



BPI

**Investor
Presentation
1Q 2020**

Financial and Operating Highlights 1Q 2020

Profitability



- ❑ Q1 Net Income at 6.39B, down 5.0% vs last year, total Q1 provisions at 4.23B, 2.4x higher than last year
- ❑ Moderately strong Net Interest Income on higher NIMs, driven by lower funding cost
- ❑ Non-Interest Income lifted by higher securities trading gains
- ❑ Opex controlled, 3.8% higher than last year, Q1 Cost-to-Income below 50%

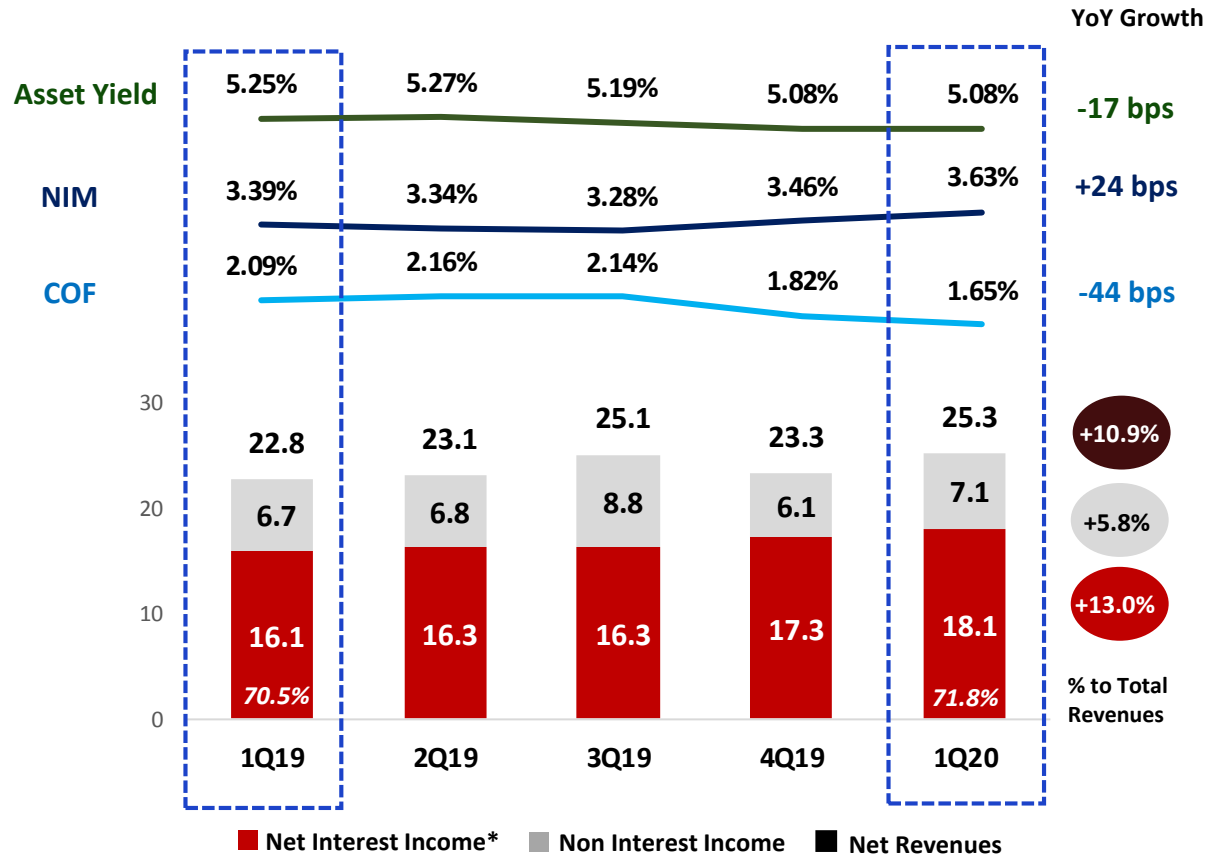
<i>in Php billion</i>	1Q 2019	4Q 2019	1Q 2020	△ YOY	△ QoQ
Revenues	22.78	23.33	25.26	+10.9%	+8.2%
Net Int Income	16.05	17.28	18.14	+13.0%	+5.0%
Non-Int Income	6.73	6.05	7.12	+5.8%	+17.7%
Operating Expenses	12.07	12.99	12.53	+3.8%	-3.5%
PPOP	10.72	10.34	12.73	+18.8%	+23.1%
Provisions	1.80	1.25	4.23	+134.4%	+238.9%
Net Income	6.72	6.77	6.39	-5.0%	-5.7%
Compre Income	8.52	5.65	3.02	-64.5%	-46.5%

