



1H 2019 Analysts' Briefing



EastWest's Three-Phase Journey



■ ■ ■ Total Assets (Php Bn)

⌈ ⌋ No of Stores

Phase 1
2011: Acquired Green Bank (A Rural Bank)
2009: Acquired AIG Philam Savings Bank, Philam Auto Finance and Leasing and PFL Holdings

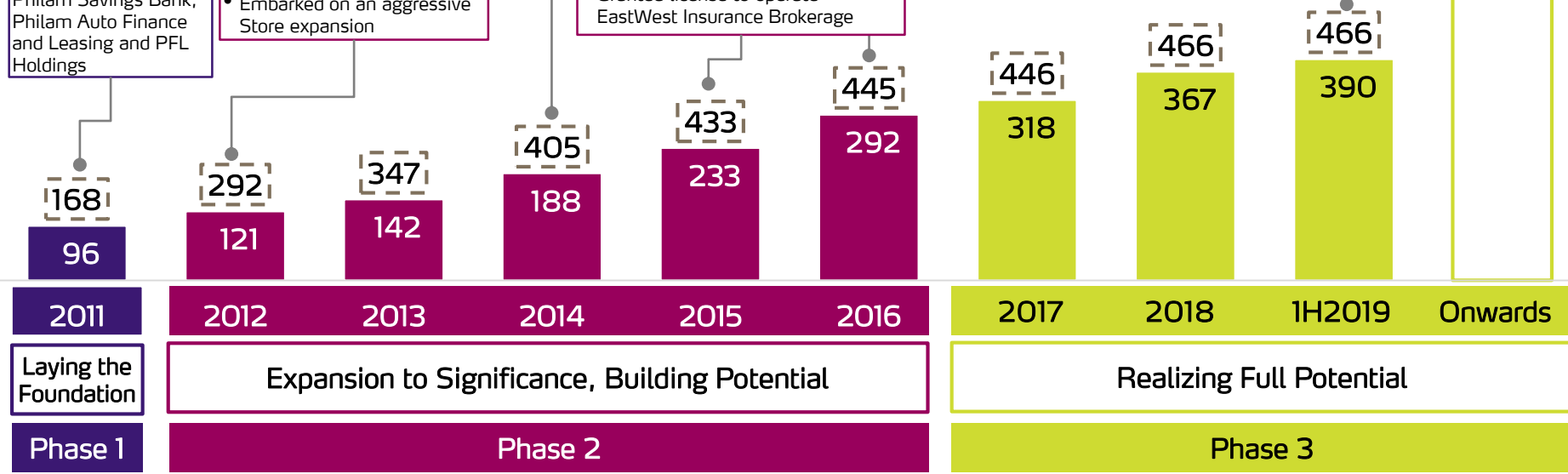
2012
 • IPO on the Philippine Stock Exchange
 • Acquired Finman Rural Bank
 • Embarked on an aggressive Store expansion

2015
 • Raised P8bn through SRO
 • Entered into a bancassurance JV with Ageas Life
 • Granted license to operate EastWest Insurance Brokerage

2014
 • Received Certificate of Registration of Underwriting License from SEC
 • Upgraded core banking system to Temenos
 • Exceeded the committed 350 branch network target

2016
 • Acquired the credit cards, personal loans, wealth management and retail deposits business of Standard Chartered Bank in the Philippines

