eastwest

June 14, 2012

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:

We are pleased to furnish your good office with a copy of our SEC Form 17-Q as of March 31, 2012 filed with the Securities and Exchange Commission (SEC).

Thank you.

Very truly yours,

Aerol Paul B. Banal
Corporate Planning Officer

106142012000951

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills,Mandaluyong City, Metro Manila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No.	AS94002733
Company Name	EAST WEST BANKING CORP.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	106142012000951
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COVER SHEET

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SEC Registration Number

EAST WEST BANKING CORPORATION AND
SUBSIDIARY

(Company's Full Name)

20th Floor, PBCom Tower,
6795 Ayala Avenue
corner Herrera Street,
Makati City

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

Renato K. De Borja, Jr.
(Contact Person)

(632) 813-9772 local 2078
(Company Telephone Number)

0	3		3	1

Month Day
(Fiscal Year)

1	7	-	Q	

(Form Type)

Month Day
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

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 **March 31, 2012**

2. Commission identification number **AS094-002733**

3. BIR Tax Identification No. **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 — Postal Code
   20/F PBCom Tower, 6795 Ayala Ave. cor. Herrera St., Makati City — 1223

8. Issuer's telephone number, including area code
   (632) 813-9772 extension 2078

9. Former name, former address and former fiscal year, if changed since last report
   Not Applicable

10. Securities registered pursuant to Sections 8 and 12 of the Code, 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 Shares (Php 10 par)	**Total: 987,352,810 shares**
Subordinated Debt	**Php 2,750,000,000.00**

....

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [ ] No [**X**]

    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:

    _______________________________ _______________________

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 [**X**] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ] No [**X**]

Item 1: Financial Statements

East West Banking Corporation and Subsidiary

Interim Consolidated Financial Statements
As of March 31, 2012 (Unaudited) and December 31, 2011 (Audited)
And for the Three Months Ended March 31, 2012 and 2011 (Unaudited)

EAST WEST BANKING CORPORATION AND SUBSIDIARY
UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION
As of March 31, 2012
(With Comparative Figures for December 31, 2011)
(Amounts in Thousands of Philippine Peso)

	March 31, 2012	December 31, 2011
	Unaudited	Audited
ASSETS		
Cash and Other Cash Items	**₱1,825,891**	₱2,243,104
Due from Bangko Sentral ng Pilipinas	**9,644,805**	11,315,202
Due from Other Banks	**955,584**	1,739,088
Interbank Loans Receivable and Securities Purchased Under Resale Agreements	**3,003,709**	7,723,094
Financial Assets at Fair Value Through Profit or Loss	**7,905,882**	5,891,324
Financial Assets at Fair Value Through Other Comprehensive Income	**19,165**	17,543
Investment Securities at Amortized Cost	**10,276,892**	11,946,992
Loans and Receivables	**46,785,263**	48,086,799
Property and Equipment	**2,044,237**	1,947,717
Investment Properties	**935,992**	1,085,154
Deferred Tax Assets	**1,166,741**	927,929
Goodwill and Other Intangible Assets	**2,376,638**	2,436,179
Other Assets	**1,692,393**	646,474
TOTAL ASSETS	**₱88,633,192**	₱96,006,599
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit Liabilities		
Demand	**₱20,889,423**	₱21,787,662
Savings	**10,432,915**	11,476,140
Time	**32,568,730**	41,779,095
Long-term negotiable certificates of deposits	**1,626,638**	1,626,638
	65,517,706	76,669,535
Bills and Acceptances Payable	**2,246,825**	2,163,188
Accrued Taxes, Interest and Other Expenses	**777,696**	752,758
Cashier's Checks and Demand Draft Payable	**640,393**	452,569
Subordinated Debt	**2,863,595**	2,861,282
Income Tax Payable	**31,693**	15,696
Other Liabilities	**2,934,819**	1,867,438
TOTAL LIABILITIES	**₱75,012,728**	₱84,782,466
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
Common Stock	**₱9,873,528**	₱3,873,528
Preferred Stock	**–**	3,000,000
Surplus Reserves	**36,183**	36,183
Surplus	**3,698,632**	4,305,370
Net Unrealized Gains on:		
Financial Assets at Fair Value Through Other Comprehensive Income	**1,922**	299
Cumulative Translation Adjustment	**(4,527)**	(7,699)
	13,605,738	11,207,681
NON-CONTROLLING INTEREST	**14,726**	16,452
TOTAL EQUITY	**13,620,464**	11,224,133
TOTAL LIABILITIES AND EQUITY	**₱88,633,192**	₱96,006,599

See accompanying Notes to Unaudited Interim Financial Statements.

