

COVER SHEET

SEC Registration Number

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Company Name

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

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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
Minda L. Cayabyab	MLCayabyab@eastwestbanker.com	8575-3390	

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

To be accomplished by SEC Personnel concerned

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File Number

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Document ID

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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, 2023**
2. Commission Identification Number : **AS094-002733**
3. BIR Tax Identification Number : **003-921-057-000**
4. Exact name of issuer as specified in its charter : **EAST WEST BANKING
CORPORATION**
5. Province, country or other jurisdiction of
incorporation or organization : **PHILIPPINES**
6. Industry Classification Code : (SEC Use Only)
7. Address of issuer's principal office : **The Beaufort, 5th Avenue, Corner
23rd 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, 2023

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, 2023:

Name of Stockholder	Number of Shares Held	Percent of Total of Number of Shares Issued
Filinvest Development Corporation	900,136,017	40.0%
FDC Forex Corporation	851,517,164	37.8%
PCD Nominee Corporation*	466,854,522	20.8%

**As of September 30, 2023, none among the stockholders under the PCD Nominee Corporation holds 5% of more of the Bank's securities.*

II. Pending Legal Proceedings

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

III. Board Resolutions

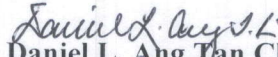
There are no material disclosures that have not been reported under SEC Form 17-C during the period covered by this report.

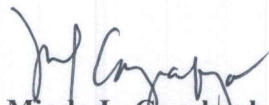
SIGNATURE

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

East West Banking Corporation
Issuer

By:


Daniel L. Ang Tan Chai
Chief Finance Officer


Minda L. Cayabyab
Financial Controller

November 14, 2023

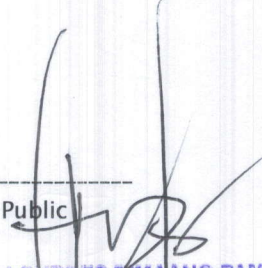
13 NOV 2023

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2023 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	PP No. P0759790B	Feb 20, 2019	DFA Manila
MINDA L. CAYABYAB	PP No. P2730616C	Dec 21, 2022	DFA Manila

DOC. NO 139
PAGE NO 21
BOOK NO 2001
SERIES 01/2023

Notary Public


ATTY. MA. ANNA LOURDES BINAANO-PAMFILO
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-124 until December 31, 2024
MCLE Compliance No. VII-0023162 valid until April 14, 2025
Office Address: 2264 Pasong Tamo Extension, Makati City
Roll No. 38260/ IBP Lifetime No. 07083
PTR No. 9563590, January 3, 2023, Makati City

EAST WEST BANKING CORPORATION
SEC FORM 17 - Q
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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

Financial Performance Highlights

As of September 30, 2023 (Unaudited) and December 31, 2022 (Audited)

The Group's consolidated total assets stood at ₱444.7 billion, higher by ₱23.3 billion or 5.5% compared with ₱421.4 billion as of December 31, 2022. The following are major changes under assets:

Cash and Other Cash Items was lower by 19.3% to ₱7.0 billion mainly due to the timing of cash requirements of the stores.

Due from BSP which represents 5.9% of total assets, decreased from ₱36.1 billion to ₱26.1 billion on the account of redeployment of excess liquidity to higher earning assets.

Due from Other Banks decreased by ₱2.1 billion from ₱4.5 billion to ₱2.4 billion due to lower nostro placements in foreign currency accounts.

Interbank Loans Receivable and Securities Purchased under Resale Agreements decreased by 63.0% from ₱10.0 billion to ₱3.7 billion.

Please refer to the interim 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 securities at amortized cost represented 22.0% and 19.5% of the Group's total assets as of September 30, 2023 and December 31, 2022, respectively, went up by ₱15.8 billion or 19.2%. The increase was due to the combined growth in the portfolios of FVPL, FVOCI and Investment Securities at Amortized cost. Investment Securities at Amortized cost went up by 20.4% or ₱13.0 billion particularly on treasury notes and government bonds. FVPL securities increased by ₱2.7 billion or 140.2% from ₱2.0 billion to ₱6.7 billion due to purchases made during the period.

Loans and Receivables, net of allowance and unearned interest and discounts, increased by 10.0%, from ₱258.1 billion to ₱283.7 billion. Loans and Receivables represented 63.8% of the Group's total consolidated assets. Consumer loans grew across all products.

Consumer loans was up by 19.3% to ₱226.6 billion driven mainly by auto loans, credit cards and salary loans. On the other hand, Corporate Banking posted a decrease of 14.3% to ₱59.0 billion.

Investments in a joint venture increased by ₱206.3 million from ₱929.0 million to ₱1.1 billion, due to additional capital infusion and the recognition of EW's share in the net income of East West Ageas Life Insurance Corporation ("EWAL"), a joint venture between EW and EWAL. As of September 30, 2023, the Bank's ownership interest in EWAL was at 50.0%.

Other assets increased by 36.0% or ₱1.3 billion from ₱3.5 billion to ₱4.7 billion mainly from prepayments in deposit insurance and system maintenance.

The Group's consolidated total liabilities were ₱379.8 billion as of September 30, 2023, higher by ₱19.4 billion or 5.4% compared with December 31, 2022 balances. Major changes in liabilities are as follows:

Deposit liabilities represented 89.0% and 91.4% of the consolidated total liabilities as of September 30, 2023 and December 31, 2022, respectively, wherein, Demand and Savings deposits accounted for 81.5% and 79.3% of the Group's total deposits, respectively. Dollar deposits growth was both due to increase in volume and foreign exchange revaluation.

Bills and acceptance payables increased by 199.0% to ₱20.2 billion mainly from the higher volume of repo borrowings to support funding of assets.

Accrued taxes, interest, and other expenses increased by 29.6% to ₱4.5 billion mainly from the accrual of manpower expenses for the year as a result of the increase in manpower.

Bonds payable pertains to 4.50% fixed-rate bonds with issue price at 100.00% face value issued on February 10, 2020. The bonds matured last February 21, 2023 with a face value of ₱3.70 billion, same with the carrying value of ₱3.70 billion reported as of December 31, 2022.