2019
 • Purchased PBCOM's dealer generated auto loan portfolio



Laying the Foundation

Expansion to Significance, Building Potential

Realizing Full Potential

Phase 1

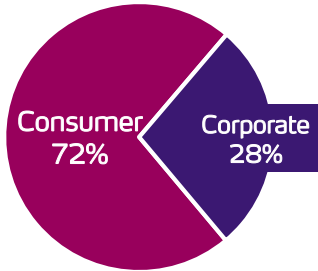
Phase 2

Phase 3

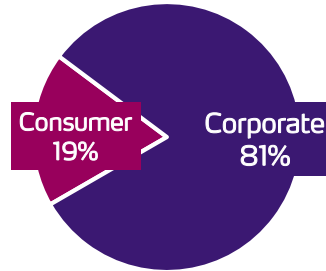
Most Consumer-Focused Bank



EW Loan Mix

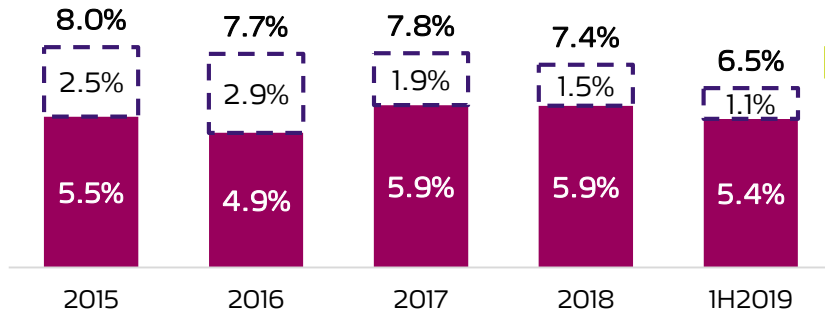


Industry Loan Mix



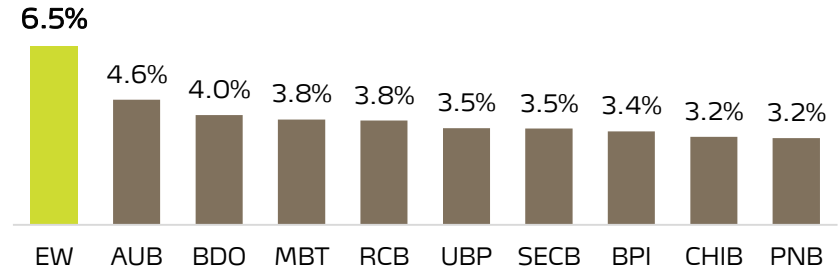
- Higher yielding
- Consequently, higher expected loss
- Mostly fixed term in nature

■ NIM net of Provisions ■ Provision Cost



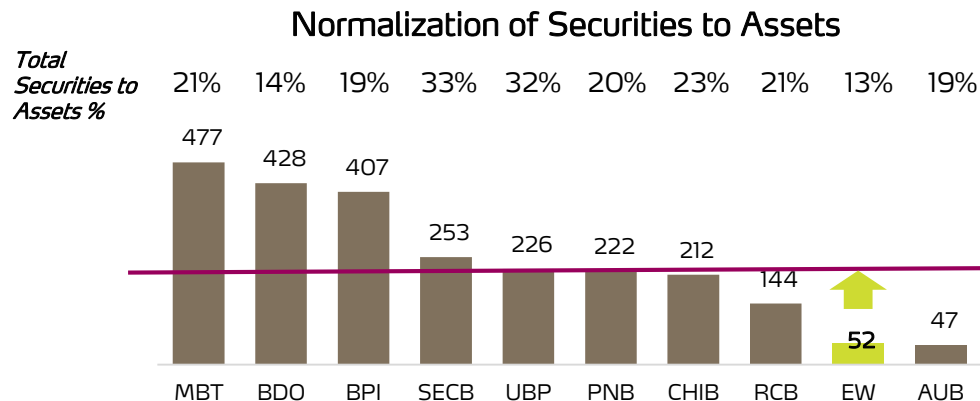
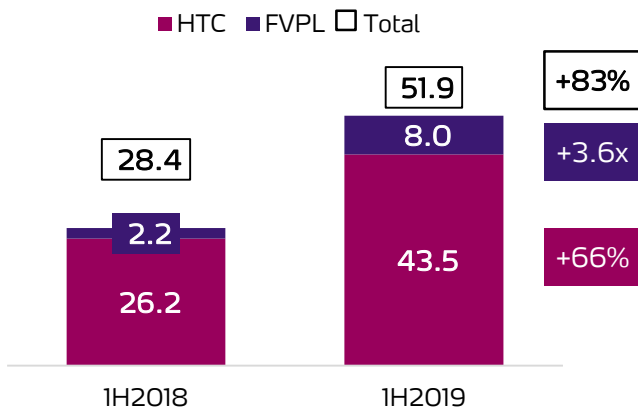
NIM vs. Peers