EAST WEST BANKING CORPORATION AND SUBSIDIARY
UNAUDITED INTERIM STATEMENTS OF INCOME
For the Three Months Ended March 31, 2012 and 2011
(Amounts in Thousands of Philippine Peso)

	2012	2011
INTEREST INCOME		
Loans and receivables	**₱1,541,113**	₱1,198,949
Trading and investment securities	**259,701**	238,124
Due from other banks and interbank loans receivable and securities purchased under resale agreements	**50,796**	47,175
	1,851,611	1,484,248
INTEREST EXPENSE		
Deposit liabilities	**424,035**	320,766
Subordinated debt, bills payable and other borrowings	**110,334**	72,069
	534,368	392,835
NET INTEREST INCOME	**1,317,242**	1,091,413
Service charges, fees and commissions	**403,601**	360,940
Trading and securities gain	**271,250**	59,642
Foreign exchange gain	**70,129**	10,633
Trust income	**5,381**	9,439
Gain (loss) on sale of assets	**54,090**	6,993
Miscellaneous	**50,269**	41,178
TOTAL OPERATING INCOME	**2,171,962**	1,580,238
OPERATING EXPENSES		
Compensation and fringe benefits	**414,607**	334,506
Provision for impairment and credit losses	**308,079**	79,585
Taxes and licenses	**180,803**	99,449
Depreciation and amortization	**126,511**	82,523
Rent	**88,336**	60,416
Miscellaneous	**561,214**	380,950
TOTAL OPERATING EXPENSES	**1,679,551**	1,037,429
INCOME BEFORE INCOME TAX	**492,411**	542,808
PROVISION FOR INCOME TAX	**31,952**	99,988
NET INCOME	**₱460,458**	₱442,820
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**₱460,762**	₱442,820
Non-controlling interest	**(304)**	–
NET INCOME	**₱460,458**	₱442,820
Basic Earnings Per Share Attributable to Equity Holders of the Parent Company	**₱3.14**	₱3.88
Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	**₱2.34**	₱2.58

See accompanying Notes to Unaudited Interim Financial Statements.

EAST WEST BANKING CORPORATION AND SUBSIDIARY
UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2012 and 2011
(Amounts in Thousands of Philippine Peso)

	2012	2011
NET INCOME FOR THE PERIOD	**₱460,458**	₱442,820
OTHER COMPREHENSIVE INCOME		
Unrealized gains on financial assets at FVTOCI	**1,623**	232
Cumulative translation adjustment	**3,172**	38,830
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**4,795**	39,062
TOTAL COMPREHENSIVE INCOME	**₱465,253**	₱481,882
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**₱465,557**	₱481,882
Non-controlling interest	**(304)**	–
TOTAL COMPREHENSIVE INCOME	**₱465,253**	₱481,882

See accompanying Notes to Unaudited Interim Financial Statements.

EAST WEST BANKING CORPORATION AND SUBSIDIARY
UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2012 and 2011
(Amounts in Thousands of Philippine Peso)