Revenue Mix



Net Interest Income up on NIM expansion

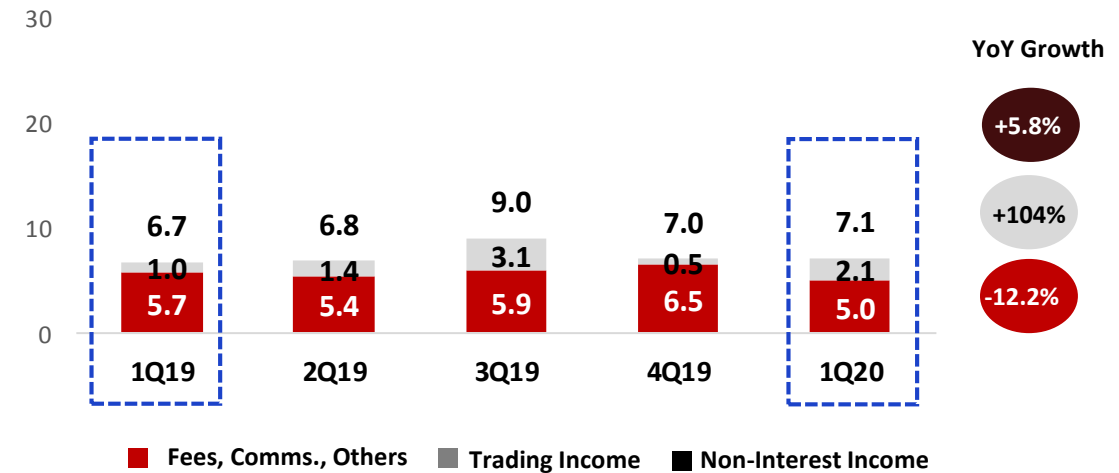
Amounts in P bn



Non-Interest Income up 5.8% YoY

Higher securities trading gains

Amounts in P bn

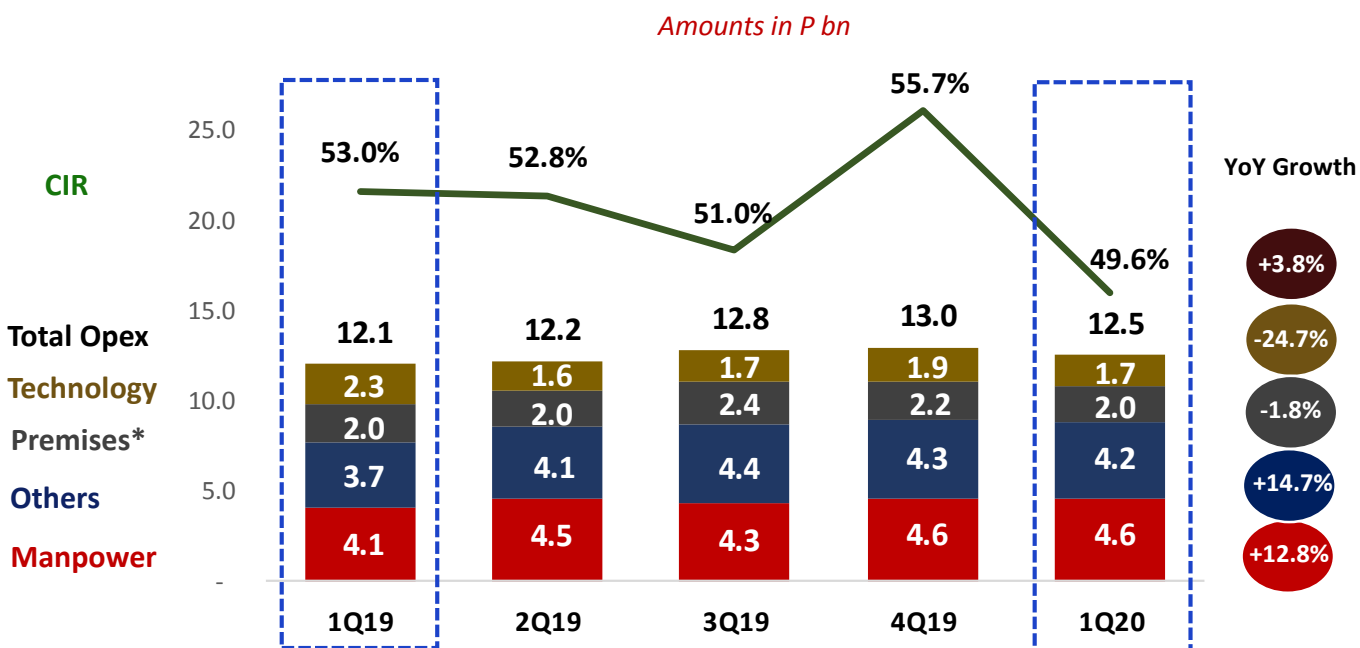


*Includes DST; Net of GRT

Operational Efficiency

Cost-to-Income lower at 49.6%

Accelerating shift to Digital



New Online Users (Daily Enrolments)	During ECQ: ~4,000 Pre-ECQ: ~1,000-2,000
Weekly Online Transactions	Growth in Volume: 20% Online Transactions: over 30%
Interbank Transactions	Growth in Volume: 60% Growth in Value: over 50%