Median = 3.7%

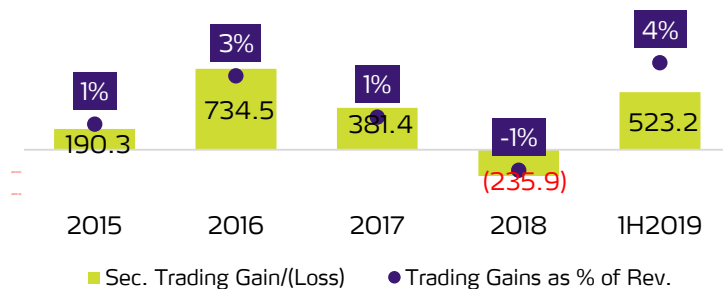


* Net Int. Income less Total Provisions over Int. Earning Assets

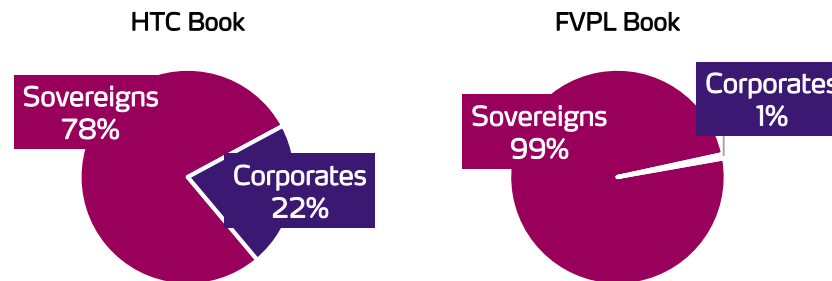
Investment Securities Strategy



Low reliance on trading revenues

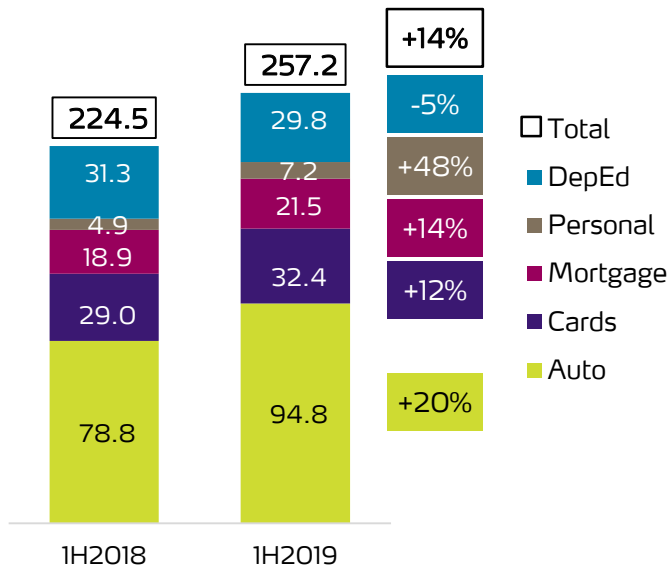


Mostly Sovereigns

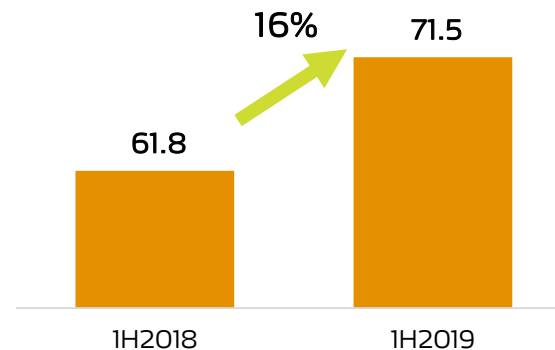


Loan Growth Remains Strong

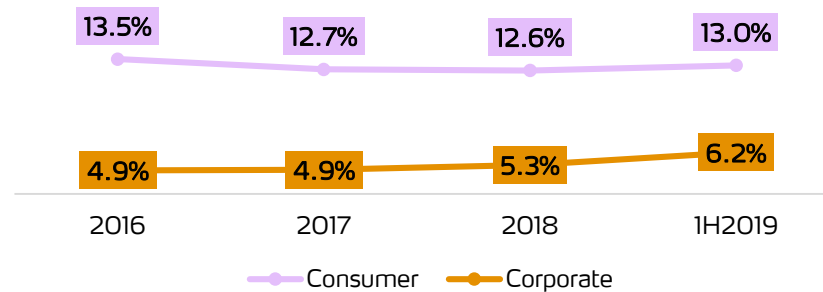