Consolidated

Three Months Ended March 31, 2012 and 2011

	Equity Attributable to Equity Holders of the Parent Company									
	Common Stock	**Preferred Stock**	**Surplus Reserves**	**Surplus**	**Net Unrealized Gain (Loss) on Financial Assets at FVTOCI**	**Net Unrealized Gain (Loss) on Available-for-Sale Investments**	**Cumulative Translation Adjustment**	**Total**	**Non-Controlling Interest**	**Total Equity**
Balances at January 1, 2012, as restated	**3,873,528**	**3,000,000**	**36,183**	**4,305,370**	**299**	**–**	**(7,699)**	**11,207,681**	**16,452**	**11,224,133**
Total comprehensive income (loss)	**–**	**–**	**–**	**460,762**	**1,623**	**–**	**3,172**	**465,557**	**(304)**	**465,253**
Issuance of common stock	**3,000,000**	**–**	**–**	**–**	**–**	**–**	**–**	**3,000,000**	**–**	**3,000,000**
Conversion of preferred stock to common stock	**3,000,000**	**(3,000,000)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dividends paid	**–**	**–**	**–**	**(1,067,500)**	**–**	**–**	**–**	**(1,067,500)**	**–**	**(1,067,500)**
Increase in controlling interest in a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,422)**	**(1,422)**
Balances at March 31, 2012	**₱9,873,528**	**₱–**	**₱36,183**	**₱3,698,632**	**₱1,922**	**₱–**	**(₱4,527)**	**₱13,605,738**	**₱14,726**	**₱13,620,464**
Balances at January 1, 2011	₱3,873,528	₱3,000,000	₱33,073	₱2,717,948	₱–	₱	(₱54,429)	₱9,758,892	₱–	₱9,570,120
Total comprehensive income	–	–	–	442,820	232	–	38,830	481,882	–	481,882
Dividends paid	–	–	–	(135,000)	–	–	–	(135,000)	–	(135,000)
Balances at March 31, 2011	₱3,873,528	₱3,000,000	₱33,073	₱3,025,768	₱232	₱–	(₱15,599)	₱9,917,002	₱–	₱9,917,002

EAST WEST BANKING CORPORATION AND SUBSIDIARY
UNAUDITED INTERIM STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2012 and 2011
(Amounts in Thousands of Philippine Peso)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱492,411**	₱542,808
Adjustments for:		
Provision for impairment and credit losses	**308,079**	79,585
Depreciation and amortization	**126,511**	82,523
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Financial assets at fair value through profit or loss	**(237,560)**	(3,592,311)
Loans and receivables	**1,232,845**	643,122
Other assets	**(983,005)**	(109,824)
Increase (decrease) in the amounts of:		
Deposit liabilities	**(11,151,828)**	(8,969,031)
Accrued taxes, interest and other expenses	**(211,560)**	(5,371)
Cashier's checks and demand draft payable	**187,824**	202,092
Other liabilities	**1,067,381**	6,866,585
Income taxes paid	**(15,956)**	(60,420)
Net cash used in operating activities	**(9,184,859)**	4,320,242
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Investment properties and other repossessed assets	**149,162**	189,631
Property and equipment	**4,216**	800
Acquisitions of:		
Property and equipment	**(227,246)**	(146,002)
Investment securities	**(347,908)**	(4,755,716)
Net cash used in investing activities	**(421,776)**	(4,711,288)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bills and acceptances payable	**8,970,828**	5,133,464
Payments of bills and acceptances payable	**(8,887,191)**	(3,076,305)
Payments of dividends	**(1,067,500)**	(135,000)
Issuance of common stock	**3,000,000**	**-**
Net cash provided by financing activities	**2,016,137**	1,922,159
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(7,590,498)**	(7,109,370)

(Forward)

	2012	2011
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		
Cash and other cash items	**2,243,104**	2,079,324
Due from Bangko Sentral ng Pilipinas	**11,315,202**	11,556,018
Due from other banks	**1,739,088**	1,253,412
Interbank loans receivable and securities purchased under resale agreements	**7,723,094**	2,598,621
	23,020,488	1,7487,375
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and other cash items	**1,825,891**	1,433,943
Due from Bangko Sentral ng Pilipinas	**9,644,805**	6,476,721
Due from other banks	**955,584**	755,746
Interbank loans receivable and securities purchased under resale agreements	**3,003,709**	1,711,596
	₱15,429,990	₱10,378,006

See accompanying Notes to Unaudited Interim Financial Statements.

1. Corporate Information

East West Banking Corporation (the Parent Company) was granted authority by the Bangko Sentral ng Pilipinas (BSP) to operate as a commercial bank under Monetary Board (MB) Resolution. No. 101 dated July 6, 1994, and commenced operations on July 8, 1994. The Parent Company was also granted authority by the BSP to operate an expanded foreign currency deposit unit under MB Resolution No. 832 dated August 31, 1994. The Parent Company is effectively 100.00% owned by Filinvest Development Corporation (FDC). The Parent Company's ultimate parent company is ALG Holdings Corporation.

The Parent Company is a domestic corporation registered with the Securities and Exchange Commission (SEC) on March 22, 1994. Through its network of 144 and 122 branches as of March 31, 2012 and December 31, 2011, respectively, the Parent Company provides a wide range of financial services to consumer and corporate clients. The Parent Company's principal banking products and services include deposit-taking, loan and trade finance, treasury, trust services, credit cards, cash management and custodial services. Its principal place of business is at the 20th Floor, PBCom Tower, 6795 Ayala Avenue corner Herrera Street, Makati City.