Cashier's and Manager's Checks decreased by 9.6% or ₱132.7 million from ₱1.4 billion to ₱1.3 billion from lower level of outstanding issued checks.

Income tax payable was at ₱461.4 million as of September 30, 2023 representing accrual for the current quarter which is due for remittance to BIR in the succeeding month.

Other liabilities decreased by 7.8% or ₱888.9 billion from ₱11.3 billion to ₱10.5 billion, mainly from cleared Manager's Check issued last quarter related to consumer loan releases by ₱202.6 million and VISA and Mastercard settlement by ₱274.3 million.

Total equity stood at ₱64.9 billion, ₱3.9 billion higher than December 31, 2022 level of ₱61.0 billion, attributed to the net income for the nine months ended September 30, 2023 amounting to ₱4.9 billion and improvement on fair value reserves on FVOCI by ₱57.7 million and cumulative translation adjustment by ₱24.7 million, reduced by the payment of dividends amounting to ₱922.5 million.

Eastwest Bank declared on April 24, 2023 cash dividends amounting to ₱922.5 million. This was equivalent to Php 0.41 per share and paid last May 31, 2023 to all stockholders of record as of May 12, 2023.

Discussion of Results of Operations

For the quarter ended September 30, 2023 (Unaudited) and quarter ended September 30, 2022 (Unaudited)

The Group registered a consolidated net income of ₱1.6 billion for the quarter ended September 30, 2023, higher by ₱47.9 million or 3.2% from ₱1.5 billion reported during the same period last year.

Interest income went up by ₱2.3 billion or 34.6%, largely due to the higher interest income on loans and receivables by ₱2.2 billion as a result of increased loan bookings, followed by interest income on FVOCI and investment securities at amortized cost by ₱236.1 million and interest income on FVPL by ₱17.8 million. The increase, however, was tempered by the decline in interest income on deposit with banks and others by ₱102.1 million.

Meanwhile, interest expense increased from interest expense on deposit liabilities by ₱770.1 million and interest expense on other borrowings by ₱204.1 million, both as a result of higher volume and higher cost of funding for the period. Nevertheless, net interest income improved by ₱1.4 billion or by 22.2%.

Non-interest income improved by 10.9% or ₱176.7 million from ₱1.6 billion to ₱1.8 billion mainly from higher service fees and commission income, trading securities gain and gains from sale of foreclosed assets.

Foreign exchange gain was lower by 48.7% or ₱50.7 million from ₱104.1 million to ₱154.8 million due to lower income on FX derivative transactions from decreased volume including revaluation losses on the Bank's open FX position. Meanwhile, the Group reflected (₱104.7) million in trading loss as of September 30, 2023 from mark to market losses on FVPL.

The Group posted a net gain on foreclosure and sale on assets amounting to ₱315.2 million for the period ended September 30, 2023 compared to a net gain on foreclosure and sale on assets amounting to ₱108.3 million for the period ended September 30, 2022.

Operating expenses, excluding provision for impairment and credit losses, increased by 16.4% from ₱4.3 billion to ₱5.0 billion driven mainly by IT, manpower and higher taxes such as GRT and DST from increased transaction volume.

Compensation and Fringe Benefits amounted to ₱1.9 billion on account of normal annual payroll and benefit increases to compensate for inflation.

Taxes and Licenses went up by ₱152.6 million or 31.7% from ₱482.2 million to ₱634.8 million due to higher GRT and DST on increased volume from both loans and deposits. Rent expense was recorded at ₱98.2 million. Miscellaneous Expenses increased by ₱238.1 million to ₱1.9 billion versus ₱1.7 billion during the same period last year.

For the period ended September 30, 2023, the Group set aside ₱2.0 billion in provision for impairment and credit losses, ₱542.6 million or 37.8% higher compared to last year on account of loan portfolio growth.

For the nine months ended September 30, 2023 (Unaudited) and September 30, 2022 (Unaudited)

The Group registered a consolidated net income of ₱4.9 billion for the nine months ended September 30, 2023, 60.3% or ₱1.8 billion higher than the ₱3.0 billion recorded during the same period last year.

Interest income went up by ₱6.2 billion or 33.0%, largely attributable to higher interest income on loans and receivables by ₱5.5 billion, followed by interest income on FVOCI and investment securities at amortized cost by ₱868.2 million, interest income on FVPL securities by ₱11.9 million. The increase, however, was tempered by the decline in interest income on deposit with banks and others by ₱134.0 million.

Meanwhile, interest expense increased from interest expense on deposit liabilities by ₱2.5 billion and in interest expense on other borrowings by ₱350.8 million, both as a result of higher volume and higher cost of funding for the period. Nevertheless, net interest income improved by ₱3.3 billion or by 19.5%.

Non-interest income improved by 59.1% or ₱1.9 billion from ₱3.2 billion to ₱5.1 billion mainly from higher service fees and commission income, trading securities gain and gains from sale of foreclosed assets.

Service Fees and Commission Income increased to ₱3.5 billion, 35.25% higher than the ₱2.9 billion recorded last year due to higher loan-related fees and charges.

The Group reflected ₱1.7 million in trading gains as of September 30, 2023 from mark to market gains on FVPL versus ₱479.6 trading loss recorded last year.

The Group posted a net gain on foreclosure and sale on assets amounting to ₱542.8 million for the period ended September 30, 2023 compared to a net loss on foreclosure and sale on assets amounting to ₱38.0 million for the period ended September 30, 2022.

Trust income went up to ₱92.8 million for the period ended September 30, 2023 from ₱88.1 million recorded last year, due to the growth in assets under management.

Miscellaneous income was lower by 17.1% or ₱103.1 million from ₱603.7 million to ₱500.6 million due to lower recoveries from written off assets.

Operating expenses, excluding provision for impairment and credit losses, increased by 15.8% from ₱12.6 billion to ₱14.6 billion driven mainly by IT, manpower and higher taxes such as GRT and DST from increased transaction volume.

Compensation and Fringe Benefits amounted to ₱5.4 billion on account of normal annual payroll and benefit increases to compensate for inflation.

