broker Customer Securities Account	<b>35,656,872</b>	36,862,504
Forward exchange sold	<b>15,992,647</b>	18,762,151
Forward exchange bought	<b>5,330,677</b>	8,028,431
Inward bills for collection	<b>5,134,126</b>	618,142
Spot exchange bought	<b>5,073,242</b>	3,206,847
Unused commercial letters of credit	<b>4,272,201</b>	3,452,146
Spot exchange sold	<b>3,191,513</b>	3,539,459
Outstanding guarantees	<b>382,193</b>	618,749
Treasurer/cashier/manager's checks	<b>197,252</b>	138,621
Outward bills for collection	<b>12,495</b>	9,486
Items held for safekeeping	<b>967</b>	1,035
Late deposits/payments received	<b>347</b>	7,358
Others	<b>96</b>	159

---

## 15. Financial Performance

Earnings per share amounts were computed as follows:

	(Unaudited)	
	<b>March 31, 2023</b>	March 31, 2022
a. Net income attributable to equity holders of the Parent Company	<b>₱1,578,139</b>	₱507,558
b. Weighted average number of outstanding common shares by the Parent Company, including effect of stock dividends issued in 2018	<b>2,249,975</b>	2,249,975
c. Basic and diluted EPS (a/d)	<b>₱0.70</b>	₱0.23

*\*The Bank has no potentially dilutive shares as of March 31, 2023 and 2022.*

---

## 16. Subsequent Event

There have been no events subsequent to March 31, 2023 that the Group and the Parent Company need to report.



**EAST WEST BANKING CORPORATION**  
**CONSOLIDATED FINANCIAL RATIOS**

(As Required by SRC Rule 68.1)

	<b>March 31, 2023</b>	March 31, 2022
Current ratio <sup>(1)</sup>	<b>61.3%</b>	61.8%
Solvency ratio <sup>(2)</sup>	<b>118.5%</b>	117.2%
Debt-to-equity <sup>(3)</sup>	<b>5.4</b>	5.8
Asset-to-equity <sup>(4)</sup>	<b>6.4</b>	6.8
Interest rate coverage ratio <sup>(5)</sup>	<b>126.1%</b>	134.9%
Return on Equity <sup>(6)</sup>	<b>10.3%</b>	3.4%
Return on Assets <sup>(7)</sup>	<b>1.6%</b>	0.5%
Net Interest Margin <sup>(8)</sup>	<b>7.4%</b>	6.3%
Cost-to- Income Ratio <sup>(9)</sup>	<b>61.0%</b>	69.4%
Debt Ratio <sup>(10)</sup>	<b>84.4%</b>	85.4%

**Notes:**

*(1) Current assets divided by current liabilities*

*(2) Total assets divided by total liabilities*

*(3) Total liabilities divided by total equity*

*(4) Total assets divided by total equity*

*(5) Income before interest and taxes divided by interest expense*

*(6) Net income divided by average total equity for the periods indicated.*

*(7) Net income divided by average total assets for the periods indicated.*

*(8) Net interest income divided by average interest-earning assets (incl. interbank loans, trading and investment securities and loans).*

*(9) Other expenses (excl. provision for impairment and credit losses) divided by net interest and other income for the periods indicated.*

*(10) Total liabilities divided by total assets*

**EAST WEST BANKING CORPORATION**  
**AGING OF LOANS AND RECEIVABLE**  
**For the three months ended March 31, 2023**  
*(Amounts in thousands of Philippine Peso)*

<b>Status / Number of Days Outstanding</b>	<b>Amount</b>
Current (0-30 days)	₱236,969,331
90 Days or less	8,085,244
91-180 Days	5,289,577
181 Days to 1 Year	2,132,817
More Than 1 Year	5,491,364
<b>Grand Total</b>	<b>₱257,968,333</b>