Balance Sheet

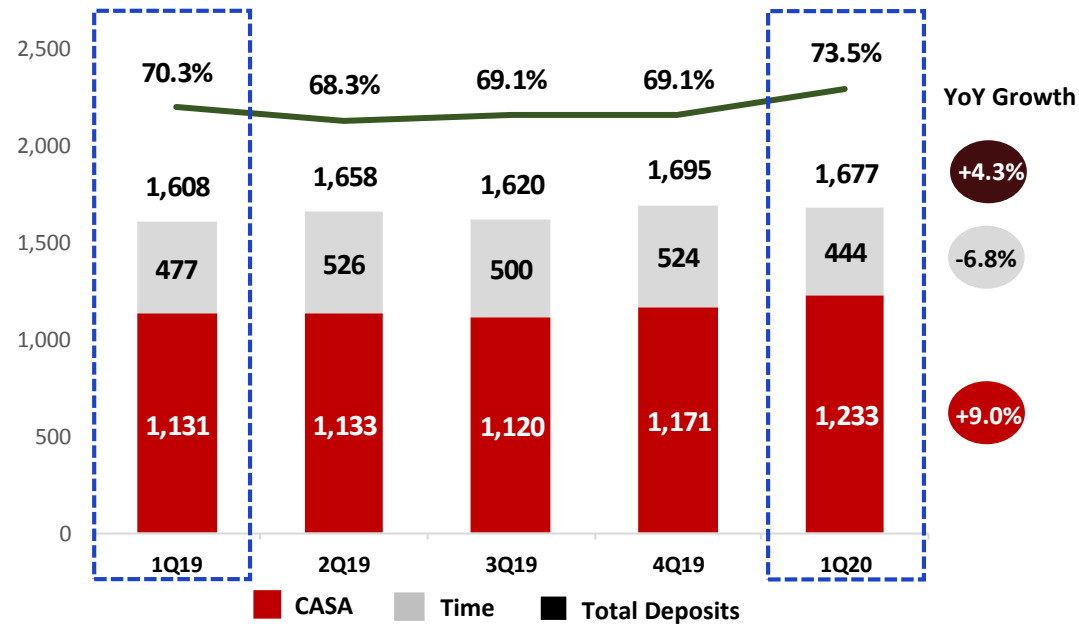
<i>in Php billion</i>	1Q 2019	4Q 2019	1Q 2020	△ YOY	△ QoQ
Total Assets	2,085	2,205	2,192	+5.1%	-0.6%
Gross Loans	1,364	1,492	1,469	+7.7%	-1.5%
Net Loans	1,349	1,475	1,447	+7.3%	-1.9%
Deposits	1,608	1,695	1,677	+4.3%	-1.1%
Equity - BPI	257	270	273	+6.1%	+1.2%
AUM	742	832	842	+13.6%	+1.2%
LDR	83.88%	87.02%	86.29%	+2.4 ppt	-0.7 ppt
CASA Ratio	70.35%	69.08%	73.50%	+3.2 ppt	+4.4 ppt

Deposits and Liquidity



CASA deposits up, +9% YoY and +5% QoQ

Quarterly deposit volume and CASA Ratio
(2018-2019, in P bn and %)