Taxes and Licenses went up by ₱438.7 million or 31.8% from ₱1.4 billion to ₱1.8 billion due to higher GRT and DST on account of increased volume from both loans and deposits. Depreciation and amortization expenses went down by ₱491.9 million or 29.9% to ₱1.2 billion for the period ended September 30, 2023 from ₱1.6 billion recorded last year, mainly due to decreased auto ROPA depreciation. Meanwhile, amortization of software costs ended at ₱150.9 million from ₱131.7 million last year. Rent expense was recorded at ₱269.1 million. Miscellaneous Expenses increased by ₱956.2 million to ₱5.8 billion versus ₱4.9 billion during the same period last year.

For the period ended September 30, 2023, the Group set aside ₱4.9 billion in provision for impairment and credit losses, ₱2.3 billion higher compared to last year on account of loan portfolio growth.

Eastwest Bank also reported share in net income from its investment in East West Ageas Life Insurance Corporation (“EWAL”), amounting to a net income of ₱11.6 million from net loss of ₱147.5 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 Bank’s liquidity within the next twelve (12) months.

Events that will trigger direct or contingent financial obligation

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

Material off-balance sheet transactions, arrangements or obligations

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unsolicited entities or other persons created during the reporting period other than those disclosed in the financial statements.

Capital Expenditures

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

Significant Elements of Income or Loss

Significant elements of the consolidated net income of the Group for the nine (9) months ended September 30, 2023, and 2022 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, 2023, EastWest Bank has a total of 392 stores, with 213 of these stores in Metro Manila. For the rest of the country, the Bank has 100 stores in other parts of Luzon, 40 branches in Visayas, and 39 stores in Mindanao. The total ATM network is 585, composed of 475 on-site ATMs and 110 off-site ATMs. Total headcount of EastWest is 6,357.

The Bank’s subsidiaries have a total of 76 stores and 1,532 officers/staff, bringing the Group’s store network total to 468 with 585 ATMs and a combined manpower complement of 7,889

EAST WEST BANKING CORPORATION AND SUBSIDIARIES

Interim Consolidated Financial Statements

As of September 30, 2023 (Unaudited) and December 31, 2022 (Audited)
and for the nine months ended September 30, 2023 and September 30, 2022 (Unaudited)

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

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Cash and Other Cash Items	₱7,031,082	₱8,713,151
Due from Bangko Sentral ng Pilipinas	26,104,324	36,114,397
Due from Other Banks	2,403,356	4,529,635
Interbank Loans Receivables	3,701,530	10,009,266
Financial Assets at Fair Value Through Profit or Loss (FVPL) (Note 6)	4,704,836	1,958,310
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (Note 6)	16,811,082	16,746,386
Investment Securities at Amortized Cost (Note 6)	76,513,263	63,546,191
Loans and Receivables (Note 7)	283,688,582	258,089,075
Investment in a Joint Venture	1,135,310	928,977
Property and Equipment	5,999,613	5,599,958
Investment Properties	1,016,704	840,242
Deferred Tax Assets	3,934,528	3,906,672
Goodwill and Other Intangible Assets	6,918,502	6,896,471
Other Assets	4,749,121	3,492,802
TOTAL ASSETS	₱444,711,833	₱421,371,533
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit Liabilities		
Demand	₱131,070,606	₱124,767,617
Savings	144,246,776	136,126,924
Time	60,243,833	65,824,377
Long-term negotiable certificates of deposits	2,449,978	2,447,204
	338,011,193	329,166,122
Lease Liability (Note 10)	4,918,422	4,378,945
Bills and Acceptances Payable	20,217,347	6,761,456
Accrued Taxes, Interest and Other Expenses	4,507,423	3,478,980
Cashier's Checks and Demand Draft Payable	1,248,807	1,381,537
Bonds Payable (Note 8)	-	3,698,439
Income Tax Payable	461,372	126,208
Other Liabilities	10,456,410	11,345,276
TOTAL LIABILITIES	379,820,974	360,336,963
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		
Common Stock (Note 14)	22,499,754	22,499,754
Additional Paid-in Capital	5,065,059	5,065,059
Surplus Reserves	958,741	958,741
Surplus	39,237,633	35,298,878
Fair Value Reserves on Financial Assets at FVOCI	(2,197,292)	(2,139,544)
Remeasurement Losses on Retirement Plans	(437,667)	(437,667)
Cumulative Translation Adjustment	(235,369)	(210,651)
TOTAL EQUITY	64,890,859	61,034,570
TOTAL LIABILITIES AND EQUITY	₱444,711,833	₱421,371,533