On August 19, 2011, the Parent Company acquired 84.78% of the voting shares of Green Bank (A Rural Bank), Inc. (GBI). GBI is engaged in the business of extending credit to small farmers and tenants and to deserving rural industries or enterprises and to transact all businesses which may be legally done by rural banks. GBI, as a subsidiary, has been consolidated to the Parent Company from the date of acquisition, being the date on which the Parent Company obtained control of GBI.

2. Summary of Significant Accounting Policies

<u>Basis of Presentation</u>
The accompanying condensed consolidated interim financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the condensed consolidated interim financial statements do not include all of the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Groups' annual audited financial statements as at December 31, 2011 which have been prepared in accordance with Philippine Financial Reporting Standards. The accompanying financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVTOCI), 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.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the subsidiary is the Philippine Peso.

Statement of Compliance
The accompanying consolidated 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.

Basis of Consolidation
The interim condensed consolidated financial statements include the financial statements of the Parent Company and its subsidiary. The interim financial statements of the subsidiary are prepared for the same reporting period as the Parent Company using consistent accounting policies.

A subsidiary is fully consolidated from the date of acquisition, being the date on which the Parent Company obtained control and continue to be consolidated until the date when the control ceases. All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the date of acquisition or up to the date of disposal, as appropriate.

Non-Controlling Interest
Non-controlling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Parent Company.

Non-controlling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Acquisitions of non-controlling interests that does not result in a loss of control are accounted for as equity transaction, whereby the difference between the consideration and the fair value of the share of net assets acquired is recognized as an equity transaction and attributed to the owners of the Parent Company.

PFRS 9, *Financial Instruments*
The Group has early adopted PFRS 9 (2010) with a date of initial application of January 1, 2011. The interim financial statements reflect the adoption of such standard. The adoption of PFRS 9 related to classification and measurement of financial liabilities has no material impact on the Group's financial statements. As of December 31, 2011, the Group's financial liabilities are classified and measured at amortized cost.

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2011, except for the adoption of the following PAS and PFRS by the Group effective beginning January 1, 2012.

The adoption of the following amended standards and interpretation did not have any material impact on the financial position or performance of the Group:

PAS 12, *Income Taxes - Recovery of Underlying Assets*
The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in PAS 40, *Investment Property*, should be

determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, always be measured on a sale basis of the asset.

PFRS 7, *Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements*
The amendment requires additional disclosure on financial assets that have been transferred but not derecognized to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

Future Changes in Accounting Policies
The Group will adopt the following standards and interpretations and assess their impact when these become effective.

Effective in 2012

PAS 1, *Financial Statement Presentation - Presentation of Items of Other Comprehensive Income (OCI)*
The amendments to PAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has therefore no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012.

Effective in 2013

PFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set-off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

a) The gross amounts of those recognized financial assets and recognized financial liabilities;
b) The amounts that are set-off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
c) The net amounts presented in the statement of financial position;
d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
    i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
    ii. Amounts related to financial collateral (including cash collateral); and
e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments to PFRS 7 are to be retrospectively applied for annual periods beginning on or after January 1, 2013. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

PAS 19, *Employee Benefits (Amendment)*
Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Group is currently assessing the impact of the amendment to PAS 19. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

The following standards become effective for annual period beginning on or after January 1, 2013, with earlier application permitted.

PFRS 10, *Consolidated Financial Statements*
PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

PFRS 12, *Disclosure of Interests in Other Entities*
PFRS 12 includes all of the disclosures that were previously in PAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in PAS 31 and PAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

PFRS 13, *Fair Value Measurement*
PFRS 13 establishes a single source of guidance under PFRS for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance.

PAS 27, *Separate Financial Statements (as revised in 2011)*
As a consequence of the new PFRS 10, *Consolidated Financial Statements* and PFRS 12, *Disclosure of Interests in Other Entities*, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

PAS 28, *Investments in Associates and Joint Ventures (as revised in 2011)*
As a consequence of the new PFRS 11, *Joint Arrangements* and PFRS 12, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS requires the Group 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.

4. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The condensed interim unaudited financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as of December 31, 2011. There have been no material changes in any risk management policies since year end.