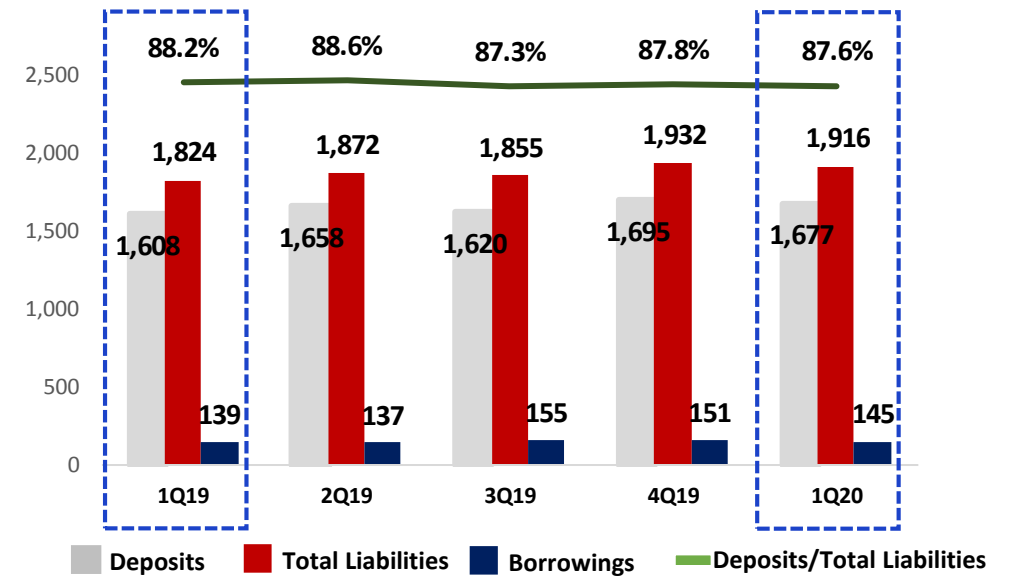
LCR and NSFR both above 100%

	2018	2019	1Q20 ¹
LCR	160.92%	167.06%	189.77%
NSFR	141.99%	130.74%	153.57%

¹ Indicative

Customer deposits account for almost 90% of total funding, Borrowings up 4% YoY

Amounts in P bn



Peso Bond Issuances contribute to overall liquidity

January 13, 2020 Issuance

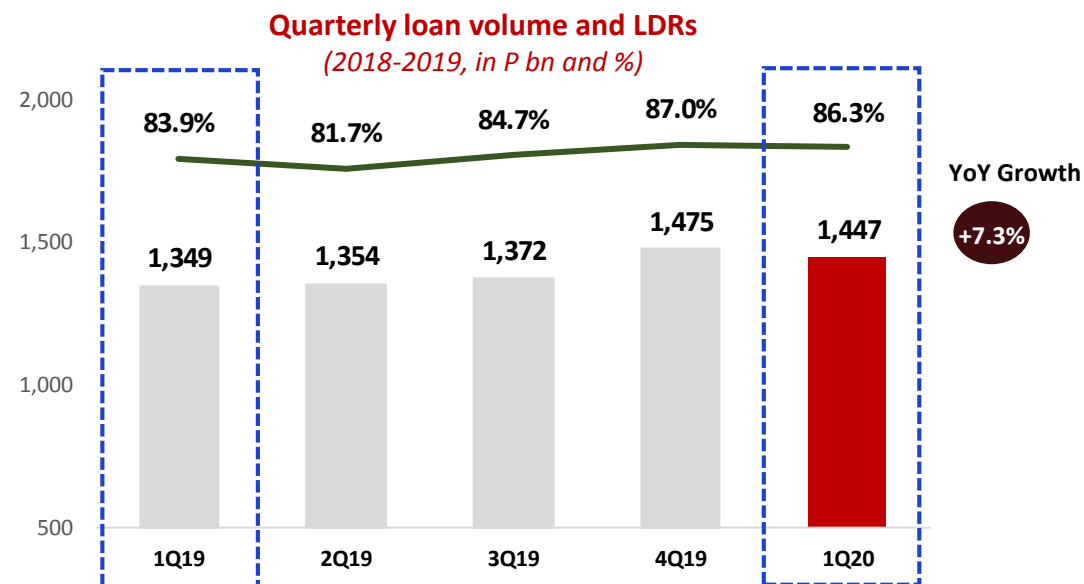
- Amount Raised: PHP 15.3 billion
- Tenor: 2 years
- Issue Price: 4.2423% p.a., payable quarterly

March 27, 2020 Issuance

- Amount Raised: PHP 33.9 billion
- Tenor: 1.5 years
- Issue Price: 4.05% p.a., payable quarterly

Loan Growth

Loan volume up 7% YoY, down 2% QoQ



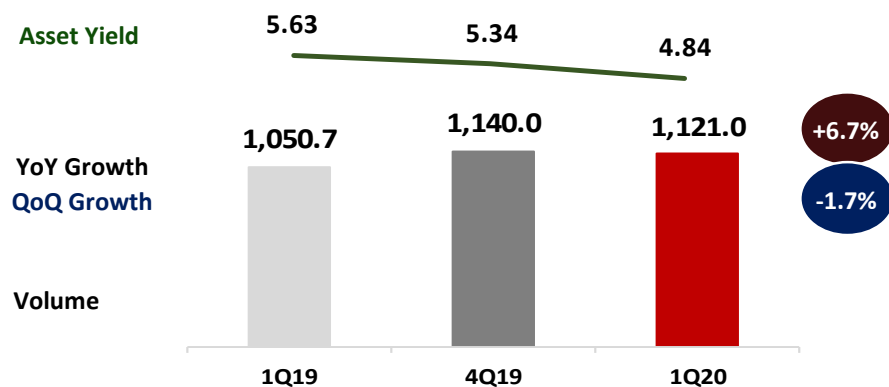
Strategic shift in Loan Mix

	2017	2018	2019	1Q20
Corporate	78.9%	77.0%	76.1%	75.9%
SME/Consumer	21.1%	23.0%	23.6%	23.8%
SME	2.5%	4.6%	4.4%	4.6%
Consumer	18.5%	18.4%	19.2%	19.1%
Microfinance	0.0%	0.2%	0.3%	0.3%

