

# 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
<b>1 7 - Q</b>	<b>Corporate Finance Dept.</b>	
No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
<b>101</b>	<b>April 19</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 : **September 30, 2024**
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 September 30, 2024

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

Item 3. **Financial Indicators** - Annex 7

Item 4. **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 September 30, 2024:

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	37.8%
PCD Nominee Corporation*	466,725,081	20.7%

*\*As of September 30, 2024, none among the stockholders under the PCD Nominee Corporation holds 5% or more of the Bank's securities.*

II. Pending Legal Proceedings

The Group is involved in various legal proceedings in connection with the ordinary course of its business. The Group 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:

  
**Daniel L. Ang Tan Chai**  
Chief Finance Officer

  
**Minda L. Cayabyab**  
Financial Controller

**November 08, 2024**


**NOV 13 2024**

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_ 2024 affiants exhibiting to me his/their proof of identification, as follows:

NAMES	PROOF OF IDENTIFICATION	DATE OF ISSUE	PLACE OF ISSUE
DANIEL L. ANG TAN CHAI	[REDACTED]	[REDACTED]	DFA Manila
MINDA L. CAYABYAB	[REDACTED]	[REDACTED]	DFA Manila

-----  
Notary Public

JOC. NO 377  
PAGE NO 70  
BOOK NO 109011  
FRIES OF 2024

  
**LOURDES A. OÑA**  
NOTARY PUBLIC FOR MAKATI CITY  
Appointment No. M-034 until December 31, 2025  
MCLE Compliance No. VII-0025815 valid until April 14, 2025  
Office Address: 42nd Flr., PBCOM Tower, 6795 Ayala Ave. cor. V.A. Rufino St., Makati City  
Roll No. 3633715P License No. 02701/PTR No. 10083593, January 8, 2024, Makati City

**EAST WEST BANKING CORPORATION**  
**SEC FORM 17 - Q**  
**FOR THE PERIOD ENDED September 30, 2024**

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

**Material Changes in Financial Statements Accounts**

**Consolidated Financial Position**

*As of September 30, 2024 (Unaudited) and December 31, 2023 (Audited)*

The Group's unaudited consolidated total assets stood at ₱497.0 billion as of September 30, 2024, higher by ₱32.8 billion or 7% compared with ₱464.2 billion as of December 31, 2023. The following are major changes under assets:

Cash and Other Cash Items was lower by 19% compared to last period at ₱7.6 billion, mainly due to the timing of cash requirements of the Stores. Due from BSP, which represents 6% of total assets, increased from ₱16.2 billion to ₱29.2 billion due to higher level of regular demand deposit placements maintained with BSP. Interbank Loans Receivable and Securities Purchased under Resale Agreements (SPURA) decreased by 80% from ₱16.4 billion to ₱3.3 billion largely on account of lower balance of SPURA due to the maturity of the BSP Purchased under reverse repo account as of December 31, 2023.

Please refer to the consolidated statements of cash flows for more information on cash and cash equivalents.

Total investment securities consisting of Financial Assets at Fair Value Through Profit or Loss (FVPL), Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) and Investment Securities at Amortized Cost represented 21% of the Group's total assets as of September 30, 2024 and December 31, 2023, and total balance went up by ₱7.4 billion or 8%. The increase was due to the combined growth in the portfolios of FVPL and FVOCI mainly on account of purchase of securities in line with conditions set on the business models. FVPL securities increased by ₱4.6 billion or 112% from ₱4.1 billion to ₱8.7 billion. FVOCI securities increased by ₱2.5 billion or 13% from ₱18.5 billion to ₱20.9 billion. Increase in FVOCI was due to the purchases during the period amounting to ₱8.8 billion. The Bank recorded a ₱2.0 billion proceeds from maturity of investment securities at amortized cost as of September 30, 2024.

Loans and Receivables represented 65% of the Group's total consolidated assets. Consumer loans was up by 12% to ₱265.6 billion driven mainly by credit cards, teachers' loans, auto loans and personal loans. On the other hand, corporate loans posted a decrease of ₱781.9 million to ₱58.9 billion as of September 30, 2024.

Other assets increased by ₱1.1 billion or 22% primarily due to the increased in refundable security deposits and prepaid insurance.

Investments in a Joint Venture increased by ₱185.4 million from ₱993.2 million to ₱1.2 billion due to the recognition of EW's share in the net income and other comprehensive income of East West Ageas Life Insurance Corporation ("EWAL"), a joint venture between EW and Ageas Insurance International N. V. As of September 30, 2024, the Bank's ownership interest in EWAL was at 50%.

Property and equipment increased by 6% to ₱7.6 billion due to renewal of various lease contracts increasing value of right-of-use assets.

Investment properties increased by 16%, from ₱975.6 million to ₱1.1 billion due to higher volume of foreclosed real estate mortgage properties.

Deferred tax assets increased by 15%, ₱4.1 billion to ₱4.7 billion mainly on account of provisions set-up, net of write-offs during the period.

The Group's consolidated total liabilities were ₱424.6 billion as of September 30, 2024, higher by ₱27.6 billion or 7% compared with December 31, 2023 balances. Major changes in liabilities are as follows:

Deposit Liabilities represented 87% and 90% of the consolidated total liabilities as of September 30, 2024 and December 31, 2023, respectively, wherein, Demand and Savings deposits accounted for 79% and 82% of the Group's total deposits, as of September 30, 2024 and December 31, 2023, respectively. Time deposits increased by 24% from ₱64.1 billion to ₱79.2 billion due to higher volume for both dollar and peso deposits.

Bills and Acceptance Payables increased by 70% or ₱10.8 billion from ₱15.4 billion to ₱26.2 billion due to the higher volume of repurchase agreements and interbank call loans.

Accrued Taxes, Interest, and Other expenses increased by 15% or ₱693.3 million from ₱4.6 billion to ₱5.3 billion mainly from the accrual of manpower expenses for the year attributable to accumulated accrual of yearly merit increases.

Income Tax Payable at ₱771.9 million as of September 30, 2024, pertains to tax accrual for the third quarter of 2024, and was higher than December 31, 2023 mainly due to the higher taxable income of the Group.

Other Liabilities increased by 12% or ₱1.6 billion from ₱13.1 billion to ₱10.2 billion, mainly from higher outstanding bill purchased by ₱2.6 billion, remittance of tax collections by ₱358.6 million, payable for settlements to Bancnet by ₱920.3 million, and due to timing of payments.

Total equity at ₱72.4 billion, increased to ₱5.2 billion, or 8%, due to the following movements:

- Surplus at ₱45.0 billion was ₱4.6 billion or 11% higher, on accumulation of nine months' income, net of the cash dividend amounting to ₱1.2 billion paid on May 31, 2024 to all stockholders of record as of May 17, 2024
- Unrealized loss on Financial Assets at Fair Value Through Other Comprehensive Income at ₱510.1 million was ₱645.4 billion or 56% lower on cumulative losses from net changes in fair value of FVOCI securities.

## Consolidated Results of Operations

*For the three-months ended September 30, 2024 (Unaudited) and September 30, 2023 (Unaudited)*

The Group registered a consolidated net income of ₱2.3 billion for the three months ended September 30, 2024, 49% or ₱765.6 million higher than the ₱1.6 billion recorded on the same period last year.