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			
	2023	2022	2023	2022
	For the three months ended	For the three months ended	For the nine months ended	For the nine months ended
INTEREST INCOME				
Loans and receivables	₱7,855,442	₱5,667,296	₱21,673,448	₱16,194,707
Financial assets at fair value through other comprehensive income and investment securities at amortized cost	1,091,762	855,641	2,977,271	2,109,075
Financial assets at fair value through profit or loss	70,476	52,720	146,541	134,602
Due from BSP, other banks, interbank loans receivables and securities purchased under resale agreement	87,950	190,044	304,922	438,878
	9,105,630	6,765,701	25,102,182	18,877,262
INTEREST EXPENSE				
Deposit liabilities	1,307,482	537,430	3,841,516	1,380,835
Bills and acceptances payable and SSURA, bonds payable, subordinated debt and other borrowings	266,196	62,113	531,877	181,118
Lease liability	81,589	67,243	234,362	170,242
	1,655,267	666,786	4,607,755	1,732,195
NET INTEREST INCOME	7,450,363	6,098,915	20,494,427	17,145,067
Service charges, fees and commissions	1,232,509	1,255,985	3,492,674	2,582,317
Foreign exchange gain	154,751	104,097	451,832	437,119
Gain (loss) on sale of asset and foreclosure	315,254	108,312	542,847	(38,012)
Trust income	31,249	30,443	92,819	88,086
Trading and securities gain (loss)	(104,706)	(58,933)	1,684	(479,615)
Miscellaneous	174,041	186,446	500,571	603,707
TOTAL OPERATING INCOME	9,253,461	7,725,265	25,576,854	20,338,669
OPERATING EXPENSES				
Compensation and fringe benefits	1,867,605	1,558,245	5,355,221	4,361,813
Provision for impairment and credit losses	1,979,899	1,437,318	4,882,780	3,545,292
Taxes and licenses	634,792	482,174	1,817,724	1,379,068
Depreciation and amortization	471,669	507,486	1,152,310	1,644,241
Rent	98,192	54,209	269,124	194,465
Amortization of intangible assets	50,894	49,672	150,890	131,650
Miscellaneous	1,918,848	1,680,718	5,823,031	4,866,827
TOTAL OPERATING EXPENSES	7,021,899	5,769,822	19,451,080	16,123,356
INCOME BEFORE SHARE IN NET INCOME OF JOINT VENTURE	2,231,562	1,955,443	6,125,774	4,215,313
SHARE IN NET LOSS OF JOINT VENTURE	(47,882)	(52,542)	(19,067)	(147,531)
INCOME BEFORE INCOME TAX	2,183,680	1,902,901	6,106,707	4,067,782
PROVISION FOR INCOME TAX	624,499	391,629	1,245,463	1,035,314
NET INCOME	₱1,559,181	₱1,511,272	₱4,861,244	₱3,032,468
ATTRIBUTABLE TO:				
Equity holders of the Parent Company	₱1,559,181	₱1,511,272	₱4,861,244	₱3,032,468
Non-controlling interest	—	—	—	—
NET INCOME	₱1,559,181	₱1,511,272	₱4,861,244	₱3,032,468
Basic Earnings Per Share Attributable to Equity Holders of the Parent Company	₱0.69	₱0.67	₱2.16	₱1.35
Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	₱0.69	₱0.67	₱2.16	₱1.35

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			
	2023	2022	2023	2022
	For the three months ended	For the three months ended	For the nine months ended	For the nine months ended
NET INCOME FOR THE PERIOD	₱1,559,181	₱1,511,272	₱4,861,244	₱3,032,468
OTHER COMPREHENSIVE INCOME				
Change in fair value reserves on debt securities at FVOCI	(520,270)	(378,609)	(72,838)	(1,777,101)
Change in fair value reserves on equity securities at FVOCI	–	7,382	15,090	(22,604)
Change in remeasurement loss of retirement liability	–	1,566	–	1,566
Cumulative translation adjustment	(78,220)	(32,371)	(24,718)	4,636
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(598,490)	(402,032)	(82,466)	(1,793,503)
TOTAL COMPREHENSIVE INCOME	₱960,691	₱1,109,240	₱4,778,778	₱1,238,965
ATTRIBUTABLE TO:				
Equity holders of the Parent Company	₱960,691	₱1,109,240	₱4,778,778	₱1,238,965
Non-controlling interest	–	–	–	–
TOTAL COMPREHENSIVE INCOME	₱960,691	₱1,109,240	₱4,778,778	₱1,238,965

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							
	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	P22,499,754	P5,065,059	P958,741	P35,298,878	(P2,139,544)	(P437,667)	(P210,651)	P61,034,570
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	P22,499,754	P5,065,059	P958,741	P39,237,633	(P2,197,292)	(P437,667)	(P235,369)	64,890,859

(Unaudited)

Nine Months Ended September 30, 2022

	Equity Attributable to Equity Holders of the Parent Company							
	Common Stock	Additional Paid-in Capital	Surplus Reserves	Surplus	Net Unrealized Gain on Financial Assets at FVTOCI	Remeasurement Gains (Losses) on Retirement Plan	Cumulative Translation Adjustment	Total Equity
Balances at January 1, 2022	₱22,499,754	₱5,065,059	₱946,618	₱31,585,667	(₱138,821)	(₱211,495)	(₱397,148)	₱59,349,634
Net Income	–	–	–	3,032,468	–	–	–	3,032,468
Other Comprehensive Income	–	–	–	–	(1,799,703)	1,566	4,636	(1,793,501)
Total comprehensive income (loss)	–	–	–	3,032,468	(1,799,703)	1,566	4,636	1,238,967
Dividends declared and paid	–	–	–	(899,990)	–	–	–	(899,990)
Balances at September 30, 2022	₱22,499,754	₱5,065,059	₱946,618	₱33,718,145	(₱1,938,524)	(₱209,929)	(₱392,512)	₱59,688,611

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	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P6,106,708	P4,067,782
Adjustments for:		
Provision for credit and impairment losses	4,882,780	3,545,292
Depreciation and amortization	1,152,309	1,644,596
Loss (gain) on sale and foreclosure of assets	(82,013)	37,832
Share in net loss of joint venture	19,068	147,531
Amortization of intangible assets	150,890	131,650
Amortization of bond issuance cost	1,561	8,016
Amortization of premium on financial assets at fair value through other comprehensive income and investment securities at amortized cost	(548,724)	(1,445,346)
Accretion of lease liability	234,362	170,242
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Financial assets at fair value through profit or loss	(2,746,526)	1,503,847
Loans and receivables	(32,941,848)	(33,598,458)
Other assets	(855,538)	(1,248,996)
Increase (decrease) in:		
Deposit liabilities	8,845,071	(7,718,194)
Accrued taxes, interest and other expenses	1,028,443	593,598
Cashier's checks and demand draft payable	(132,730)	244,368
Other liabilities	(888,866)	2,209,372
Net cash generated from (used in) operations	(15,776,614)	(29,706,867)
Income taxes paid	(1,049,141)	(1,033,648)
Net cash provided in operating activities	(16,825,755)	(30,740,515)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale/maturity of:		
Financial assets at FVOCI	4,538,979	223,631,574
Investment properties and other repossessed assets	1,828,080	4,745,579
Property and equipment	9,296	12,425
Investment securities at amortized cost	–	117,421
Acquisitions of:		
Investment securities at amortized cost	(12,301,524)	(45,290,865)
Financial assets at FVOCI	(4,787,306)	(209,619,859)
Property and equipment	(273,848)	(247,137)
Capitalized software	(172,866)	(183,772)
Additional capital infusion in a joint venture	(216,000)	(575,000)
Net cash used in investing activities	(11,375,320)	(27,409,634)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bills and acceptances payable	13,455,891	4,992,264
Payment on lease liability	(760,042)	(824,679)
Payment of Subordinated Debt	–	(1,241,964)
Dividend paid	(922,491)	(899,990)
Payment from the maturity of bonds payable	(3,700,000)	4,992,264
Net cash provided by financing activities	8,074,919	2,025,631
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,126,157)	(56,124,518)