SME outpaced Corporate loans

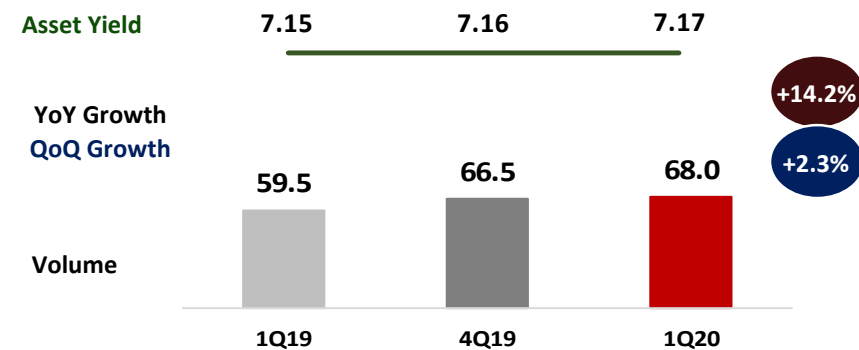
Corporate Loans

Amounts in P bn

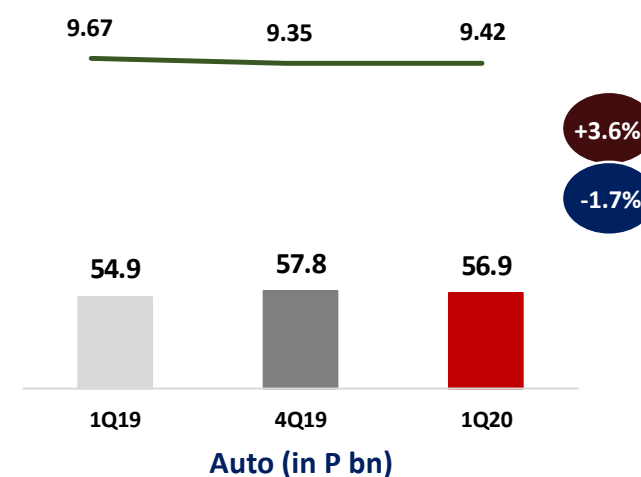
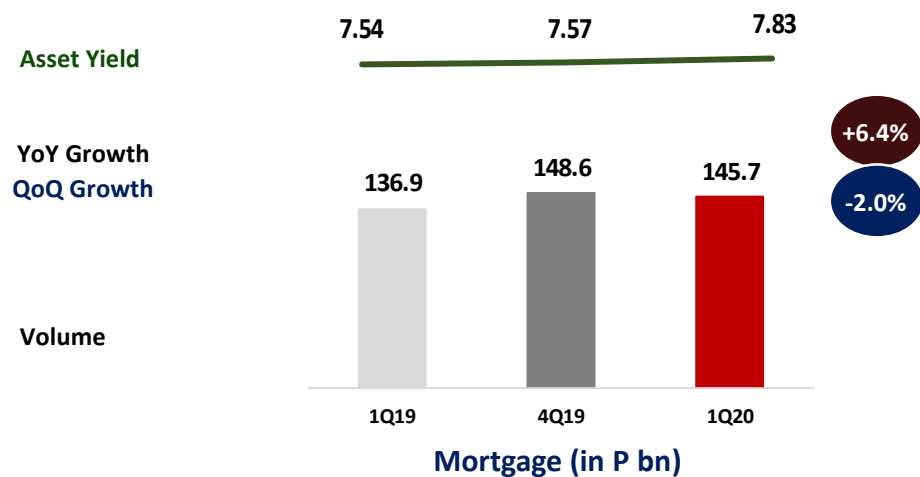