Interest income went up by ₱1.7 billion or 19%, largely attributable to higher volume of loans and receivables by ₱1.5 billion mainly contributed by Credit Cards (₱750.7 million), Auto Loans (₱438.5 million), and Personal Loans (₱292.0 million). Interest Income on Investments also expanded as put up by Interest Income on FVOCI and Investment Securities at Amortized Cost by ₱145.5 million, Interest Income on FVPL securities by ₱82.2 million. Meanwhile, Interest Income on Deposit with BSP and Other Banks declined by ₱31.0 million.

Interest Expense increased from Interest Expense on Deposit Liabilities by ₱555.7 million and Interest Expense on Bills and Acceptances Payable and SSURA by ₱106.0 million, both due to higher volume and higher cost of funding for the period. Interest expense on lease liability increased by ₱30.1 million or 37% due to higher cost attributed by renewal of various lease contracts. Nevertheless, net interest income improved by ₱1.0 billion or by 14%.

Other Income improved by 90% or ₱1.6 billion from ₱1.8 billion to ₱3.4 billion mainly from higher Trading and Securities gain, Service Fees and Commission Income, Foreign Exchange Gains, and sale of foreclosed assets.

Service Fees and Commission Income increased to ₱1.5 billion, 20% higher than the ₱1.2 billion recorded in the same period last year due to higher loan-related fees and charges.

The Group reflected higher Trading and Securities Gain amounting to ₱1.1 billion for the three months ended September 30, 2024 from the gain on sale of securities for the period compared to ₱104.7 million trading loss recorded for the same period last year.

The Group posted a net gain on foreclosure and sale on assets amounting to ₱190.7 million for the three months ended September 30, 2024, compared to ₱315.3 million gains for the same period last year.

Operating expenses, excluding Provision for Impairment and Credit Losses, increased by 25% from ₱5.0 billion to ₱6.3 billion driven mainly by manpower, higher taxes such as gross receipt tax (GRT) and documentary stamp tax (DST) from increased transaction volumes and higher expenses incurred on system maintenance and software licenses.

Compensation and Fringe Benefits amounted to ₱2.2 billion on account of higher headcount and normal annual payroll and benefit increases.

Taxes and Licenses went up by ₱179.5 million or 28% from ₱634.8 million to ₱814.3 million due to higher GRT and DST on account of increased volume from both loans and deposits, respectively.



Depreciation and Amortization expenses went up by ₱50.82 million or 11% to ₱522.5 million for the three months ended September 30, 2024, from ₱471.7 million recorded same period last year, mainly due to increased depreciation from repossessed vehicles.

Rent expense was recorded at ₱71.8 million mainly due to lower expenses on warehouse leases for storage of the auto foreclosed properties.

Miscellaneous Expenses increased by ₱746.1 million to ₱2.7 billion versus ₱1.9 billion for the same period last year due to the increase in system maintenance and software licenses, fees and commissions (cards-related) advertising and publicity.

For the three months ended September 30, 2024, the Group set aside ₱2.8 billion in Provision for Impairment and Credit Losses, ₱869.9 million higher compared to same period last year on account of loan portfolio growth.

The Bank also reported share in net income from its investment in EWAL, amounting to a net income of ₱0.3 million, higher than last year's share in net loss of ₱47.9 million.

***For the nine-month ended September 30, 2024, and September 30, 2023 (Unaudited)***

The Group registered a consolidated net income of ₱5.8 billion as of September 30, 2024, 20% or ₱951.3 million higher than the ₱4.9 billion recorded on the same period last year.

Interest income went up by ₱6.5 billion or 26%, largely attributable to higher volume of loans and receivables contributing ₱5.8 billion in interest income, mainly from Credit Cards (₱2.5 billion), Auto Loans (₱2.2 billion), and Personal Loans (₱810.5 million). Interest Income on Investments also expanded as put up by Interest Income on FVOCI and Investment Securities at Amortized Cost by ₱651.6 million, Interest Income on FVPL securities by ₱217.9 million. Meanwhile, Interest Income on deposit with banks and others declined by ₱120.4 million.

Interest expense increased from interest expense on Deposit Liabilities by ₱1.4 billion and Interest Expense on Bills and Acceptances Payable and SSURA by ₱466.4 million, both due to higher volume and higher cost of funding for the period. Interest Expense on Lease Liability increased by ₱82.0 million or 35% due to higher cost attributed by renewal of various lease contracts. Nevertheless, net interest income improved by ₱4.6 billion or by 23%.

Other Income improved by 39% or ₱2.0 billion from ₱5.1 billion to ₱7.1 billion mainly from higher Service Fees and Commission Income, Gain on sale of asset and foreclosure, Trading and Securities Gains, Foreign Exchange Gains and Trust Income.

Service Fees and Commission Income increased to ₱4.2 billion, 20% higher than the ₱3.5 billion recorded same period last year due to higher loan-related fees and charges.

The Group reflected Trading and Securities Gain amounting to ₱906.3 million for the nine months ended September 30, 2024, both from gain on sale of securities and mark to market gains for the period compared to ₱1.7 million trading gain recorded for the same period last year.

The Group posted a Gain on sale of asset and foreclosure amounting to ₱532.7 million as of September 30, 2024 compared to ₱542.8 million gains for the same period last year.

Operating Expenses, excluding provision for impairment and credit losses, increased by 23% from ₱14.6 billion to ₱17.9 billion driven mainly by manpower, rent and higher taxes such as GRT and DST from increased transaction volumes and higher expenses incurred on system maintenance and software licenses.

Compensation and Fringe Benefits amounted to ₱6.3 billion on account of higher headcount and normal annual payroll and benefit increases.

Taxes and Licenses went up by ₱505.0 million or 28% from ₱1.8 billion to ₱2.3 billion due to higher GRT and DST on account of increased volume from both loans and deposits.

Depreciation and amortization expenses went up by ₱432.0 million or 37% to ₱1.6 billion for the nine-month ended September 30, 2024 from ₱1.2 billion recorded same period last year, mainly due to increased depreciation from repossessed vehicles.

Rent expense was recorded at ₱281.2 million mainly due to lower expenses on warehouse leases for storage of the auto foreclosed properties.

Miscellaneous Expenses increased by ₱1.4 billion to ₱7.2 billion versus ₱5.8 billion for the same period last year due to the increase in business- related expenses in system maintenance and software licenses, fees and commissions (cards-related) advertising and publicity.

For the nine-month ended September 30, 2024, the Group set aside ₱7.4 billion in provision for impairment and credit losses, ₱2.5 billion higher compared to same period last year on account of loan portfolio growth.

The Bank also reported share in net income from its investment in EWAL, amounting to a net income of ₱163.1 million, higher than last year's share in net loss of ₱19.1 million.

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

There are no known demands, commitments, events or uncertainties that will have a material impact on the Group'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 Group, 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 Group with unsolicited entities or other persons created during the reporting period other than those disclosed in the financial statements.

#### **Capital Expenditures**

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

**Significant Elements of Income or Loss**

Significant elements of the consolidated net income of the Group for the three (3) month-ended and nine (9) months ended September 30, 2024, and 2023 came from its continuing operations.

**Seasonal Aspects**

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

**Other Information:**

As of September 30, 2024, the Bank has a total of 390 stores, with 212 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 38 stores in Mindanao. The total ATM network is 575, composed of 474 on-site ATMs and 101 off-site ATMs. Total headcount of the Bank is 6,685.

The Bank's subsidiaries have a total of 76 stores and 1,751 officers/staff, bringing the Group's store network total to 466 with 575 ATMs and a combined manpower complement of 8,436.

