

August 5, 2013



THE PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head – Disclosure Department

Dear Ms. Encarnacion:

Please be advised that the attached information will be made available to the press and major newspapers. This is in relation to EastWest Banking Corporation's (PSE: EW) results of operations for the first half of 2013.

Thank you

Very truly yours,



Aerol Paul B. Banal
Corporate Planning Officer

> EAST WEST BANKING CORPORATION

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EASTWEST POSTS 40% H1 2013 NET INCOME GROWTH

EastWest Bank reported a 40% year-on-year increase in net income for the first semester of 2013 to P1.28 Billion on the back of a 59% increase in Revenues to P7.1 Billion and 41% increase in Assets to P130.9 Billion. This translates to a return on equity of 14.2% and return on assets of 2.1%.

Industry Leading Net Interest Margin

The strong revenue growth was achieved as a result of the 51.5% year-on-year increase in Loan Receivables. Total loans to businesses, mostly to mid-size corporates, went up 60% from last year. Consumer loans, on the other hand, increased by 45% to P44.6 Billion. All consumer loan segments – credit card receivables, personal loans, auto, and mortgages registered high double digit growth. The bank is now the 5th largest in credit card receivables.

Meanwhile, EastWest's Total Deposits for the first semester of 2013 was at P101.5 Billion, higher by 50% as compared to the same period last year as a result of the bank's expanded branch network. Transactional low-cost deposits (CA/SA) grew by 61.5% to P58.1 Billion. EastWest is in the middle of an ambitious expansion program that will bring its branch network, including that of its rural bank subsidiary, to 400 by first quarter next year.

The robust increase in loans and the bigger and better deposits profile allowed EastWest to retain its industry leading Net Interest Margin which was registered at 8.2% for the first half of the year. This is more than double the industry average. EastWest has distinguished itself among universal banks as the bank with a balance sheet that has the most focus on consumer and middle markets.

Other Revenues and Expenses

The Bank also registered an 87.4% increase in its non-interest revenues from fees, commissions and trading. Total fees, excluding trading, was up by 62.7% by end-June 2013 to P1.6 Billion versus the same period in 2012 coming off its loan and deposit expansion. Fixed Income and Foreign Exchange trading revenues, on the other hand, went up by 121.9%.

Total expenses rose by 51.7% to P4.2 Billion. At P2.7 Billion, operating costs was higher by 42.1% because of the requirements of the bank's currently expanding branch network. Moreover, total

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manpower expenses went up by 73.0% to P1.5 Billion as EastWest continued to ramp up its talent pool.

Cost-to-Income ratio declined to 59% from 62% in the same period last year as a result of strong core banking and trading revenue growth.

“Clearly, we have the momentum. We remain confident that we will meet this year’s 25% net income growth guidance we announced early this year,” said EastWest President and CEO Antonio C. Moncupa Jr.

“So far, we are doing better than initially thought. We expected that growth in operating expenses will outstrip revenue growth this year and next although revenues appear to be contesting that expectations. We now rank 7th in terms of branch network, even as our branches are new and not fully productive yet. There is still a lot of work to be done and every EastWest banker is working hard to unlock the bank’s potential,” Moncupa added.

In May last year, EastWest did an Initial Public Offering, raising P4.8 billion in new equity to fund an expansion that will bring its branch network from 122 in December 2011 to 400 by the first quarter of 2014. To date, the bank has a total branch network of 324 and total ATMs of 386, after opening 32 branches in the last seven months. Last year, it put up 123 branches. EastWest is targeting to expand its branches to 350 by early 2014. Together with its rural bank subsidiaries, EastWest’s total branch network will be close to 400 upon completion of its expansion program.

EastWest’s Capital Adequacy Ratio remains more than adequate at 16.8% with Tier 1 ratio at 13.5%. The bank’s Tier 1 capital is composed entirely of common equity.

EastWest is a subsidiary of the Filinvest Development Corporation (FDC), one of the largest and well established business conglomerates in the country. FDC, established in 1955, is identified with the Gotianun family and aside from banking, its business interest include real estate, sugar, hospitality and tourism, and power generation.