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

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

CASH AND CASH EQUIVALENTS AT END OF YEAR

Cash and other cash items	7,031,082	6,802,183
Due from Bangko Sentral ng Pilipinas	26,104,324	32,595,319
Due from other banks	2,403,356	4,288,128
Interbank Loans Receivable	3,701,530	3,592,113
	₱39,240,292	₱47,277,743

OPERATIONAL CASH FLOWS FROM INTEREST

Interest received	₱25,115,791	₱18,579,277
Interest paid	4,775,714	1,702,829
Dividend received	2,629	736

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

Through its network of 468 branches as of September 30, 2023, the Bank and its subsidiaries (the Group) provides a wide range of financial services to consumer and corporate clients which includes deposit-taking, loan and trade finance, treasury, trust services, credit cards, cash management, custodial services, insurance services and leasing and finance.

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

The accompanying financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (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 22.

Basis of Consolidation

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies. The following are the wholly-owned subsidiaries of the Parent Company as of September 30, 2023 and December 31, 2022:

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

* *Non-operational since 2017*

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

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

Adoption of New and Amended PFRS

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

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

Significant Accounting Judgement and Estimates

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

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

3. Financial Risk Management

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

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

- Credit risk: Potential risk is well within regulatory capital as gleaned from the following indicators.
 - Credit quality of portfolio remains at a composite rating of ‘Satisfactory’ for its corporate portfolio, ‘Standard’ grade for most of its consumer portfolio, and its non – tradable investment portfolio at ‘BBB’ composite rating.
 - Loan portfolio security profile is less than 50% secured given the proportion of consumer lending business. For the portfolio of products that normally require collateral, the Bank remains healthy at more than 70% secured.
 - No credit concentration in size, borrower, and industry as defined by BSP and internal risk policies.
- Market risk: Less than 0.50% of the Parent Company's Qualifying Capital or around 2.25% 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.
- 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 2023 will be reduced by around 5% and 24%, respectively.

On account of the normalizing volatility of interest rates, the Group's Change in Economic Value of Equity shows that the capital will be reduced by 9% given the Group's balance sheet structure.

Meanwhile, around 0.9% of the Parent Company's Qualifying Capital or around 2.8% of the market value of the banking book position is the potential loss in view of the potential adverse movements in interest rates.

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

The Group’s capital levels remain strong, standing at over ₱51.0 billion on a net basis and compliant with the regulatory minimum, in accordance with the supervisor’s prescriptions, as well as cover for the above approximated risk exposures. Thus, the Group’s risk management policies remain generally the same as in 2022. The Group’s 2022 audited financial statements discuss in detail its risk exposures and its related policies.

4. Fair Value Measurement

The Group has assets and liabilities in the consolidated and Parent Company statements of financial position that are measured at fair value on a recurring and non-recurring basis after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized on the statements of financial position at the end of the year. These include financial assets and liabilities at 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 and unquoted debt securities classified as loans - Fair values of loans and receivables are estimated using the discounted cash flow methodology, using the Group's current incremental lending rates for similar types of loans and receivables.

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

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

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

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

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

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

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

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

The following table provides the fair value hierarchy of the Group's consolidated assets and liabilities measured at fair value and those for which fair values are required to be disclosed as of September 30, 2023 and December 31, 2022 as follows:

	September 30, 2023 (Unaudited)				
	Carrying Value	Fair Value			
		Fair Value	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Financial assets					
Financial assets at FVPL:					
Government securities	₱4,649,779	₱4,649,779	₱4,649,779	₱–	₱–
Private bonds	44,658	44,658	44,658	–	–
Equity securities	10,398	10,398	10,398	–	–
	4,704,835	4,704,835	4,704,835	–	–
Derivative assets*	60,400	60,400	–	60,400	–
Financial assets at FVOCI:					
Government securities	10,010,090	10,010,090	10,010,090	–	–
Private bonds	6,785,924	6,785,924	6,785,924	–	–
Equity Securities	15,068	15,068	15,068	–	–
	16,811,082	16,811,082	16,811,082	–	–
	21,576,317	21,576,317	21,515,917	60,400	–

September 30, 2023 (Unaudited)					
	Carrying Value	Fair Value			
		Fair Value	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost:					
Government securities	72,859,460	72,869,707	72,869,707	–	–
Private bonds	3,653,803	3,654,495	3,654,495	–	–
	76,513,263	76,524,202	76,524,202	–	–
Loans and receivables					
Receivable from customers:					
Corporate lending	56,791,349	58,906,358	–	–	58,906,358
Consumer lending	218,351,131	244,478,534	–	–	244,478,534
Other receivables	8,546,102	10,019,548	–	–	10,019,548
	283,688,582	313,404,440	–	–	313,404,440
Other financial assets	615,903	615,903	–	–	615,903
Non-financial assets					
Investment properties	901,708	2,449,218	–	–	2,449,218
	383,295,774	414,570,080	98,040,119	60,400	316,469,561
Financial liabilities					
Derivative liabilities**	8,773	8,773	–	8,773	–
Liabilities for which fair values are disclosed					
Financial liabilities					
Deposit liabilities					
Demand	131,070,606	131,070,606	–	–	131,070,606
Savings	144,246,776	144,246,776	–	–	144,246,776
Time	60,243,833	60,404,194	–	–	60,404,194
LTNCD	2,449,978	2,603,760	–	–	2,603,760
	338,011,193	338,325,336	–	–	338,325,336
Lease liability	4,918,422	4,894,977	–	–	4,894,977
Accrued Interest Payable	4,507,424	4,507,424	–	–	4,507,424
Other financial liabilities	8,130,141	8,130,141	–	–	8,130,141
Bills and acceptances payable and SSURA	20,217,347	20,217,347	–	–	20,217,347
	₱375,793,300	₱376,083,998	₱–	₱8,773	₱376,075,225