On April 19, 2024, BOD approved the declaration of cash dividend amounting to ₱1.2 billion equivalent to Php 0.54 per share and paid on May 31, 2024 to all stockholders of record as of May 17, 2024.

# EAST WEST BANKING CORPORATION AND SUBSIDIARIES

## **Interim Consolidated Financial Statements**

As of September 30, 2024 (Unaudited) and December 31, 2023 (Audited)  
and for the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>		
Cash and Other Cash Items	₱7,603,841	₱9,370,138
Due from Bangko Sentral ng Pilipinas	29,173,234	16,171,987
Due from Other Banks	2,546,286	2,469,290
Interbank Loans Receivables	3,334,997	16,441,418
Financial Assets at Fair Value Through Profit or Loss (FVPL) (Note 6)	8,713,999	4,112,322
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (Note 6)	20,939,319	18,483,960
Investment Securities at Amortized Cost (Note 6)	75,739,406	75,401,019
Loans and Receivables (Note 7)	321,341,327	296,615,470
Investment in a Joint Venture	1,178,569	993,166
Property and Equipment	7,571,794	7,164,358
Investment Properties	1,131,665	975,600
Deferred Tax Assets	4,707,933	4,098,880
Goodwill and Other Intangible Assets	6,996,183	6,943,484
Other Assets	6,053,567	4,964,230
<b>TOTAL ASSETS</b>	<b>₱497,032,120</b>	<b>₱464,205,322</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Deposit Liabilities</b>		
Demand	₱140,253,373	₱139,767,483
Savings	151,105,390	152,641,165
Time	79,196,593	64,126,014
	<b>370,555,356</b>	<b>356,534,662</b>
Lease Liability (Note 8)	6,265,967	6,073,341
Bills and Acceptances Payable	26,176,266	15,403,706
Accrued Taxes, Interest and Other Expenses	5,331,035	4,637,744
Cashier's Checks and Demand Draft Payable	791,370	984,224
Income Tax Payable	771,865	297,166
Other Liabilities	14,721,085	13,099,317
<b>TOTAL LIABILITIES</b>	<b>424,612,944</b>	<b>397,030,160</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY</b>		
Common Stock	22,499,754	22,499,754
Additional Paid-in Capital	5,065,059	5,065,059
Surplus Reserves	971,414	971,414
Surplus	45,044,599	40,447,010
Unrealized Loss on Financial Assets at FVOCI	(510,112)	(1,155,498)
Remeasurement Losses on Retirement Plans	(478,680)	(479,447)
Cumulative Translation Adjustment	(172,858)	(173,130)
<b>TOTAL EQUITY</b>	<b>72,419,176</b>	<b>67,175,162</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱497,032,120</b>	<b>₱464,205,322</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)

	September 30 (Unaudited)			
	2024	2023	2024	2023
	For the three months ended	For the three months ended	For the nine months ended	For the nine months ended
<b>INTEREST INCOME</b>				
Loans and receivables	₱9,373,574	₱7,855,442	₱27,473,578	₱21,673,448
Financial assets at fair value through other comprehensive income and investment securities at amortized cost	1,237,268	1,091,762	3,628,863	2,977,271
Financial assets at fair value through profit or loss	152,655	70,476	364,426	146,541
Due from BSP, other banks, interbank loans receivables and securities purchased under resale agreement	56,957	87,950	184,551	304,922
	<b>10,820,454</b>	<b>9,105,630</b>	<b>31,651,418</b>	<b>25,102,182</b>
<b>INTEREST EXPENSE</b>				
Deposit liabilities	1,863,202	1,307,482	5,213,468	3,841,516
Bills and acceptances payable and SSURA, bonds payable, subordinated debt and other borrowings	372,184	266,196	998,288	531,877
Lease liability	111,731	81,589	316,379	234,362
	<b>2,347,117</b>	<b>1,655,267</b>	<b>6,528,135</b>	<b>4,607,755</b>
<b>NET INTEREST INCOME</b>	<b>8,473,337</b>	<b>7,450,363</b>	<b>25,123,283</b>	<b>20,494,427</b>
Service charges, fees and commissions	1,484,519	1,232,509	4,174,532	3,492,674
Gain on sale of asset and foreclosure	190,719	315,254	532,701	542,847
Foreign exchange gain	286,682	154,751	485,068	451,832
Trust income	34,998	31,249	101,068	92,819
Trading and securities gain (loss)	1,097,710	(104,706)	906,288	1,684
Miscellaneous	323,742	174,041	889,611	500,571
<b>TOTAL OPERATING INCOME</b>	<b>11,891,707</b>	<b>9,253,461</b>	<b>32,212,551</b>	<b>25,576,854</b>
<b>OPERATING EXPENSES</b>				
Compensation and fringe benefits	2,153,495	1,867,605	6,344,910	5,355,221
Provision for impairment and credit losses	2,849,770	1,979,899	7,354,229	4,882,780
Taxes and licenses	814,260	634,792	2,322,763	1,817,724
Depreciation and amortization	522,493	471,669	1,584,330	1,152,310
Rent	71,823	98,192	281,194	269,124
Amortization of intangible assets	60,488	50,894	170,780	150,890
Miscellaneous	2,664,987	1,918,848	7,173,430	5,823,031
<b>TOTAL OPERATING EXPENSES</b>	<b>9,137,316</b>	<b>7,021,899</b>	<b>25,231,636</b>	<b>19,451,080</b>
<b>INCOME BEFORE SHARE IN NET INCOME OF JOINT VENTURE</b>	<b>2,754,391</b>	<b>2,231,562</b>	<b>6,980,915</b>	<b>6,125,774</b>
<b>SHARE IN NET INCOME (LOSS) OF JOINT VENTURE</b>	<b>267</b>	<b>(47,882)</b>	<b>163,090</b>	<b>(19,067)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>2,754,658</b>	<b>2,183,680</b>	<b>7,144,005</b>	<b>6,106,707</b>
<b>PROVISION FOR INCOME TAX</b>	<b>429,885</b>	<b>624,499</b>	<b>1,331,430</b>	<b>1,245,463</b>
<b>NET INCOME</b>	<b>₱2,324,773</b>	<b>₱1,559,181</b>	<b>₱5,812,575</b>	<b>₱4,861,244</b>
<b>ATTRIBUTABLE TO:</b>				
<b>Equity holders of the Parent Company</b>	<b>₱2,324,773</b>	<b>₱1,559,181</b>	<b>₱5,812,575</b>	<b>₱4,861,244</b>
<b>Non-controlling interest</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET INCOME</b>	<b>₱2,324,773</b>	<b>₱1,559,181</b>	<b>₱5,812,575</b>	<b>₱4,861,244</b>
Basic Earnings Per Share Attributable to Equity Holders of the Parent Company	<b>₱1.03</b>	<b>₱0.69</b>	<b>₱2.58</b>	<b>₱2.16</b>
Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	<b>₱1.03</b>	<b>₱0.69</b>	<b>₱2.58</b>	<b>₱2.16</b>

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)