Total Consumer Loans



Corporate Loans



Yields broadly steady

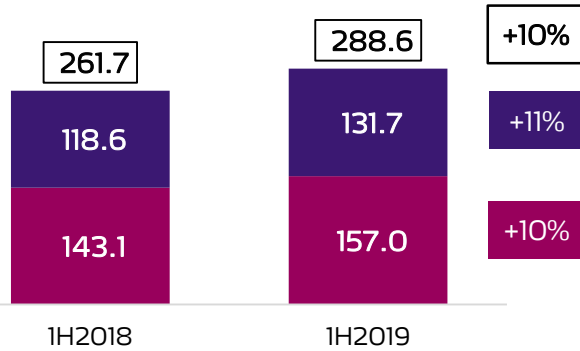


Evolution of Deposit Franchise

not without humps



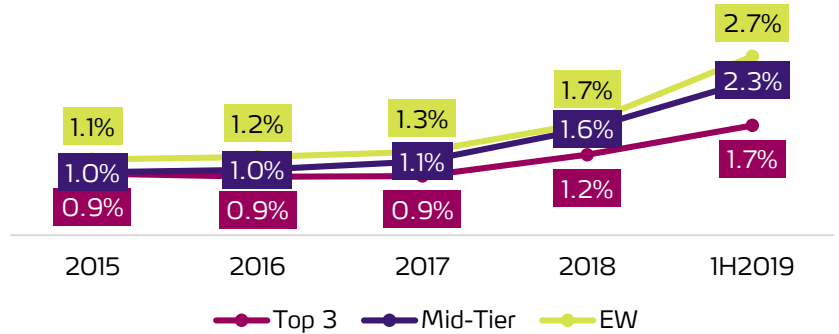
■ CASA ■ Term Deposits □ Total



□ Increase in Deposit cost resulted from tight liquidity

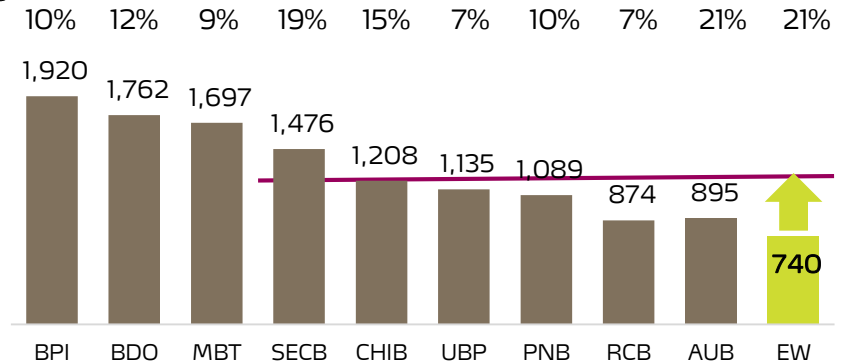
□ Improving deposit profile despite slow growth