*Presented under 'Other Assets'

**Presented under 'Other Liabilities'

December 31, 2022 (Audited)

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

*Presented under 'Other Assets'

**Presented under 'Other Liabilities'

5. Segment Reporting

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

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

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

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

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

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

	Retail Banking	Corporate Banking	Consumer Banking	Treasury & Trust	Elimination Items	Total Bankwide
Statement of Income						
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
Noninterest 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
Noninterest 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
Statement of Financial Position						
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

Segment information of the Group as of and for the Nine Months Ended September 30, 2022 follow (in thousands):

	Retail Banking	Corporate Banking	Consumer Banking	Treasury & Trust	Executive & Elimination Items	Total Bankwide
Statement of Income						
Net Interest Income						
Third Party	₱5,738,298	₱547,443	₱10,757,138	₱13,875	₱88,313	₱17,145,067
Intersegment	-	2,039	-	287,024	(289,063)	-
	5,738,298	549,482	10,757,138	300,900	(200,751)	17,145,067
Noninterest Income	1,041,160	195,590	2,103,044	30,965	(324,688)	3,046,071
Revenue - Net of Interest Expense	6,779,458	745,072	12,860,182	331,864	(525,438)	20,191,138
Noninterest Expense	(5,321,777)	(275,463)	(9,327,282)	(611,752)	(587,082)	(16,123,356)
Income Before Income Tax	1,457,681	469,609	3,532,900	(279,888)	(1,112,520)	4,067,782
Provision for Income Tax	(462,295)	(52,693)	(323,271)	79,022	(276,078)	(1,035,314)
Net Income for the Period	995,386	416,916	3,209,629	(200,866)	(1,388,598)	3,032,468
Statement of Financial Position						
Total Assets	₱42,736,821	₱21,000,460	₱208,876,346	₱44,323,388	₱88,269,359	₱405,206,374
Total Liabilities	308,624,764	723,683	58,690,934	31,569,380	(54,090,998)	345,517,763
Other Segment Information						
Depreciation and Amortization	822,704	55,507	747,978	33,132	116,571	1,775,892
Provision for Credit and Impairment Losses	192	(33,816)	3,470,461	5,823	102,632	3,545,292

*With Intersegment representing only double-counted deposits

The 'Elimination Items' includes the Group's executive office and elimination items related to the Group's segment reporting framework.

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

6. Trading and Investment Securities

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

	30-Sep-23	31-Dec-22
	(Unaudited)	(Audited)
Financial assets at FVPL	₱4,704,836	₱1,958,310
Financial assets at FVOCI	16,811,082	16,746,386
Investment securities at amortized cost	76,513,263	63,546,191
	₱98,029,181	₱82,250,887

Financial assets at FVPL

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

	30-Sep-23	31-Dec-22
	(Unaudited)	(Audited)
Government securities	₱4,649,779	₱1,903,956
Private bonds	44,658	44,011
Equity securities	10,398	10,343
	₱4,704,836	₱1,958,310

In the third quarter of 2023 and 2022, the yield rates range from 3.82% to 9.53% and 2.65% to 7.69% respectively.

Financial assets at FVOCI

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

	30-Sep-23	31-Dec-22
	(Unaudited)	(Audited)
Government debt securities	₱10,010,090	₱10,220,132
Private bonds	6,785,924	6,511,186
Private equity securities	15,068	15,068
	₱16,811,082	₱16,746,386

In the third quarter of 2023 and 2022, the interest rates of financial assets at FVOCI range from 0.13% to 8.32% and 0.13% to 6.22% respectively.

Investment securities at amortized cost

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

	30-Sep-23	31-Dec-22
	(Unaudited)	(Audited)
Government securities	72,869,707	₱59,953,107
Private bonds	3,654,495	3,604,364
Carrying value, gross of allowance for impairment losses	76,524,202	63,557,471
Allowance for impairment losses	(10,939)	(11,280)
	₱76,513,263	₱63,546,191

Peso-denominated government bonds have effective interest rates ranging from 4.96% to 7.98% in third quarter of 2023 and 2022. Foreign currency-denominated government and private bonds have effective interest rates ranging from 2.76% to 7.76% in 2023 and 2022.

Interest Income on Trading and Investment Securities

This account consists of:

	30-Sep-23	30-Sep-22
	(Unaudited)	(Unaudited)
Financial assets at FVPL	₱146,541	₱134,602
Financial assets at FVOCI	402,612	723,030
Investment securities at amortized cost	2,574,659	1,386,045
	₱3,123,812	₱2,243,677

Trading and Securities Gains (Losses)

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

	30-Sep-23	30-Sep-22
	(Unaudited)	(Unaudited)
Financial assets at FVPL	(₱45,850)	(₱401,523)
Financial assets at FVOCI	-	(98,726)
US Treasury futures	47,534	20,634
	₱1,684	(₱479,615)

7. Loans and Receivables

Loans and receivables consist of:

	Consolidated	
	30-Sep-23	31-Dec-22
	(Unaudited)	(Audited)
Receivables from customers:		
Corporate lending*	₱58,995,971	₱68,800,510
Consumer lending	220,507,466	185,926,197
	279,503,437	254,726,707
Unamortized premium	6,097,905	4,005,507
	285,601,342	258,732,214
Other receivables:		
Accrued interest receivable	5,606,736	6,902,278
Other Loans and receivable	4,291,595	4,558,732
Sales contracts receivable	121,217	126,401
	10,019,548	11,587,411
	295,620,890	270,319,625
Allowance for credit and impairment losses	(11,932,307)	(12,230,550)
	₱283,688,583	₱258,089,075

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

Interest income on loans and receivables consist of:

	For the Nine Months Ended September 30	
	2023	2022
	(Unaudited)	(Unaudited)
Receivables from customers	₱21,673,448	₱6,447,081

8. Bonds Payable

This account consists of bonds payable that matured last February 21, 2023 with a face value of ₱3.70 billion and carrying value of ₱3.70 billion as of December 31, 2022 and nil as of September 30, 2023.