	(Unaudited)			
	September 30			
	2024	2023	2024	2023
	For the three months ended	For the three months ended	For the nine months ended	For the nine months ended
<b>NET INCOME FOR THE PERIOD</b>	<b>₱2,324,773</b>	<b>₱1,559,181</b>	<b>₱5,812,575</b>	<b>₱4,861,244</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Change in Net Unrealized Gain (Loss) on debt securities at FVOCI	974,159	(520,270)	623,074	(72,838)
Change in Net Unrealized Gain on equity securities at FVOCI	16,201	–	22,312	15,090
Change in remeasurement gain of retirement liability	–	–	767	–
Cumulative translation adjustment	123,630	(78,220)	272	(24,718)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>1,113,990</b>	<b>(598,490)</b>	<b>646,425</b>	<b>(82,466)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱3,438,763</b>	<b>₱960,691</b>	<b>₱6,459,000</b>	<b>₱4,778,778</b>
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the Parent Company	₱3,438,763	₱960,691	₱6,459,000	₱4,778,778
Non-controlling interest	–	–	–	–
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱3,438,763</b>	<b>₱960,691</b>	<b>₱6,459,000</b>	<b>₱4,778,778</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 nine months ended September 30, 2024							
	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 FVOCI	Remeasurement Gains (Losses) on Retirement Plan	Cumulative Translation Adjustment	Total Equity
<b>Balances at January 1, 2024</b>	₱22,499,754	₱5,065,059	₱971,414	₱40,447,010	(₱1,155,498)	(₱479,447)	(₱173,130)	₱67,175,162
Net Income	–	–	–	5,812,575	–	–	–	5,812,575
Other Comprehensive Income	–	–	–	–	645,386	767	272	646,425
<b>Total comprehensive income (loss)</b>	–	–	–	5,812,575	645,386	767	272	6,459,000
Cash Dividend declared and paid	–	–	–	(1,214,986)	–	–	–	(1,214,986)
<b>Balances at September 30, 2024</b>	₱22,499,754	₱5,065,059	₱971,414	₱45,044,599	(₱510,112)	(₱478,680)	(₱172,858)	₱72,419,176



EAST WEST BANKING CORPORATION AND SUBSIDIARIES  
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(Amounts in Thousands of Philippines Peso)

(Unaudited)

For the nine months ended September 30, 2023

	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 FVOCI	Remeasurement Gains (Losses) on Retirement Plan	Cumulative Translation Adjustment	Total Equity
Balances at January 1, 2023	₱22,499,754	₱5,065,059	₱958,741	₱35,298,878	(₱2,139,544)	(₱437,667)	(₱210,651)	₱61,034,570
Net Income	–	–	–	4,861,244	–	–	–	4,861,244
Other Comprehensive Income	–	–	–	–	(57,748)	–	(24,718)	(82,466)
Total comprehensive income (loss)	–	–	–	4,861,244	(57,748)	–	(24,718)	4,778,778
Cash Dividend declared and paid	–	–	–	(922,489)	–	–	–	(922,489)
Balances at September 30, 2023	₱22,499,754	₱5,065,059	₱958,741	₱39,237,633	(₱2,197,292)	(₱437,667)	(₱235,369)	64,890,859

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

	(Unaudited)	
	For the nine months ended September 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	P7,144,005	P6,106,708
Adjustments for:		
Provision for credit and impairment losses	7,354,229	4,882,780
Depreciation and amortization	1,584,330	1,152,310
Gain on sale and foreclosure of assets	(532,701)	542,847
Share in net loss of joint venture	(163,090)	19,068
Amortization of intangible assets	170,780	150,890
Amortization of bond issuance cost	–	1,561
Amortization of premium / (discount) on financial assets at fair value through other comprehensive income and investment securities at amortized cost	61,069	54,207
Unrealized foreign exchange losses	(339,115)	290,715
Accretion of interest expense from lease liability	316,379	234,362
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets at fair value through profit or loss	(4,601,677)	(2,746,526)
Loans and receivables	(36,016,032)	(33,566,708)
Other assets	(1,899,026)	(855,670)
Increase (decrease) in:		
Deposit liabilities	13,183,647	7,951,425
Accrued taxes, interest and other expenses	693,291	1,028,443
Cashier's checks and demand draft payable	(192,854)	(132,730)
Other liabilities	1,622,535	(888,866)
Net cash generated from (used in) operations	(11,614,230)	(15,775,184)
Income taxes paid	(1,459,796)	(1,049,141)
Net cash provided in operating activities	(13,074,026)	(16,824,325)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale/maturity of:		
Investment properties and other repossessed assets	4,611,350	1,828,080
Proceeds from maturity of investment securities at amortized cost	2,005,333	–
Property and equipment	7,759	20,959
Financial Assets at FVOCI	7,575,950	4,538,979
Acquisitions of:		
Investment securities at amortized cost	(1,120,642)	(12,301,524)
Financial asset at FVOCI	(9,516,297)	(4,787,306)
Property and equipment	(706,257)	(285,512)
Capitalized software	(223,479)	(172,866)
Additional capital infusion in a joint venture	–	(216,000)
Net cash used in investing activities	2,633,717	(11,375,189)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bills and acceptances payable	632,879,520	135,339,893
Payment from bills and acceptances payable	(622,106,960)	(121,884,002)
Payment on lease liability	(911,739)	(760,042)
Dividends paid	(1,214,986)	(922,491)
Payment from the maturity of bonds payable	–	(3,700,000)
Net cash provided by financing activities	8,645,835	8,073,358

<b>(Unaudited)</b>		
<b>For the nine months ended September 30</b>		
	<b>2024</b>	<b>2023</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,794,474)</b>	<b>(20,126,157)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		
Cash and other cash items	9,370,138	8,713,151
Due from Bangko Sentral ng Pilipinas	16,171,987	36,114,397
Due from other banks	2,469,290	4,529,635
Interbank Loans Receivable	16,441,418	10,009,266
	<b>₱44,452,833</b>	<b>₱59,366,449</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
Cash and other cash items	7,603,841	7,031,082
Due from Bangko Sentral ng Pilipinas	29,173,234	26,104,324
Due from other banks	2,546,286	2,403,356
Interbank Loans Receivable	3,334,997	3,701,530
	<b>42,658,358</b>	<b>39,240,292</b>
<b>OPERATIONAL CASH FLOWS FROM INTEREST</b>		
Interest received	₱ 33,227,231	₱25,718,722
Interest paid	7,304,302	4,775,714
Dividend received	631	2,629

*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 September 30, 2024, 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 466 branches as of September 30, 2024, the Parent 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. Material Accounting Policy Information****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 (FVPL), financial assets at fair value through other comprehensive income (FVOCI) 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 9.

### 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 September 30, 2024 and December 31, 2023:

	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.

### Standards Issued but Not Yet Effective

Listed below are accounting standards and interpretations issued but not yet effective up to the date of issuance of the Group's consolidated financial statements. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have a significant impact on the financial statements.

#### *Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on its current practice and whether existing loan agreements may require renegotiation.

- Amendments to PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed.

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance. Early adoption of the amendments is permitted as long as this fact is disclosed.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*  
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right-of-use retained. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

#### *Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*  
PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

On December 15, 2021, the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two years after its effective date as decided by the International Accounting Standards Board (IASB).

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

#### *Deferred effectivity*

- PFRS 10, *Consolidated Financial Statements*, and PAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)*  
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors’ interests in the associate or joint venture.

On January 13, 2016, the FSRSC postponed the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

---

### 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 third quarter of 2024 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 ‘Acceptable’ 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 more than 70% secured.
  - No credit concentration in size, borrower, and industry as defined by BSP and internal risk policies.
- Market risk: Around 0.75% of the Parent Company's Qualifying Capital or a little above 3.25% 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. Meanwhile, around 1.25% of the Parent Company's Qualifying Capital or around 3.00% of the market value of the banking book fixed income positions is the potential loss in view of the potential adverse movements in interest rates.
- Interest rate risk: The potential reduction in the Group's interest income and net income arising from movements in interest rates remains compliant with the internal Earnings-at-Risk (EaR) limit. At the consolidated level of the banking book which was driven by the normalizing volatility of interest rates as of report date, the budgeted Net Interest Income and Net Income for 2024 will be reduced by a little above 1.50% and around 7.25%, respectively.

