PhilRatings PHILIPPINE RATING SERVICES CORPORATION *The Pioneer Domestic Credit Rating Agency*	**RATING NEWS** **July 24, 2026**

EastWest Gets High Credit Rating

East West Banking Corporation (EastWest; the bank), the banking arm of the Filinvest Group, has been assigned an Issuer Credit Rating of **PRS Aa plus (corp.),** with a **Stable Outlook**, by Philippine Rating Services Corporation (PhilRatings).

EastWest is a domestic universal bank serving consumer and corporate clients through a broad range of financial products and services. The bank has established itself as a key player in the domestic consumer lending market, with consumer finance accounting for 83.9% of its gross loan portfolio as of end-December 2025. EastWest ranked as the country's eleventh largest bank based on total assets of ₱534.6 billion, as of December 31, 2025, based on Bangko Sentral ng Pilipinas (BSP) data.

A company rated '**PRS Aa**' differs from the highest rated corporates only to a small degree and has a **strong capacity** to meet its financial commitments relative to that of other Philippine corporates. The 'plus' further qualifies the rating. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

The assigned Issuer Credit Rating and Outlook take into account the following key considerations: (1) EastWest's ability to compete in its chosen market, (2) its strong shareholders and highly experienced management, and (3) the bank's improved profitability on account of its loan portfolio expansion.

PhilRatings based its assessment on available information and projections at the time that the rating was assigned. PhilRatings shall continuously monitor developments relating to EastWest and may change the rating at any time, should circumstances warrant a change.

As of April 2026, Filinvest Development Corporation (FDC) effectively owned 77.85% of EastWest. FDC is a diversified holding company owned by the Gotianun Family, with interests in property, banking, power, sugar and infrastructure. PhilRatings assigned an Issuer Credit Rating of PRS Aaa, with a Stable Outlook, to FDC in relation to its ₱8.0 billion preferred shares issuance. It likewise maintained its Issue Credit Rating of PRS Aaa, with a Stable Outlook, for its outstanding bonds amounting to ₱10.0 billion.

Amid increased competition due to more banks expanding their presence in the consumer lending market, EastWest continues to leverage its extensive experience in and deep understanding of this segment as its key competitive strength. As of end-2025, the bank ranked sixth among its peer banks in terms of total consumer loan portfolio, maintaining its position from the previous year.

EastWest also benefits from the support of the Filinvest Group and an experienced management team. Jonathan T. Gotianun serves as Chairman of both FDC and EastWest, underscoring the bank's strategic importance within the Group. At the management level, EastWest has been led by Jacqueline S. Fernandez as President since July 2022. Ms. Fernandez has over 33 years of banking experience. Chief Executive Officer Jerry G. Ngo, who assumed the role in January 2023, brings to EastWest more than two decades of experience in banking, finance, and related fields. Chief Financial Officer Daniel L. Ang Tan Chai similarly has more than 30 years of expertise in finance and information technology.

From 2023 to 2025, EastWest's interest income recorded consistent growth, rising from ₱34.6 billion to ₱50.4 billion and which translates to a compound annual growth rate (CAGR) of 20.7%. Key contributors to the growth were the credit cards, teachers' loans, personal loans, and auto loans businesses. Notwithstanding higher funding volumes and elevated cost of funds, the bank managed to grow its net interest margin (NIM) from 7.6% in 2023 to 8.5% in 2025. This supported the 20% CAGR in net interest income, from ₱28.2 billion to ₱40.6 billion over the same period.

Non-interest income steadily rose, from ₱7.4 billion in 2023 to ₱10.4 billion in 2025 and which represents a CAGR of 18.1%. The growth was driven mainly by higher loan- and deposit-related fees such as service charges, fees and commissions. The bank's total operating income expanded by a CAGR of 19.6%, from ₱35.7 billion in 2023 to ₱51.0 billion in 2025.

Operating expenses, excluding provisions, rose from ₱20.3 billion in 2023 to ₱25.4 billion in 2025, translating to a CAGR of 11.8%. Key contributors to this growth include compensation and fringe benefits, service charges, fees, and commissions, and higher taxes such Gross Receipt Tax (GRT) and Documentary Stamp Tax (DST) resulting from increased transaction volumes.

Provisioning for losses significantly expanded by a CAGR of 36.0%, from ₱7.7 billion in 2023 to ₱14.2 billion in 2025. According to management, the significant growth in its provision for impairment and credit losses was in line with the growth of its unsecured consumer lending. PhilRatings also notes that the elevated provisioning during the period primarily reflects portfolio seasoning and proactive risk management measures.

Given the aforementioned, EastWest's net income steadily increased from 2023 to 2025, rising from ₱6.1 billion to ₱9.2 billion, representing a CAGR of 23.1%. Return on average assets (ROAA) likewise improved from 1.4% in 2023 to 1.7% in 2025.

In the first quarter of 2026 (1Q2026), EastWest's interest income went up by 16.2% to ₱13.6 billion, from ₱11.7 billion in 1Q2025. The growth was driven by higher volume of loans and fixed income securities. Total interest expense marginally grew by 2.2%, from ₱2.4 billion to ₱2.5 billion over the same period. NIM was higher at 8.6% from 8.1% in the same period last year. These favorable developments propped up interest income, which grew by 19.9% to ₱11.1 billion in 1Q2026. The bank's non-interest income, however, slightly declined by 5.5% to ₱2.2 billion on account of trading and securities losses. EastWest's total operating income rose by 14.8% to ₱13.3 billion.

Operating expenses, excluding provisions, was slightly up by 1.2% to ₱6.4 billion. Miscellaneous expenses grew by 11.6% primarily due to increase in advertising and service charges, fees and commissions. Taxes and licenses also expanded by 11.2% on account of higher GRT and DST from increased volume of both loans and deposits. Meanwhile, provision for losses jumped by 59.1% to ₱4.7 billion, commensurate with loan portfolio growth. PhilRatings notes that the bank's elevated provisioning during the period reflects its conservative approach to credit risk management amid near-term pressure from macroeconomic conditions.

As a result, EastWest posted a marginal growth of 1.1% in its net income to ₱1.9 billion in 1Q2026. ROAA was slightly lower at 1.3%.