Deposit cost trend



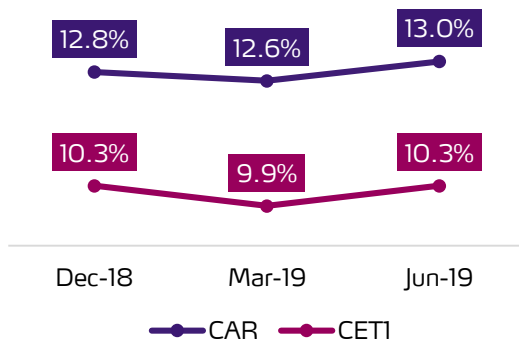
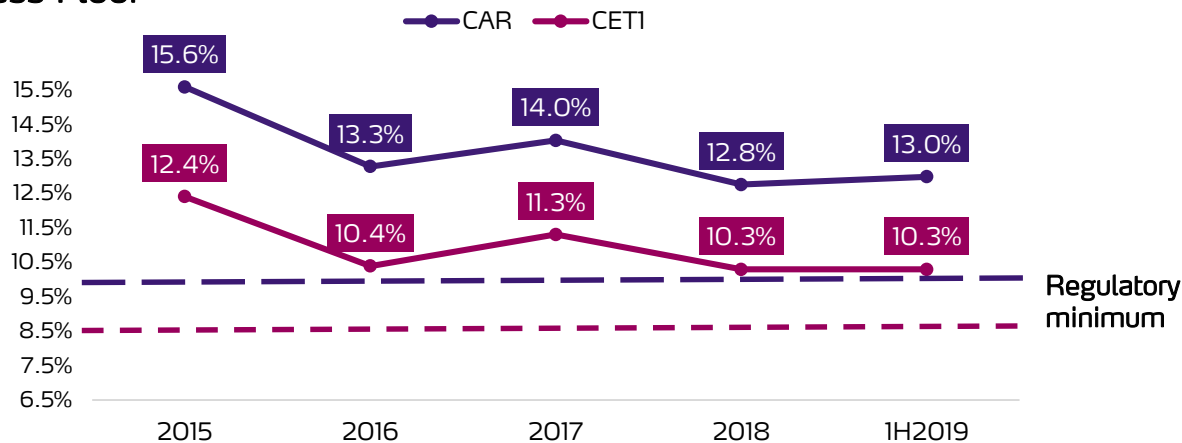
Deposit per Store

2013 - 2018
Deposits
CAGR



Sufficient Capital

Far from the Glass Floor



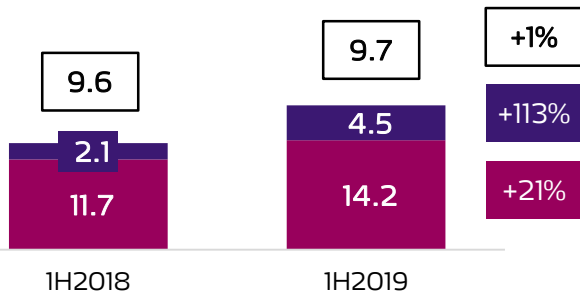
1Q2019 trend in capital ratios due to one-offs:

- ❑ PFRS16 Lease Accounting
- ❑ Additional infusion to Bancassurance JV
- ❑ Operational Risk Assets' calculation for the year