Delta Economic Value of Equity (Delta EVE), which complements EaR in measuring interest rate risk, is maintained within established limits. Delta EVE indicates that the Group's capital may decrease by 10% if adverse interest rate movements will happen, given the current balance sheet structure.

- 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 Qualifying Capital level remains strong, standing at around P61 billion 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 2023. The Group's 2023 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 FVPL and Financial assets at FVOCI.

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* - 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 is 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 September 30, 2024 and December 31, 2023 as follows:

	September 30, 2024 (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 FVPL:					
Government securities	8,696,305	₱8,696,305	8,696,305	–	–
Private bonds	7,371	7,371	7,371	–	–
Equity securities	10,323	10,323	10,323	–	–
	<b>8,713,999</b>	<b>8,713,999</b>	<b>8,713,999</b>	<b>–</b>	<b>–</b>
Derivative assets*	16,964	16,964	–	16,964	–
Financial assets at FVOCI:					
Government securities	13,834,454	13,834,454	13,834,454	–	–
Private bonds	7,089,797	7,089,797	7,089,797	–	–
Equity Securities	15,068	15,068	15,068	–	–
	<b>20,939,319</b>	<b>20,939,319</b>	<b>20,939,319</b>	<b>–</b>	<b>–</b>
	<b>29,670,282</b>	<b>29,670,282</b>	<b>29,653,318</b>	<b>16,964</b>	<b>–</b>

September 30, 2024 (Unaudited)					
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 for which fair values are disclosed</b>					
<b>Financial assets</b>					
Investment securities at amortized cost:					
Government securities	₱74,011,387	₱72,155,159	₱72,155,159	₱–	₱–
Private bonds	1,728,019	1,899,764	1,899,764	–	–
	75,739,406	74,054,923	74,054,923	–	–
Loans and receivables					
Receivable from customers:					
Corporate lending	56,709,358	59,482,079	–	–	59,482,079
Consumer lending	256,705,295	294,573,138	–	–	294,573,138
Other receivables	7,926,674	9,782,832	–	–	9,782,832
	321,341,327	363,838,049	–	–	363,838,049
Other financial assets	690,445	690,445	–	–	690,445
<b>Non-financial assets</b>					
Investment properties	1,131,665	2,767,980	–	–	2,767,980
	428,573,126	471,021,680	103,708,241	16,964	367,296,474
<b>Financial liabilities</b>					
Derivative liabilities**	18,203	18,203	–	18,203	–
<b>Liabilities for which fair values are disclosed</b>					
<b>Financial liabilities</b>					
Deposit liabilities					
Demand	140,253,373	140,253,373	–	–	140,253,373
Savings	151,105,390	151,105,390	–	–	151,105,390
Time	79,196,593	79,952,461	–	–	79,952,461
LTNCD	–	–	–	–	–
	370,555,356	371,311,224	–	–	371,311,224
Lease liability	6,265,967	7,943,781	–	–	7,943,781
Accrued Interest Payable	635,993	635,993	–	–	635,993
Other financial liabilities	12,304,433	12,304,433	–	–	12,304,433
Bills and acceptances payable and SSURA	26,176,266	26,176,266	–	–	26,176,266
	₱415,956,218	₱418,389,900	₱–	₱18,203	₱418,389,900

\*Presented under 'Other Assets'

\*\*Presented under 'Other Liabilities'

Consolidated					
December 31, 2023					
Fair Value					
	Carrying Value	Total 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>					
<b>Financial assets</b>					
Financial assets at FVPL:					
Government securities	₱4,058,236	₱4,058,236	₱1,783,636	₱2,274,600	₱–
Private bonds	43,707	43,707	43,707	–	–
Equity securities	10,379	10,379	10,379	–	–
	4,112,322	4,112,322	1,837,722	2,274,600	–
Derivative assets*	21,812	21,812	–	21,812	–
Financial assets at FVOCI:					
Government securities	11,731,842	11,731,842	10,517,695	1,214,147	–
Private bonds	6,737,050	6,737,050	6,737,050	–	–
Equity Securities	15,068	15,068	15,068	–	–
	18,483,960	18,483,960	17,269,813	1,214,147	–
	22,618,094	22,618,094	19,107,535	3,510,559	–

Consolidated					
December 31, 2023					
	Carrying Value	Fair Value			
		Total Fair Value	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed					
<u>Financial assets</u>					
Investment securities at amortized cost:					
Government securities	₱71,825,991	₱69,271,962	₱69,271,962	₱-	₱-
Private bonds	3,575,028	3,710,044	3,710,044	-	-
	75,401,019	72,982,006	72,982,006	-	-
Loans and receivables					
Receivable from customers:					
Corporate lending	57,456,170	59,896,026	-	-	59,896,026
Consumer lending	229,181,402	259,884,923	-	-	259,884,923
Other receivables	9,977,898	11,661,816	-	-	11,661,816
	296,615,470	331,442,765	-	-	331,442,765
Other financial assets*	622,041	622,041	-	-	622,041
<u>Non-financial assets</u>					
Investment properties	975,600	2,500,037	-	-	2,500,037
	₱396,232,224	₱430,164,943	₱92,089,541	₱3,510,559	₱334,564,843
<u>Financial liabilities</u>					
Derivative liabilities**	₱103,083	₱103,083	₱-	₱103,083	₱-
Liabilities for which fair values are disclosed					
<u>Financial liabilities</u>					
Deposit liabilities					
Demand	139,767,483	139,767,483	-	-	139,767,483
Savings	152,641,165	152,641,165	-	-	152,641,165
Time	64,126,014	64,452,562	-	-	64,452,562
	356,534,662	356,861,210	-	-	356,861,210
Lease liability	6,073,341	6,278,492	-	-	6,278,492
Accrued interest payable	500,421	500,421	-	-	500,421
Other financial liabilities	10,656,557	10,656,557	-	-	10,656,557
Bills and acceptances payable and SSURA	15,403,706	15,403,706	-	-	15,403,706
	₱389,271,770	₱389,803,469	₱-	₱103,083	₱389,700,386

\*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 Nine Months Ended September 30, 2024 follow (in thousands):

	Retail Banking	Corporate Banking	Consumer Banking	Treasury & Trust	Elimination Items	Total Bank-wide
<b>Statement of Income</b>						
Net Interest Income						
Third Party	₱8,174,557	₱195,555	₱13,178,063	(₱410,589)	₱3,985,699	₱25,123,283
Intersegment	-	2,100,827	-	838,500	(2,939,326)	-
	8,174,557	2,296,381	13,178,063	427,910	1,046,373	25,123,283
Non-interest Income	1,177,658	79,642	4,711,848	1,399,393	(116,181)	7,252,359
Revenue - Net of Interest						
Expense	9,352,214	2,376,023	17,889,910	1,827,303	930,191	32,375,642
Non-interest Expense	(6,769,227)	(813,387)	(15,545,785)	(811,228)	(1,292,010)	(25,231,638)
Income Before Income Tax	2,582,988	1,562,636	2,344,126	1,016,075	(361,819)	7,144,005
Provision for Income Tax	(932,333)	(390,659)	231,751	(240,381)	193	(1,331,430)
Net Income for the Period	₱1,650,654	₱1,171,977	₱2,575,876	₱775,694	(₱361,627)	₱5,812,575
<b>Statement of Financial Position</b>						
Total Assets	₱46,733,072	₱21,668,799	₱277,179,860	₱41,802,180	₱109,648,209	₱497,032,119
Total Liabilities	351,887,037	785,585	73,895,317	64,658,475	(66,613,470)	424,612,944
Other Segment Information						
Depreciation and Amortization	808,088	27,863	727,095	41,306	150,758	1,755,110
Provision for Credit and Impairment Losses	6,662	(19,466)	6,792,806	(2,814)	577,041	7,354,229

