

COVER SHEET

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S.E.C. Registration Number

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

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(Company's Full Name)

T H E B E A U F O R T , 5 T H A V E N U E C O R .

2 3 R D S 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

(Business Address: No. Street City / Town / Province)

ATTY. BENEDICTO M. VALERIO, JR

Contact Person

8575-3805

Company Telephone Number

[Month]

Month

[Day]

Day

SEC Form 17-C

FORM TYPE

[Month]

Month Day

S

Secondary License Type, if Available

M S R D

Dept. Requiring this Doc.

Amended Articles Number/Section

[Total No. of Stockholders]

Total No. of Stockholders

Total Amount of Borrowings

[Domestic]

Domestic

[Foreign]

Foreign

To be accomplished by SEC Personnel concerned

[File Number]

File Number

LCU

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Document I.D.

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **August 15, 2022**

Date of Report (Date of earliest event reported)

2. SEC Identification Number: **ASO94-002733** 3. BIR Tax Identification No. 003-921-057

4. **EAST WEST BANKING CORPORATION**

Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines**

Province, country, or other jurisdiction of
incorporation

6. (SEC Use Only)

Industry Classification Code:

7. **The Beaufort, 5th Avenue corner 23rd Sts., Bonifacio Global City, Taguig 1634**

Address of principal office

Postal Code

8. **(632) 8575-3888**

Issuer's telephone number, including area code

9. **N/A**

(Former name or **former address**, if changed since last report)

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

Title of Each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

Common

2,249,975,411

11. Indicate the item numbers reported herein: **Item no .9 Other Events**

Please find attached the Bank's Press Release entitled "EastWest 2Q 2022
income doubles"

We trust you will note accordingly. Thank you.

SIGNATURES

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 hereunto duly authorized.

EAST WEST BANKING CORPORATION
(Issuer)

August 15, 2022
(Date)



ATTY. BENEDICTO M. VALERIO, JR.
Corporate Secretary
(Signature and Title)

EastWest 2Q 2022 income doubles

Gotianun-led EastWest Bank (EW) booked a net income of ₱1.0 billion for the second quarter (Q2) of 2022, almost double the first quarter's (Q1) ₱507.6 million due to the increase in loans and fixed-income securities portfolio.

Year-to-date (YTD) net income was at ₱1.5 billion, ₱2.3 billion lower than the ₱3.8 billion in the same period last year mainly due to the drop in fixed-income trading revenues. Return on equity (ROE) was at 5.2%. Total assets ended at ₱415.0 billion, 4% higher than last year.

Core revenues, which exclude the volatile trading income, were 5% lower at ₱12.7 billion than 2021's ₱13.4 billion Year-on-Year (YoY) mainly due to lower average loan volumes. On a Quarter-on-Quarter (QoQ) basis, though, core revenues improved by ₱629.9 million or 10% to ₱6.7 billion as loans started to increase.

The ₱1.7 billion drop in fixed income trading was due to the global rise in interest rates as monetary authorities ramped up efforts to contain inflation. The change was also magnified as the previous year's ₱1.3 billion trading gains were higher than usual, while Q1 2022 was a loss of ₱420.7 million from the normal positive numbers.

The Bank's fixed income investments or 'Hold-to-Collect' (HTC) increased by ₱14.2 billion in Q2 from Q1's ₱28.9 billion as it normalized its HTC portfolio. YoY increase was more than 5x to ₱43.1 billion. This should continue to grow as the Bank still holds substantial liquidity in money markets or very short-term investments. Total loans also increased by ₱8.6 billion QoQ, the first full quarter growth since the pandemic. Previously, loan run-offs were higher than loan bookings. These increases explain the ₱626.1 million or 12% increase in net interest income in Q2 vs Q1. YoY, NII is still lower by ₱447.0 million, though an improvement from the YoY drop of ₱700.8 million in the first three months of 2022 vs. the same period in 2021.

Fees and other income, meanwhile, were lower by ₱289.6 million or 15% YoY to ₱1.7 billion due to lower loan levels and consequent lower loan-related fees.

On the other hand, operating expenses declined by ₱157.0 million or 2% to ₱8.2 billion. Provisions for losses were higher by ₱679.2 million, or 48% to ₱2.1 billion. The previous year's provisions turned up underestimated, eventually making a catch-up necessary in the 3rd and 4th quarters. The Bank believes the current levels of provisions are adequate as it shakes off the residual adverse impact of the pandemic.

"Given current trends and Q2 results, for 2022, We now expect total revenues, excluding trading, at ₱26 billion from the ₱25 billion guidance in Q1. However, with the uncertain trading income, we still expect net income at around ₱4.0 billion. By the 4th quarter, EW quarterly income, ex-trading, should have recovered pre-pandemic levels and trend towards ₱1.25 billion, or ₱5.0 billion on an annualized basis." EW President, Jackie Fernandez said.

Meanwhile, EastWest Bank's consumer loans, which account for 74% or ₱168.0 billion of the Bank's total loan portfolio has slowed its decline to 1% from last year, as the Bank's efforts to regain loan growth start to show. Salary loans and credit cards', 25% and 22% of consumer loans respectively, bannered the recovery. While Auto loan bookings have registered a good bump of almost 3x from the previous year, run-offs remain bigger in the first half of 2022. In June, the trend had reversed, and auto loans should see some growth in the second half. The auto industry continues to have supply issues due to the car manufacturers' computer chips issue.

Deposits, on the other hand, increased by ₱17.9 billion or 6% to ₱335.7 billion, with low-cost CASA increasing by 11% to ₱254.7 billion, while time deposits declined by 8% to ₱81.0 billion. As a result, CASA ratio improved to 76%, from the previous year's 72%. This industry trend, however, could reverse as monetary policy moves toward tightening. With the resulting higher interest rates, the opportunity cost to depositors of keeping their money in CASA vs. placing it in time deposits increases.

EW's capital ratios improved to 14.8% and 13.6% for Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) ratio, respectively. These are well above regulatory standards and already consider the declaration of cash dividends last May 2022, amounting to ₱900.0 million, and the loan growth this year. The Bank aims to maintain a CET1 ratio of 12 to 13 percent, which it deems appropriate given its business model.

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