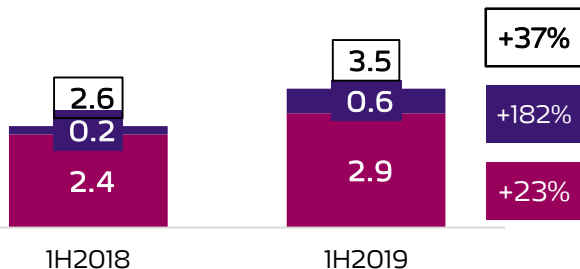
Revenues

Ripe for current market conditions

■ Int. Income ■ Int. Expense □ Net Int. Income

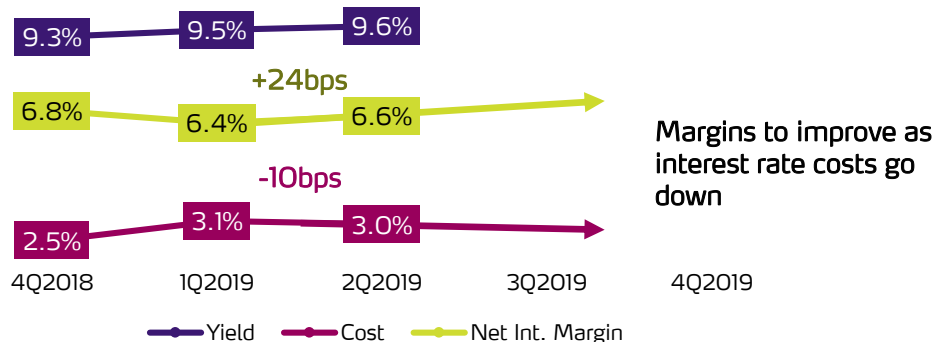


Non-Interest Income



■ Fees & Other Income ■ Trading & FX Gains
□ Total Non Int. Income

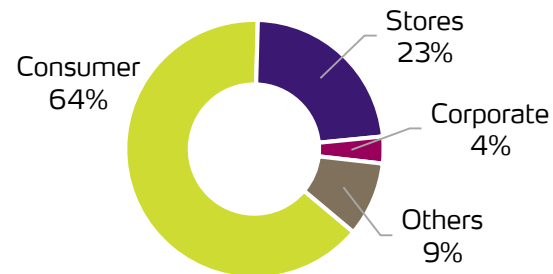
For The Quarter NIM Breakdown



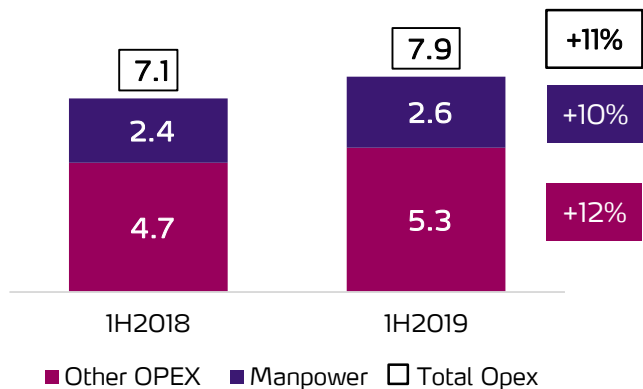
Margins to improve as interest rate costs go down

- Better trading and FX gains
- Resumption of teachers' lending program

SC, Fees & Comms. Breakdown



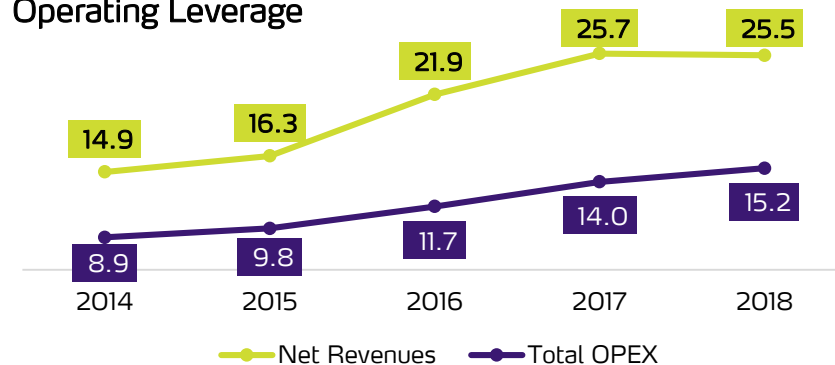
Stable Operating Expenses



	1H2018	1H2019	YoY
Total Headcount	7,253	7,323	70
Staff	4,297	4,235	-62
Officers	2,956	3,088	132

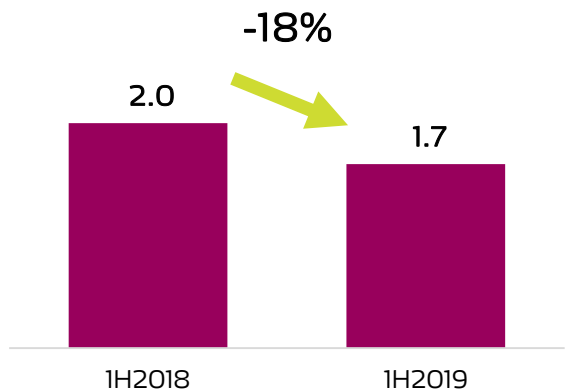
- Manpower expenses mainly on annual escalation of wages
- Other OPEX driven by
 - customer acquisition costs
 - Increased transactions and volume
 - Other non-controllables (PDIC, DST, GRT)