Segment information of the Group as of and for the Nine Months Ended September 30, 2023 follow (in thousands):

	Retail Banking	Corporate Banking	Consumer Banking	Treasury & Trust	Elimination Items	Total Bank-wide
<b>Statement of Income</b>						
Net Interest Income						
Third Party	₱7,351,239	₱315,447	₱10,892,666	(₱452,178)	₱2,387,254	₱20,494,428
Intersegment	-	1,696,895	-	551,147	(2,248,042)	-
	7,351,239	2,012,342	10,892,666	98,969	139,212	20,494,428
Non-interest Income	1,226,169	92,968	3,562,632	410,233	(228,642)	5,063,359
Revenue - Net of Interest						
Expense	8,577,408	2,105,310	14,455,298	509,201	(89,430)	25,557,787
Non-interest Expense	(6,123,417)	(456,663)	(11,222,051)	(539,263)	(1,109,685)	(19,451,079)
Income Before Income Tax	2,453,991	1,648,647	3,233,246	(30,062)	(1,199,115)	6,106,708
Provision for Income Tax	(825,901)	(412,162)	(235,783)	17,075	211,309	(1,245,463)
Net Income for the Period	₱1,628,090	₱1,236,486	₱2,997,463	(₱12,987)	(₱987,806)	₱4,861,245
<b>Statement of Financial Position</b>						
Total Assets	₱43,430,779	₱21,121,082	₱244,077,449	₱28,707,739	₱107,374,785	₱444,711,833
Total Liabilities	324,007,628	726,735	57,572,040	44,729,607	(47,215,037)	379,820,973
Other Segment Information						
Depreciation and Amortization	783,772	21,592	345,836	32,516	119,484	1,303,199
Provision for Credit and Impairment Losses	51,458	(25,031)	4,484,363	(19,899)	391,890	4,882,780

The 'Executive & 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>30-Sept-24</b> <b>(Unaudited)</b>	31-Dec-23 <b>(Audited)</b>
Financial assets at FVPL	<b>₱8,713,999</b>	₱4,112,322
Financial assets at FVOCI	<b>20,939,319</b>	18,483,960
Investment securities at amortized cost	<b>75,739,406</b>	75,401,019
	<b>₱105,392,724</b>	₱97,997,301

### *Financial assets at FVPL*

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

	<b>30-Sept-24</b> <b>(Unaudited)</b>	31-Dec-23 <b>(Audited)</b>
Government securities	<b>₱8,696,305</b>	₱4,058,236
Private bonds	<b>7,371</b>	43,707
Equity securities	<b>10,323</b>	10,379
	<b>₱8,713,999</b>	₱4,112,322

For the nine month ended 2024 and 2023, the yield rates range from 3.43% to 8.93% and 3.81% to 9.53% respectively.

### *Financial assets at FVOCI*

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

	<b>30-Sept-24</b> <b>(Unaudited)</b>	31-Dec-23 <b>(Audited)</b>
Government debt securities	<b>₱13,834,454</b>	₱11,731,842
Private bonds	<b>7,089,797</b>	6,737,050
Private equity securities	<b>15,068</b>	15,068
	<b>₱20,939,319</b>	₱18,483,960

For the period ending September 30, 2024 and 2023, the interest rates of financial assets at FVOCI range from 0.13% to 6.76% and 0.13% to 8.32% respectively.

*Investment securities at amortized cost*

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

	<b>30-Sept-24</b> <b>(Unaudited)</b>	31-Dec-23 <b>(Audited)</b>
Government securities	<b>₱74,021,541</b>	₱71,836,021
Private bonds	<b>1,728,651</b>	3,575,706
Carrying value, gross of allowance for impairment losses	<b>75,750,192</b>	75,411,727
Allowance for impairment losses	<b>(10,786)</b>	(10,708)
	<b>₱75,739,406</b>	₱75,401,019

Peso-denominated government bonds have effective interest rates ranging from 4.96% to 7.98% and 4.96% to 7.98% as of September 30, 2024 and 2023. Foreign currency-denominated government and private bonds have effective interest rates ranging from 4.38% to 7.76% and 2.76% to 6.66% in 2024 and 2023.

Interest Income on Trading and Investment Securities

This account consists of:

	<b>30-Sept-24</b> <b>(Unaudited)</b>	<b>30-Sept-23</b> <b>(Unaudited)</b>
Financial assets at FVPL	<b>₱364,426</b>	₱146,541
Financial assets at FVOCI	<b>782,989</b>	402,612
Investment securities at amortized cost	<b>2,845,874</b>	2,574,659
	<b>₱3,993,289</b>	₱3,123,812

Trading and Securities Gains (Losses)

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

	<b>30-Sept-24</b> <b>(Unaudited)</b>	<b>30-Sept-23</b> <b>(Unaudited)</b>
Financial assets at FVPL	<b>₱533,748</b>	(₱45,850)
Financial assets at FVOCI	<b>367,980</b>	-
US Treasury futures	<b>4,560</b>	47,534
	<b>₱906,288</b>	₱1,684

---

## 7. Loans and Receivables

Loans and receivables consist of:

	Consolidated	
	30-Sept-24 (Unaudited)	31-Dec-23 (Audited)
Receivables from customers:		
Corporate lending*	₱58,849,152	₱59,631,351
Consumer lending	257,975,367	230,373,016
	<b>316,824,519</b>	290,004,367
Unamortized premium	7,621,756	6,873,004
	<b>324,446,275</b>	296,877,371
Other receivables:		
Accrued interest receivable	4,674,350	6,189,094
Other Loans and receivable	5,004,393	5,347,179
Sales contracts receivable	104,090	125,544
	<b>9,782,833</b>	11,661,817
	<b>334,229,108</b>	308,539,188
Allowance for credit and impairment losses	(12,887,781)	(11,923,717)
	<b>₱321,341,327</b>	₱296,615,471

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

Interest income on loans and receivables consist of:

	For the Nine Months Ended September 30	
	2024 (Unaudited)	2023 (Unaudited)
Receivables from customers	₱27,473,578	₱21,673,448

---

## 8. 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.

Shown below is the Group's maturity analysis of the undiscounted lease payments as of September 30, 2024 and December 31, 2023, as required by PFRS 16:

	30-Sept-24	31-Dec-23
Within one year	₱1,344,569	₱1,190,790
After one year but not more than five years	3,812,986	3,639,853
More than five years	2,943,486	3,184,228
	<b>₱8,101,041</b>	₱8,014,871



Set out below is the Group's carrying amount of lease liabilities and the movements during the nine months ended September 30, 2024 and December 31, 2023:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Balance at beginning of the year	<b>₱6,073,341</b>	₱4,378,945
Additions/Adjustments	<b>787,986</b>	2,422,969
Payments and terminations	<b>(911,739)</b>	(1,066,269)
Accretion of interest	<b>316,379</b>	337,696
<b>Balance at end of period</b>	<b>₱6,265,967</b>	<b>₱6,073,341</b>

For the period ended September 30, 2024 and 2023, the interest expense on lease liabilities of the Group (included in 'Interest expense' in the statements of income) amounted to ₱316.38 million and ₱234.36 million, respectively. Rent expense from short-term leases and leases of low-value assets of the Group amounted to ₱281.19 million and ₱269.12 million for the nine month ended September 30, 2024 and 2023, respectively.