SME Loans

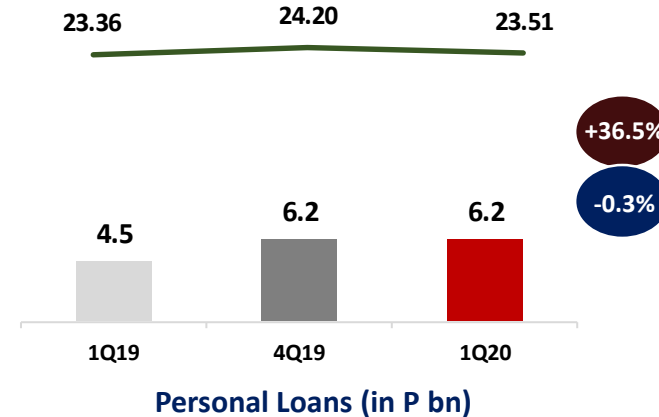
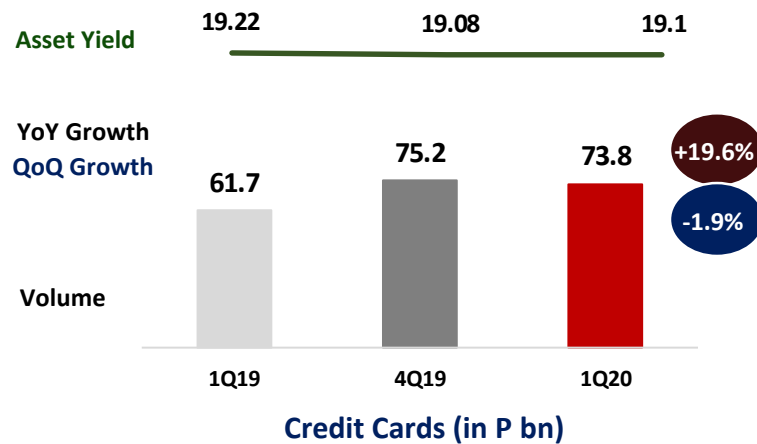
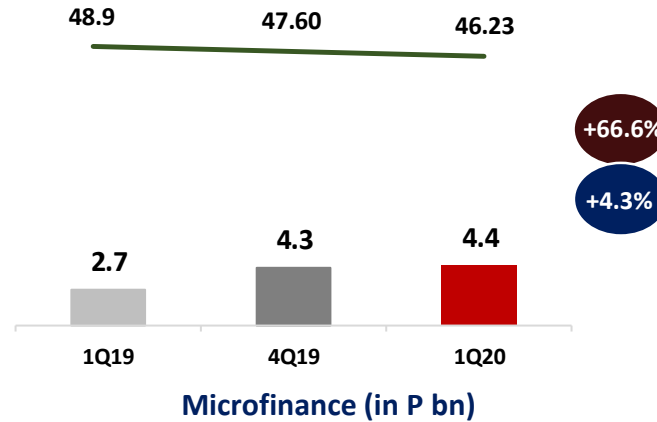
Amounts in P bn