5. Fair Value Measurement

The methods and assumptions used by the Group in estimating the fair value of financial instruments have been consistently applied in the interim condensed consolidated financial statements.

6. 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 bank'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 loans, emerging market (SME) loans and other OTC (over-the-counter) 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 lending** – this segment primarily caters to loans for individuals that includes credit cards, auto, residential mortgage and personal & salary loans;

(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;

(e) **Executive and Elimination Items** – this segment includes the Group's executive offices and elimination items related to the Group's segment reporting framework.

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 quarter ended March 31, 2012 follow (amounts in millions):

	Retail Banking	Corporate Banking	Consumer Banking	Treasury & Trust	Elimination Items	Total Bankwide
Statement of Income						
Net Interest Income						
Third Party	351	56	806	(8)	111	1,317
Intersegment	3	42	–	–	(45)	–
	355	98	806	(8)	67	1,317
Noninterest Income	147	13	377	310	8	855
Revenue - Net of Interest Expense	502	111	1,183	302	75	2,172
Noninterest Expense	(612)	(36)	(923)	(63)	(46)	(1,680)
Income Before Income Tax	(110)	76	260	239	28	492
Provision for Income Tax	(8)	(13)	88	(8)	(90)	(32)
Net Income for the Period	(119)	63	348	231	(62)	460
Statement of Financial Position						
Total Assets	14,807	21,666	28,155	9,228	14,778	88,633
Total Liabilities	67,877	13,780	873	4,237	(11,754)	75,013
Other Segment Information						
Depreciation and Amortization	75	4	33	7	8	127
Provision for Credit and Impairment Losses	–	(46)	352	–	2	308

Segment information of the Group as of and for the quarter ended March 31, 2011 follow (amounts in millions):

	Retail Banking	Corporate Banking	Consumer Banking	Treasury & Trust	Elimination Items	Total Bankwide
Statement of Income						
Net Interest Income						
Third Party	320	75	620	(1)	79	1,091
Intersegment	9	49	-	-	(58)	-
	328	124	620	(1)	20	1,091
Noninterest Income	111	21	305	64	(12)	489
Revenue - Net of Interest Expense	439	145	925	63	8	1,580
Noninterest Expense	(422)	(49)	(525)	(39)	(2)	(1,037)
Income Before Income Tax	17	96	400	24	6	543
Provision for Income Tax	(12)	(5)	10	(18)	(75)	(100)
Net Income for the Period	4	91	410	6	(69)	443
Statement of Financial Position						
Total Assets	12,057	19,693	21,623	9,617	12,359	75,349
Total Liabilities	58,128	9,618	940	5,882	(8,925)	65,643
Other Segment Information						
Depreciation and Amortization	44	6	27	3	3	83
Provision for Credit and Impairment Losses	-	-	124	-	(45)	80

Non-interest income consists of service charges, fees and commissions, gain (loss) on sale of assets, gain on asset foreclosure and dacion transactions, trading and securities gain, foreign exchange gain, trust income and miscellaneous income. 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.

7. Related Party Transactions

In the ordinary course of business, the Group has various transactions with its related parties and with certain directors, officers, stockholders and related interests (DOSRI). These transactions usually arise from normal banking activities such as lending, borrowing, deposit arrangements and trading of securities, among others. Under existing policies of the Group these transactions are made substantially on the same terms as with other individuals and businesses of comparable risks.

Under current banking regulations, the aggregate amount of loans to DOSRI should not exceed the total capital funds or 15.00% of the total loan portfolio of each of the Parent Company and Subsidiary, whichever is lower. In addition, the amount of direct credit accommodations to DOSRI, of which 70.00% must be secured, should not exceed the amount of their respective regular and/or quasi-deposits and book value of their respective investments in the Parent Company.

On January 31, 2008, BSP Circular No. 560 was issued providing the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks. Under the said circular, the total outstanding exposures to each of the bank's subsidiaries and affiliates shall not exceed 10.00% of bank's net worth, the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank. BSP Circular No. 560 is effective February 15, 2008.

As of March 31, 2012 and December 31, 2011, the Group has complied with the above requirements.