For the period ended September 30, 2024 and 2023, the Group's rental income amounted to ₱41.89 million, ₱38.30 million, respectively. As of September 30, 2024, and 2023, the Group has no contingent rental income.

## 9. 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:

	September 30, 2024 (Unaudited)			December 31, 2023 (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	₱7,603,841	₱–	₱7,603,841	₱9,370,138	₱–	₱9,370,138
Due from BSP	29,173,234	–	29,173,234	16,171,987	–	16,171,987
Due from other banks - gross	2,546,917	–	2,546,917	2,470,112	–	2,470,112
Interbank loans receivables and SPURA	3,334,997	–	3,334,997	16,441,418	–	16,441,418
Financial assets at FVPL	8,713,999	–	8,713,999	4,112,322	–	4,112,322
Financial assets at FVOCI	20,939,319	–	20,939,319	18,483,960	–	18,483,960
Investment securities at amortized cost - gross	250,000	76,862,332	77,112,332	1,977,816	74,880,953	76,858,769
Loans and receivables - gross	129,260,074	197,347,278	326,607,352	162,657,943	139,008,240	301,666,183
Other assets - gross	114,157	412,912	527,070	78,452	397,405	475,856
	<b>201,936,538</b>	<b>274,622,522</b>	<b>476,559,060</b>	<b>231,764,148</b>	<b>214,286,597</b>	<b>446,050,745</b>
<b>Nonfinancial assets:</b>						
Investment in a joint venture	–	1,178,569	1,178,569	–	993,166	993,166
Property and equipment – gross	–	13,520,122	13,520,122	–	12,826,743	12,826,743
Investment properties - gross	–	1,674,005	1,674,005	–	1,486,561	1,486,561
Deferred tax assets	–	4,707,933	4,707,933	–	4,098,880	4,098,880
Goodwill and other intangible assets - gross	–	9,119,633	9,119,633	–	8,896,153	8,896,153
Other assets - gross	2,376,384	3,250,662	5,627,046	1,916,598	2,739,391	4,655,989
	<b>2,376,384</b>	<b>33,450,923</b>	<b>35,827,307</b>	<b>1,916,598</b>	<b>31,040,895</b>	<b>32,957,492</b>
	<b>204,312,922</b>	<b>308,073,445</b>	<b>512,386,367</b>	<b>233,680,745</b>	<b>245,327,492</b>	<b>479,008,237</b>

	September 30, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Allowances for impairment and credit losses	(631)	(13,060,259)	(13,060,890)	(877)	(12,175,573)	(12,176,450)
Unamortized premium/discount	(1,169,779)	7,429,395	6,259,616	(1,138,655)	6,564,617	5,425,962
Accumulated depreciation and amortization	-	(8,552,973)	(8,552,973)	-	(8,052,426)	(8,052,426)
	<b>P203,142,512</b>	<b>P293,889,608</b>	<b>P497,032,119</b>	<b>P232,541,214</b>	<b>P231,664,109</b>	<b>P464,205,323</b>
<b>Financial liabilities:</b>						
Deposit liabilities	<b>P370,033,291</b>	<b>P522,065</b>	<b>P370,555,356</b>	P355,938,698	P595,963	P356,534,662
Bills and acceptances payable	26,176,266	-	26,176,266	15,403,706	-	15,403,706
Cashiers' checks and demand drafts payable	791,370	-	791,370	984,224	-	984,224
Bonds Payable	-	-	-	-	-	-
Accrued interest, taxes and other expenses	4,136,258	-	4,136,258	3,577,193	-	3,577,193
Lease liability	990,180	5,275,787	6,265,967	873,630	5,199,711	6,073,341
Other liabilities	12,281,422	41,213	12,322,636	10,723,623	36,017	10,759,640
	<b>414,408,788</b>	<b>5,839,065</b>	<b>420,247,853</b>	<b>387,501,075</b>	<b>5,831,691</b>	<b>393,332,767</b>
<b>Nonfinancial liabilities:</b>						
Income tax payable	771,865	-	771,865	297,166	-	297,166
Accrued interest, taxes and other expenses	631,161	563,616	1,194,777	542,189	518,362	1,060,551
Other liabilities	1,257,856	1,140,593	2,398,449	1,191,604	1,148,073	2,339,677
	<b>2,660,882</b>	<b>1,704,209</b>	<b>4,365,091</b>	<b>2,030,959</b>	<b>1,666,435</b>	<b>3,697,394</b>
	<b>P417,069,670</b>	<b>P7,543,274</b>	<b>P424,612,944</b>	<b>P389,532,035</b>	<b>P7,498,126</b>	<b>P397,030,161</b>

## 10. 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	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
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, 2019, 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, 2019.

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

On April 19, 2024, BOD approved the declaration of cash dividend amounting to ₱1.2 billion, equivalent to Php 0.54 per share and paid on May 31, 2024 to all stockholders of record as of May 17, 2024.

## 11. 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 people who have 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 2024 and 2023.

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 2024 and 2023.

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	September 30, 2024 (Unaudited)		Terms and Conditions/Nature
	Amount/ Volume	Outstanding Balance	
<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	–	2,920,169	Earns interest at the respective bank deposit rates
Deposits	41,859,485		
Withdrawals	42,240,512		
Accrued interest receivable	–	10,084	Interest income accrued on outstanding loans receivable
Accrued expenses	–	65,624	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	172,682	–	Interest income on loans receivable
Interest expense	38,568	–	Interest expense on deposit liabilities
<b>Key management personnel:</b>			
Loans receivable	₱–	–	Loans granted with a term of five years, interest of 9.82%, no impairment
Releases	–	–	
Collection	2,380	–	
Deposit liabilities	–	457,858	Earns interest at the respective bank deposit rates
Deposits	847,758	–	

**September 30, 2024 (Unaudited)**

Category	Amount/ Volume	Outstanding Balance	Terms and Conditions/Nature
Withdrawals	755,096	-	
Interest income	74	-	Interest income on loans receivable
Interest expense	1,535		Interest expense on deposit liabilities
<b>Other related parties:</b>			
Loans receivable		10,308,256	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	6,517,672	-	
Collection	3,640,802	-	
Receivables purchased (booked under 'Loans Receivable')	-	2,848,539	Receivables purchased by the Parent Company from FLI
Accounts receivable	-	20,346	Receivables from EW Ageas Life which represent expenses shouldered by the Parent Company
Deposit liabilities	-	15,679,597	Earns interest at the respective bank deposit rates
Deposits	162,608,621		
Withdrawals	160,967,902		
Accounts payable	-	61,597	Collection of loan insurance on behalf of EW Ageas Life that remained unremitted
Guarantees and commitments	-	7,459,711	Unused credit lines
Accrued interest receivable	-	63,800	Interest income accrued on outstanding loans receivable
Interest income	302,039		Interest income on loans receivable
Interest expense	173,737		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	170,046		Rent expenses paid for lease transactions with other related parties such as Filinvest Asia Corporation, FAI and FLI