Mortgage and Auto loans steady

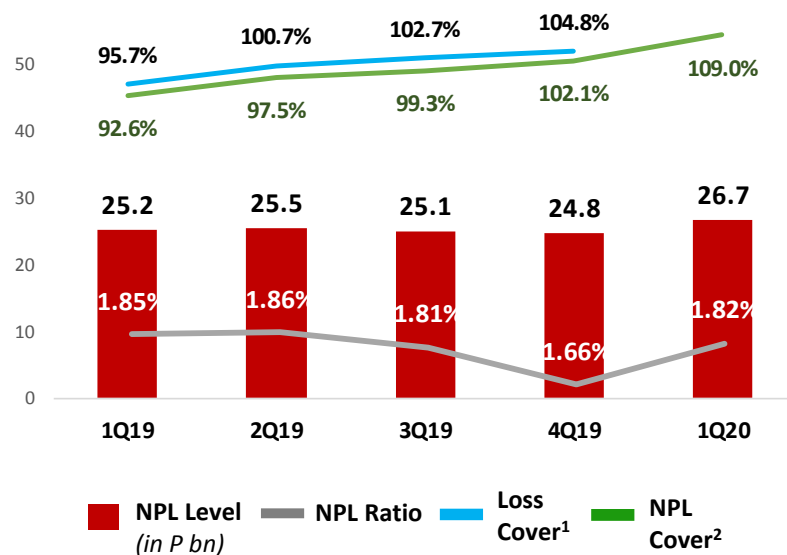


Strong growth in Microfinance and Credit Card loans

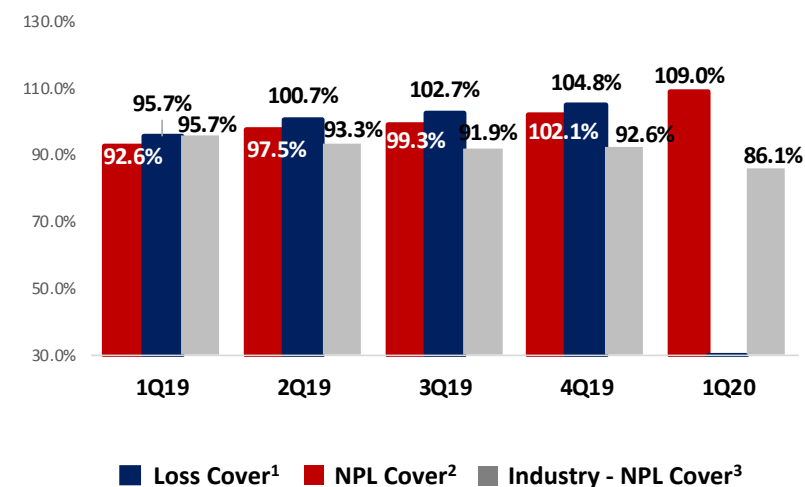


Asset Quality

Higher NPL at 1.82%



NPL Cover increased to 109%



¹ Loss cover includes reserves for contingent exposures

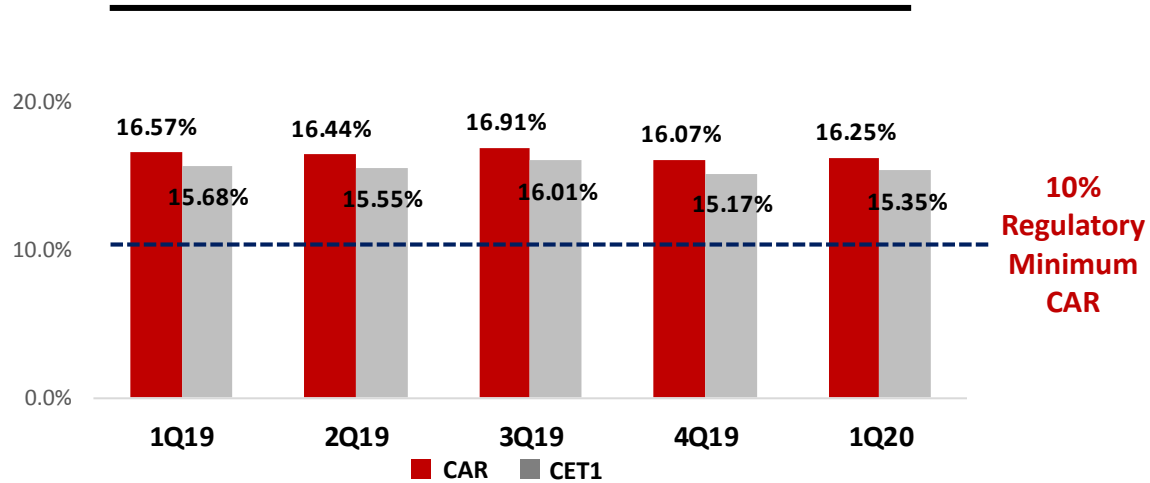
² NPL cover excludes reserves for contingent exposures

³ Industry NPL Cover as of March 2020 (preliminary)