Operating Leverage

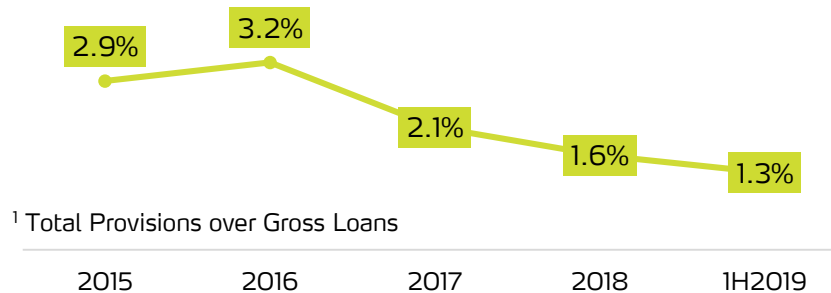


Provisions Improving

Total Provisions

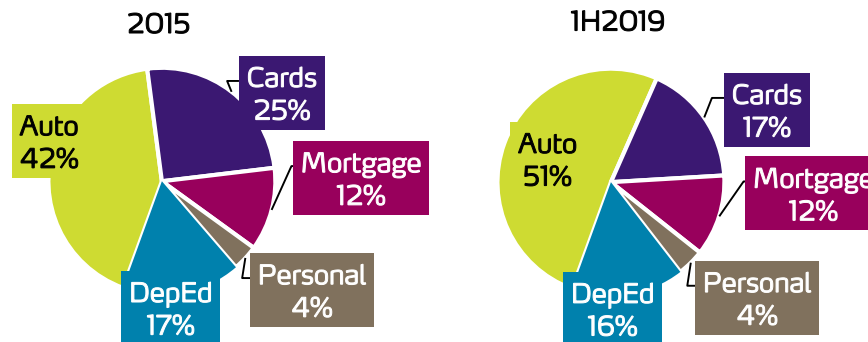


Credit Cost¹ over the years



¹ Total Provisions over Gross Loans

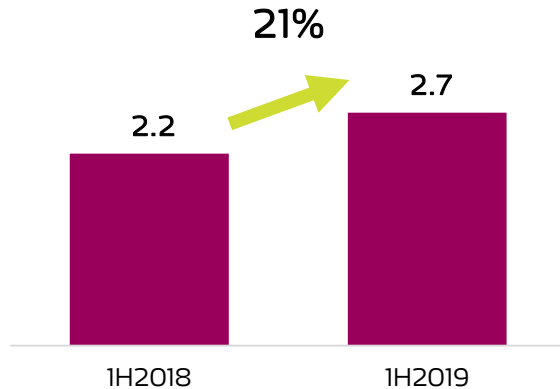
Consumer Loan Mix



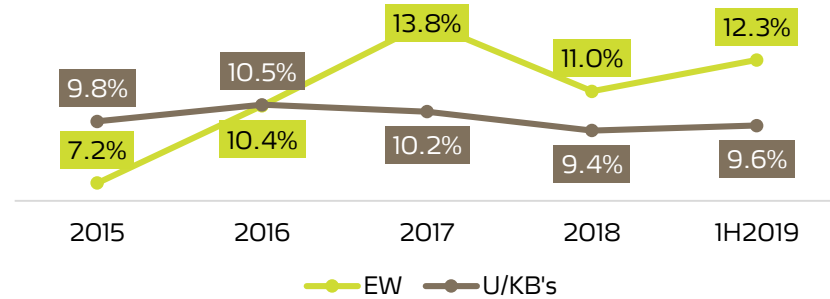
Above Industry Profitability Maintained



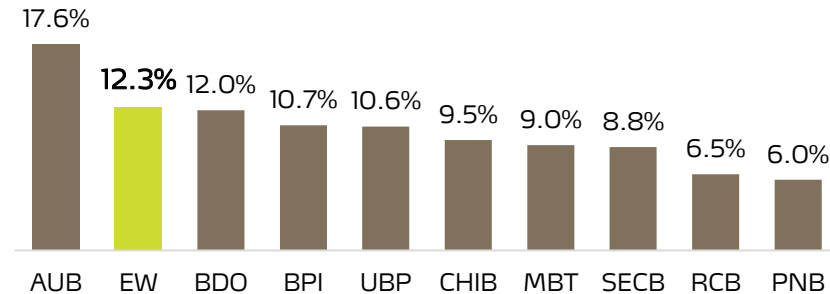
Net Income After Tax



Return on Equity vs Industry



Return on Equity vs Peers



Thank you