8. **Financial Performance**

Earnings per share amounts were computed as follows:

		March 31, 2012	March 31, 2011
a.	Net income attributable to equity holders of the Parent Company	**₱460,762**	₱442,820
	a.1 Net income attributable to equity holders of the Parent Company(Annualized)	**1,843,048**	1,771,279
b.	Dividends declared on convertible preferred shares	-	(67,500)
	b.1 Dividends declared on convertible preferred shares (Annualized)	-	(270,000)
c.	Net income attributable to common shareholders of the Parent Company	**460,762**	375,320
	c.1 Net income attributable to common shareholders of the Parent Company (Annualized)	**1,843,048**	1,501,279
d.	Weighted average number of outstanding common shares	**587,353**	387,353
e.	Weighted average number of convertible preferred shares	**200,000**	300,000
f.	Total weighted average number of outstanding common and convertible preferred shares	**787,353**	687,353
g.	Basic EPS (c.1/d)	**₱3.14**	₱3.88
h.	Diluted EPS (a.1/f)	**₱2.34**	₱2.58

The following basic ratios measure the financial performance of the Group:

		31-Mar-12	**31-Mar-11**
Return on average asset ratio (1)	%	2.0%	2.3%
Return on average equity(2)	%	14.4%	18.4%
Net interest margin(3)	%	6.5%	6.3%
Cost-to-income ratio(4)	%	63.1%	60.6%
Total capital adequacy ratio(5)	%	18.7%	15.8%

Notes:

(1) Net income divided by average total assets for the periods indicated.

(2) Net income divided by average total equity for the periods indicated.

(3) Net interest income divided by average interest-earning assets (Including interbank loans, trading and investment securities and loans).

(4) Other expenses (excluding provision for impairment and credit losses) divided by net interest and other income for the periods indicated.

(5) Based on total capital divided by total risk-weighted assets as disclosed in the Bank's BSP report for the relevant year.

9. **Equity Transactions**

On January 19, 2012 and February 10, 2012, the Parent Company received cash from its shareholders totaling ₱3 billion as a deposit for future stock subscription representing 300 million common shares which were subsequently issued in March 2012. Also in the same period, the preferred shareholders converted a total of P3 billion preferred shares to common shares.

The following cash dividends were paid by the Parent Company in 2012:

Class	Date of declaration	Date of record	Date of BSP approval	Date of payment	Per share	Total amount
Preferred	November 24, 2011	November 24, 2011	January 10, 2012	January 18, 2012	₱0.225	₱67,500,000
Common	December 15, 2011	November 30, 2011	January 30, 2012	February 10, 2012	2.582	1,000,000,000
						₱1,067,500,000

10. **Other Matters**

The Group has no significant matters to report on the following as of March 31, 2012:

a. Seasonality or cyclicality of interim operations;
b. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence;
c. Changes in estimates of amounts reported in prior financial years;
d. Issues, repurchases, and repayments of debt securities; and
e. Business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinued operations.

11. **Events Subsequent to Reporting Period**

With the approvals by the Philippine Stock Exchange for the Parent Company's application for listing and by the Securities and Exchange Commission for the Registration Statement both on March 14, 2012, a total of 245,316,200 common shares, with P10 par value, representing 21.7% of outstanding capital stock, was offered and subscribed through an initial public offering at P18.50 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 Filinvest Development Corporation, the selling shareholder, pursuant to a secondary offer. The Parent Company's common shares were listed and commenced trading on the Philippine Stock Exchange on May 7, 2012.

The total proceeds raised by the Parent Company from the sale of primary offer shares amounted to P2,609.6 million while the net proceeds (after deduction of estimated fees and expenses) amounted to P2,379.8 million. The Parent Company intends to use the net proceeds from the primary offer for the payment of bank branch licenses, the expansion of the branch network, implementation of IT infrastructure and for general business purpose. The proceeds from the sale of secondary offer shares are for the account of the selling shareholder.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition

Total resources as of end of the first quarter of 2012 stood at P88.6 billion, which is P7.4 billion or 7.7% lower than end-December 2011 level of P96.0 billion. The decline in total resources was largely due to the reduction in excess liquidity and the reduction of low yielding corporate loans. The asset reduction funded the normalization of deposit levels which are naturally at a higher than normal levels at year end, and the reduction in the level of high cost deposits. The reductions in higher cost deposits and low yielding loans were a deliberate effort of the Bank to improve net interest margins. Most of the high cost deposits that were paid off found its way to the Bank's Trust unit which increased by P5.9 billion.