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

As of September 30, 2023, and December 31, 2022, bonds issuance cost amounted to nil and ₱1.56 million, respectively.

The Group recognized interest expense on bonds payable amounting to ₱23.29 million and ₱83.80 million for the period ended September 30, 2023 and 2022, respectively.

9. 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, 2023 and December 31, 2022, as required by PFRS 16:

	30-September-23	31-Dec-22
Within one year	₱1,053,088	₱976,317
After one year but not more than five years	3,003,480	2,691,738
More than five years	2,363,271	1,994,072
	₱6,419,838	₱5,662,127

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

Balance at beginning of the year	₱4,378,945
Additions/Adjustments	1,065,157
Payments and terminations	(760,042)
Accretion of interest	234,362
Balance at end of period	₱4,918,422

In the third quarter of 2023 and 2022, the interest expense on lease liabilities of the Group (included in 'Interest expense' in the statements of income) amounted to ₱234.36 million and ₱170.24 million, respectively. Rent expense from short-term leases and leases of low-value assets of the Group amounted to ₱269.12 million and ₱194.46 million for the period ended September 30, 2023 and 2022, respectively.

In the third quarter of 2023 and 2022, the Group's rental income amounted to ₱38.30 million, ₱36.70 million, respectively. As of September 30, 2023, and 2022, the Group has no contingent rental income.

10. 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, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
Financial assets:						
Cash and other cash items	₱7,031,082	₱-	₱7,031,082	₱8,713,151	₱-	₱8,713,151
Due from BSP	26,104,324	-	26,104,324	36,114,397	-	36,114,397

	September 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
	Due from other banks - gross	2,404,044	–	2,404,044	4,530,832	–
Interbank loans receivables and SPURA	3,701,530	–	3,701,530	10,009,266	–	10,009,266
Financial assets at FVPL	4,704,836	–	4,704,836	1,958,310	–	1,958,310
Financial assets at FVOCI	16,811,082	–	16,811,082	16,746,386	–	16,746,386
Investment securities at amortized cost - gross	2,026,698	75,990,248	78,016,946	–	66,022,053	66,022,053
Loans and receivables - gross	155,239,771	134,283,214	289,522,985	110,850,787	155,463,331	266,314,118
Other assets - gross	133,454	384,835	528,667	63,663	354,275	417,938
	218,156,820	210,668,676	428,825,496	188,986,792	221,839,659	410,826,451
Nonfinancial assets:						
Investment in a joint venture	–	1,135,310	1,135,310	–	928,977	928,977
Property and equipment – gross	–	11,508,450	11,508,450	–	10,805,737	10,805,737
Investment properties - gross	–	1,489,215	1,489,215	–	1,334,657	1,334,657
Deferred tax assets	–	3,934,528	3,934,528	–	3,906,672	3,906,672
Goodwill and other intangible assets - gross	–	8,822,413	8,822,413	–	8,651,723	8,651,723
Other assets - gross	2,071,785	2,334,740	4,406,525	1,699,621	1,499,024	3,198,645
	2,071,785	29,224,656	31,296,441	1,699,621	27,126,790	28,826,411
	220,228,605	239,893,332	460,121,937	190,686,413	248,966,449	439,652,862

	September 30, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Less than 12 months	Over 12 months	Total	Less than 12 months	Over 12 months	Total
	Allowances for impairment and credit losses	(631)	(12,158,087)	(12,158,718)	(1,197)	(12,436,156)
Unamortized premium/discount	(1,143,693)	5,748,853	4,605,160	(1,032,114)	2,573,039	1,540,925
Accumulated depreciation and amortization	–	(7,856,547)	(7,856,547)	–	(7,384,901)	(7,384,901)
	₱219,084,282	₱225,627,551	₱444,711,833	₱175,766,902	₱245,604,631	₱421,371,533
Financial liabilities:						
Deposit liabilities	₱334,920,071	₱3,091,121	₱338,011,192	₱326,098,650	₱3,067,472	₱329,166,122
Bills and acceptances payable	20,217,347	–	20,217,347	6,761,456	–	6,761,456
Cashiers' checks and demand drafts payable	1,248,807	–	1,248,807	1,381,537	–	1,381,537
Bonds Payable	–	–	–	3,698,439	–	3,698,439
Accrued interest, taxes and other expenses	3,497,925	–	3,497,925	2,645,107	–	2,645,107
Lease liability	78,007	4,840,415	4,918,422	784,016	3,594,929	4,378,945
Other liabilities	8,113,509	26,046	8,139,555	8,785,747	18,181	8,803,928
	368,075,667	7,957,582	376,033,249	350,154,952	6,680,582	356,835,534
Nonfinancial liabilities:						
Income tax payable	461,372	–	461,372	126,208	–	126,208
Accrued interest, taxes and other expenses	489,997	519,501	1,009,498	383,323	450,549	833,872
Other liabilities	1,172,668	1,144,186	2,316,855	1,304,888	1,236,461	2,541,349
	2,124,038	1,663,687	3,787,725	1,814,419	1,687,010	3,501,429
	₱370,199,704	₱9,621,269	₱379,820,973	₱351,969,371	₱8,367,592	₱360,336,963

11. 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, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Authorized:				
Common stock – 10.00 par value	4,500,000,000	4,500,000,000		
Preferred stock – 10.00 par value	500,000,000	500,000,000		
Common stock issued and outstanding:				
Balance at the beginning of the year	2,249,975,411	2,249,975,411	₱22,499,754	₱22,499,754
Issuance of stock dividends	-	-	-	-
Balance at year end	2,249,975,411	2,249,975,411	₱22,499,754	₱22,499,754

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

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

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

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

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

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

Eastwest Bank declared and paid cash dividends amounting to ₱922.5 million. This is equivalent to Php 0.41 per share, declared on April 24, 2023 and paid last May 31, 2023 to all stockholders of record as of May 12, 2022.