**December 31, 2023 (Audited)**

Category	Amount/ Volume	Outstanding Balance	Terms and Conditions/Nature
<b>Significant investors:</b>			
Loans receivable	P-	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		3,301,196	Earns interest at the respective bank deposit rates
Deposits	26,414,689		
Withdrawals	25,459,540		
Accrued interest receivable	-	64,283	Interest income accrued on outstanding loans receivable
Accrued expenses	-	50,376	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	230,033		Interest income on loans receivable
Interest expense	14,628		Interest expense on deposit liabilities
<b>Key management personnel:</b>			
Loans receivable	P-	P2,381	Loans granted with a term of five years, interest of 9.82%, secured with chattel mortgage, current and not impaired
Releases	2,807	-	
Collection	426	-	
Deposit liabilities	-	365,196	Earns interest at the respective bank deposit rates
Deposits	935,194	-	
Withdrawals	903,639	-	
Interest income	255	-	Interest income on loans receivable
Interest expense	1,943	-	Interest expense on deposit liabilities

<b>December 31, 2023 (Audited)</b>			
<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Balance</b>	<b>Terms and Conditions/Nature</b>
<b>Other related parties:</b>			
Loans receivable	P-	P7,431,386	Loans granted with terms ranging from four days to thirteen and a half years, interest ranging from 5.01% to 17.07%, secured by real estate mortgage, chattel mortgage & deposit hold-out, current and not impaired
Releases	1,740,872	-	
Collection	2,948,289	-	
Receivables purchased (booked under 'Loans Receivable')	-	107,598	Receivables purchased by the Parent Company from FLI (Note 9), current and not impaired
Releases	107,598	-	
Collections	501,041	-	
Accounts receivable	-	38,376	Receivables from EW Ageas Life which represent expenses shouldered by the Parent Company
Deposit liabilities	-	14,038,878	Earns interest at the respective bank deposit rates
Deposits	206,580,187	-	
Withdrawals	208,323,109	-	
Accounts payable	-	-	Collection of loan insurance on behalf of EW Ageas Life that remained unremitted
Guarantees and commitments	-	7,323,712	Unused credit lines
Accrued interest receivable	-	67,366	Interest income accrued on outstanding loans receivable
Interest income	413,048	-	Interest income on loans receivable
Interest expense	206,496	-	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	122,537	-	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>September 30, 2024 (Unaudited)</b>			
<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Balance</b>	<b>Terms and Conditions/ Nature</b>
<b>Subsidiaries:</b>			
Receivables purchased	-	P46,819,132	Receivables purchased by the Parent Company from EWRB
Receivable sold	-	512,815	Employee loans sold by the Parent Company to EWRB
Accounts receivable	-	367,400	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	-	128,484	Receivables from subsidiaries which represent expenses shouldered by Parent Company
Deposit liabilities	-	803,619	Earns interest at the respective bank deposit rates
Deposits	130,514,628	-	
Withdrawals	130,258,443	-	
Accounts payable	-	23,799	Cash reloading transactions between EWRB and the Parent Company

Interest expense	600	-	Interest expense on deposits of EWRB and EWIB
Interest income	-	-	Interest income on loans receivable
Service fee expense	138,374	-	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	857	-	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	45,815	-	Rent of office space leased to subsidiaries

**December 31, 2023**

Category	Amount/ Volume	Outstanding Balance	Terms and Conditions/Nature
<b>Subsidiaries:</b>			
Receivables purchased	P-	P6,279,326	Receivables purchased by the Parent Company from EWRB (Note 9)
Acquisitions	44,246,601	-	
Collections	37,967,275	-	
Receivable sold	-	284,054	Employee loans sold by the Parent Company to EWRB (Note 9)
Accounts receivable	-	718,412	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	-	150,679	Receivables from subsidiaries which represent expenses shouldered by Parent Company
Deposit liabilities	-	547,434	Earns interest at the respective bank deposit rates
Deposits	131,428,220	-	
Withdrawals	131,322,036	-	
Accounts payable	-	77,591	Cash reloading transactions between EWRB and the Parent Company
Interest expense	726	-	Interest expense on deposits of EWRB and EWIB
Interest income	115	-	Interest income on loans receivable
Service fee expense	150,154	-	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	1,031	-	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)
Commission expense	-	-	Commission expense paid by the Parent Company to QMIS
Rent income	42,212	-	Rent of office space leased to subsidiaries

## 12. 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 the 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:

	2024	2023
Unused credit lines	<b>₱220,293,318</b>	₱190,658,891
Trust department accounts	<b>70,018,277</b>	61,529,662
Broker customer securities	<b>46,170,759</b>	40,840,802
Unused commercial letters of credit	<b>6,315,203</b>	3,509,978
Forward exchange sold	<b>5,944,968</b>	7,640,848
Spot exchange bought	<b>4,806,606</b>	3,978,326
Spot exchange sold	<b>3,990,373</b>	11,991,023
Forward exchange bought	<b>3,437,887</b>	4,721,303
Financial Futures Bought	<b>1,539,424</b>	–
Inward bills for collection	<b>593,757</b>	512,802
Outstanding guarantees	<b>180,427</b>	496,103
Treasurer/cashier/manager's checks	<b>177,795</b>	461,311
Outward bills for collection	<b>5,426</b>	4,398
Items held for safekeeping	<b>924</b>	934
Late deposits/payments received	<b>804</b>	8,103
Others	<b>182</b>	167

---

### 13. Financial Performance

Earnings per share amounts were computed as follows:

	(Unaudited)	
	September 30, 2024	September 30, 2023
a. Net income attributable to equity holders of the Parent Company	<b>₱5,812,575</b>	₱4,861,244
b. Weighted average number of outstanding common shares by the Parent Company	<b>2,249,975</b>	2,249,975
c. Basic and diluted EPS (a/d)	<b>₱2.58</b>	₱2.16

*\*The Bank has no potentially dilutive shares as of September 30, 2024 and 2023.*

---

### 14. Subsequent Event

There have been no events subsequent to September 30, 2024, that the Group and the Parent Company needs to report.



**EAST WEST BANKING CORPORATION**  
**CONSOLIDATED FINANCIAL RATIOS**  
(As Required by SRC Rule 68.1)

	September 30, 2024	September 30, 2023
Current ratio <sup>(1)</sup>	<b>48.7%</b>	59.2%
Solvency ratio <sup>(2)</sup>	<b>117.1%</b>	117.1%
Debt-to-equity <sup>(3)</sup>	<b>5.9</b>	5.9
Asset-to-equity <sup>(4)</sup>	<b>6.9</b>	6.9
Interest rate coverage ratio <sup>(5)</sup>	<b>109.4%</b>	132.5%
Return on Equity <sup>(6)</sup>	<b>11.1%</b>	10.3%
Return on Assets <sup>(7)</sup>	<b>1.6%</b>	1.5%
Net Interest Margin <sup>(8)</sup>	<b>8.1%</b>	7.7%
Cost-to- Income Ratio <sup>(9)</sup>	<b>55.5%</b>	57.0%
Debt Ratio <sup>(10)</sup>	<b>85.4%</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 nine months ended September 30, 2024**  
*(Amounts in thousands of Philippine Peso)*

<b>Status / Number of Days Outstanding</b>	<b>Amount</b>
Current (0-30 days)	<b>₱300,650,514</b>
90 Days or less	<b>8,011,743</b>
91-180 Days	<b>5,190,690</b>
181 Days to 1 Year	<b>2,486,899</b>
More Than 1 Year	<b>5,001,481</b>
<b>Grand Total</b>	<b>₱321,341,327</b>