Total deposits of P65.5 billion, declined by P11.2 billion or 15% from end-December 2011, due to the above mentioned reasons.

Total capital of P13.6 billion increased by P2.4 billion or 21.3% from P11.2 billion due largely to the capital infusion from FDC. Common equity increased by P6.0 billion due to the conversion of P3.0 billion preferred stock and P3.0 billion capital infusion from FDC. Likewise, the Bank paid out cash dividends amounting to P1.0 billion for common shares and another P67.5M for preferred shares in the first quarter of 2012, which largely account for the decline in its surplus account.

On the asset side, Cash and Due from Bangko Sentral ng Pilipinas (BSP) accounts amounting to P11.5 billion, declined by P2.1 billion or 15.4%, due to lower reserve requirements as a result of the lower deposit levels for the period. Due from Other Banks of P1.0 billion decreased by P0.8 billion or 45.1% as the Bank paid off high cost deposits. Interbank Loans Receivable and SPURA totaling P3.0 billion, decreased by P4.7 billion or 61.1%, largely due to maturity of excess funds that were invested in the short-term interbank lending market in December 2012. Financial Assets at Fair Value Through Profit or Loss of P7.9 billion, increased by P2.0 billion or 34.2% due to recent acquisitions of fixed income securities. Investment Securities at Amortized Cost was at P10.3 billion, decreased by P1.7 billion or 14.0%. Loans and Receivables totaling P46.8 billion, declined by P1.3 billion or 2.7% due to non-renewal of maturing low-yielding corporate loans. The decline in corporate loans was partially offset by the continued increase in consumer loans portfolio.

Results of Operations
For the Three Months ended March 31, 2012 and 2011

Net income for the first quarter of 2012 was at P460.5 million, which was P17.6 million or 4.0% higher than the same period last year which was at P442.8 million. Net income attributable to Parent was at P460.8 million.

Total operating income of P2.2 billion was up by P591.7 million or 37.4% from P1.6 billion in the same period last year. Core earnings of the bank composed of net interest income and fee-based income, exclusive of trading income, increased by P320.6 million or 21.2%. Net interest income of P1.3 billion was P225.8 million or 20.7% higher than the P1.1 billion net interest income recorded in the same period last year, largely due to increase in the Bank's loan portfolio. Fee-based income, or non-interest income exclusive of trading gains, stood at P513 million, which is P94.8 million or 22.6% higher than the same period last year. Likewise, the Bank's operating income was further boosted by securities and FX trading gains, which increased by P211.6 million and P59.5 million, respectively.

The increase in loans portfolio resulted in an increase in booked provision for impairment and credit losses of P308.1 million, which is P228 million higher than the P79.6 million provisions in the same period last year. The increase was partly attributed to the release of excess provisions that accumulated prior to 2011 due to conservative provisioning.

Compensation and fringe benefits of P414.6 million was P80.1 or 23.9% higher than the same period last year as the Bank continued its branch and business expansion and hiring of key positions across the Bank. Taxes and licenses of P180.8 million increased by P81.3 or by 81.8% as a direct result of increase in operating income. Rent expense of P88.3 million, was P27.9 million or 46.2% higher, due to expansion of business lines, particularly the new branches. Depreciation and amortization expense of P126 million was P44.0 million or 53.3% higher due to expansion related activities. Other expense of P561.2 million, increased by P180.3 or 47.3% as a result of higher advertising expenses due to re-branding and marketing programs, technology related fees and software maintenance. Provision for income tax declined by P68.0 million or 68.0% due to increase in deferred income tax arising from higher provision for impairment and credit losses.

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 thereunto duly authorized.

East West Banking Corporation
Issuer

By:

Antonio C. Moncupa, Jr.
President and Chief Executive Officer

Renato K. De Borja, Jr.
Senior Vice-President and Chief Finance Officer

June 11, 2012

Attachment

EAST WEST BANKING CORPORATION AND SUBSIDIARY
CONSOLIDATED AGING SCHEDULE
LOANS AND OTHER RECEIVABLES
March 31, 2012

Particulars	Total	1 - 90 days	91-180 days	181-360 days	>360 days
Loans and other receivables	4,995,374	1,405,657	360,231	330,737	2,898,749
Allowance for credit losses	(4,083,187)				
Total	**912,187**	**1,405,657**	**360,231**	**330,737**	**2,898,749**

Note: This pertains to past due Loans and Other Receivables only.