12. Related Party Transactions

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

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

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

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

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

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

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

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

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

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

Category	September 30, 2023 (Unaudited)		
	Amount/ Volume	Outstanding Balance	Terms and Conditions/Nature
Significant investors:			
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	–	3,293,959	Earns interest at the respective bank deposit rates
Deposits	13,088,053		
Withdrawals	12,140,141		
Accrued interest receivable	–	6,302	Interest income accrued on outstanding loans receivable
Accrued expenses	–	46,257	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	172,525	–	Interest income on loans receivable
Interest expense	58,237	–	Interest expense on deposit liabilities

September 30, 2023 (Unaudited)

Category	Amount/ Volume	Outstanding Balance	Terms and Conditions/Nature
Key management personnel:			
Loans receivable	P-	2,500	Loans granted with a term of five years, interest of 9.82%, no impairment
Releases	2,807	-	
Collection	306	-	
Deposit liabilities	-	341,285	Earns interest at the respective bank deposit rates
Deposits	1,541,692	-	
Withdrawals	1,521,246	-	
Interest income	196	-	Interest income on loans receivable
Interest expense	1,282	-	Interest expense on deposit liabilities
Other related parties:			
Loans receivable		7,671,846	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	1,112,588	-	
Collection	2,079,544	-	
Receivables purchased (booked under 'Loans Receivable')	-	120,996	Receivables purchased by the Parent Company from FLI
Accounts receivable	-	16,553	Receivables from EW Ageas Life which represent expenses shouldered by the Parent Company
Deposit liabilities	-	4,916,994	Earns interest at the respective bank deposit rates
Deposits	103,862,767		
Withdrawals	103,959,269		
Accounts payable	-	66,437	Collection of loan insurance on behalf of EW Ageas Life that remained unremitted
Guarantees and commitments	-	7,550,760	Unused credit lines
Accrued interest receivable	-	69,146	Interest income accrued on outstanding loans receivable
Interest income	969,874		Interest income on loans receivable
Interest expense	10,222,930		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	263,659		Rent expenses paid for lease transactions with other related parties such as Filinvest Asia Corporation, FAI and FLI

December 31, 2022 (Audited)

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

(Forward)

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

Parent Company Related Party Transactions

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

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

September 30, 2023 (Unaudited)			
Category	Amount/ Volume	Outstanding Balance	Terms and Conditions/ Nature
Subsidiaries:			
Receivables purchased	-	P41,929,301	Receivables purchased by the Parent Company from EWRB
Receivable sold	-	454,666	Employee loans sold by the Parent Company to EWRB

Accounts receivable	–	775,799	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	–	255,473	Receivables from subsidiaries which represent expenses shouldered by Parent Company
Deposit liabilities	–	488,343	Earns interest at the respective bank deposit rates
Deposits	87,249,757	–	
Withdrawals	87,202,664	–	
Accounts payable	–	66,389	Cash reloading transactions between EWRB and the Parent Company
Interest expense	814	–	Interest expense on deposits of EWRB and EWIB
Interest income	115	–	Interest income on loans receivable
Service fee expense	112,825	–	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	780	–	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	38,302	–	Rent of office space leased to subsidiaries

December 31, 2022 (Audited)

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

(Forward)

Commission expense		Commission expense paid by the Parent Company to QMIS
Rent income	41,153	Rent of office space leased to subsidiaries

13. Commitments and Contingent Liabilities

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

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

Commitments and Contingencies

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

	2023	2022
Unused credit line - credit cards	₱100,037,474	87,017,830
Trust department accounts (Note 29)	57,549,240	54,847,571
Broker Customer Securities Account	39,316,624	₱35,656,872
Spot exchange sold	11,014,360	3,191,513
Forward exchange sold	5,316,602	15,992,647
Spot exchange bought	4,062,338	5,073,242
Forward exchange bought	3,769,772	5,330,677
Unused commercial letters of credit	3,673,365	4,272,201
Outstanding guarantees	1,471,203	382,193
Inward bills for collection	551,477	5,134,126
Treasurer/cashier/manager's checks	308,115	197,252
Outward bills for collection	9,347	12,495
Late deposits/payments received	933	347
Items held for safekeeping	852	967
Others	168	96

14. Financial Performance

Earnings per share amounts were computed as follows:

	(Unaudited)	
	September 30, 2023	September 30, 2022
a. Net income attributable to equity holders of the Parent Company	₱4,861,244	₱3,032,468
b. Weighted average number of outstanding common shares by the Parent Company, including effect of stock dividends issued in 2018	2,249,975	2,249,975
c. Basic and diluted EPS (a/d)	₱2.16	₱1.35

**The Bank has no potentially dilutive shares as of September 30, 2023 and 2022.*

15. Subsequent Event

There have been no events subsequent to September 30, 2023 that the Group and the Parent Company need to report.

EAST WEST BANKING CORPORATION
CONSOLIDATED FINANCIAL RATIOS

(As Required by SRC Rule 68.1)

	September 30, 2023	September 30, 2022
Current ratio ⁽¹⁾	59.2%	59.8%
Solvency ratio ⁽²⁾	117.1%	117.3%
Debt-to-equity ⁽³⁾	5.9	5.8
Asset-to-equity ⁽⁴⁾	6.9	6.8
Interest rate coverage ratio ⁽⁵⁾	132.5%	234.8%
Return on Equity ⁽⁶⁾	10.3%	6.8%
Return on Assets ⁽⁷⁾	1.5%	1.0%
Net Interest Margin ⁽⁸⁾	7.7%	7.1%
Cost-to- Income Ratio ⁽⁹⁾	58.4%	61.8%
Debt Ratio ⁽¹⁰⁾	85.3%	85.3%

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, 2023
(Amounts in thousands of Philippine Peso)

Status / Number of Days Outstanding	Amount
Current (0-30 days)	₱248,061,888
90 Days or less	22,634,919
91-180 Days	4,937,419
181 Days to 1 Year	2,494,771
More Than 1 Year	5,559,585
Grand Total	₱283,688,582