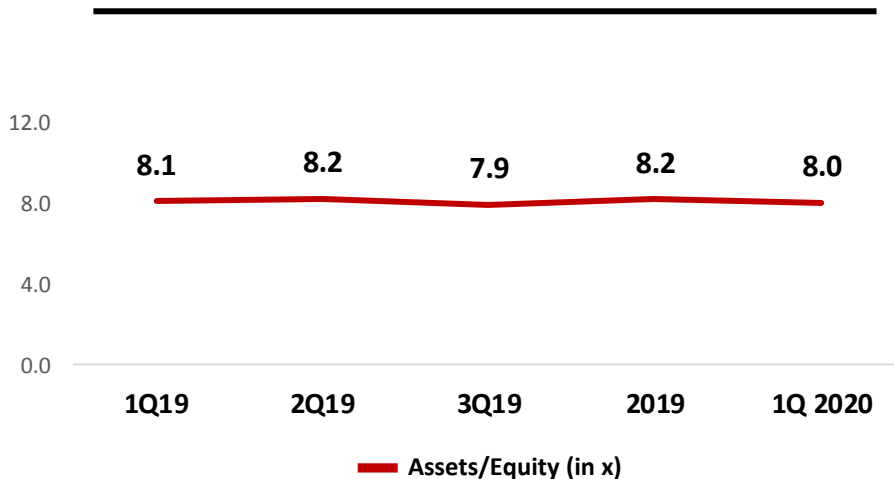
Capital and Earnings



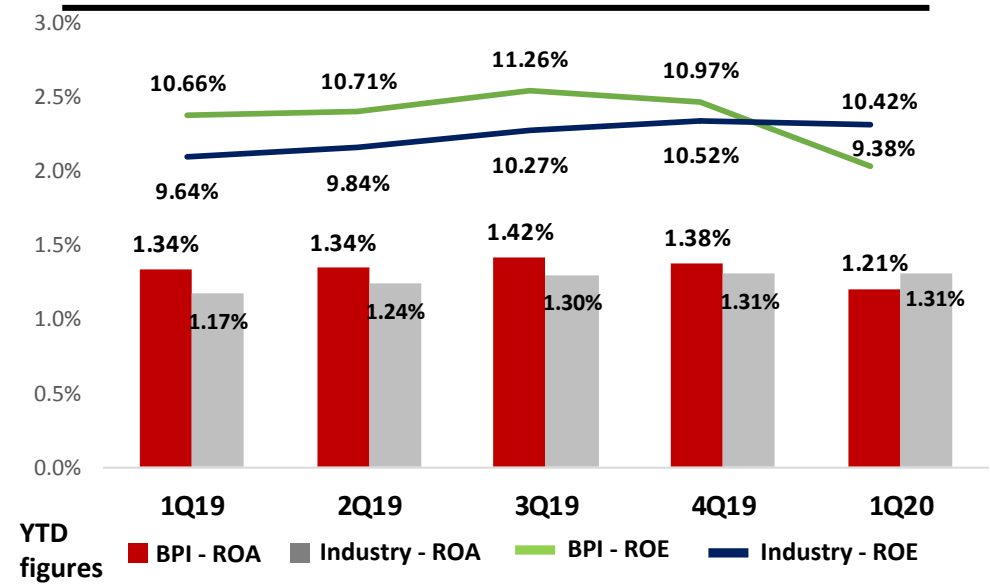
Strong capital position



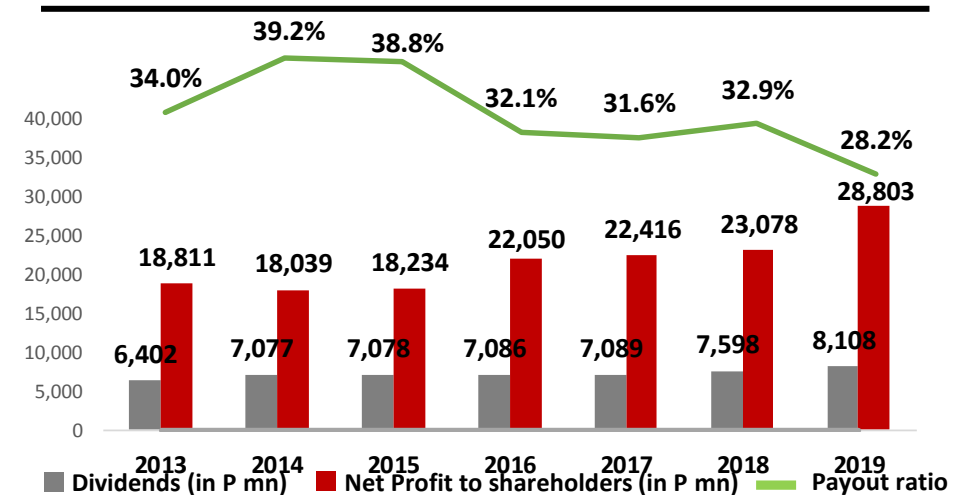
Financial leverage maintained



Above industry profitability metrics



Consistent dividend payments

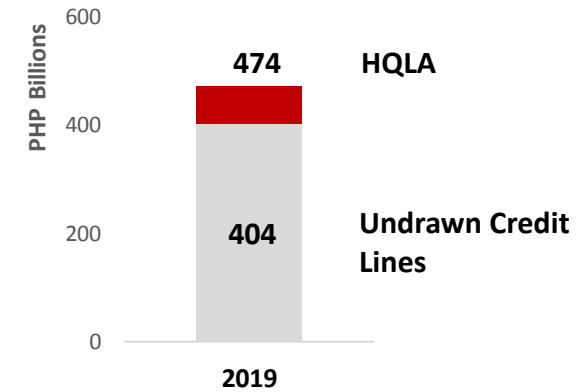
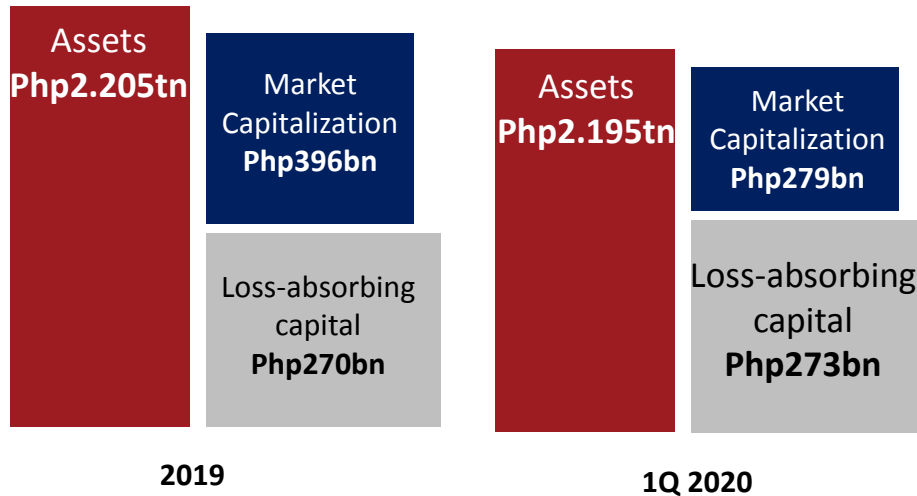


BPI has substantial capital buffer and liquidity



Liquidity source enough to cover undrawn corporate credit lines

Sufficient loss-absorption buffer for potential adverse scenario

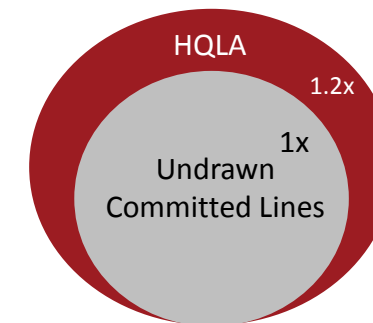


Breakdown of Undrawn Corporate Credit Lines Dec 2019

Gross Carrying Amounts – P 405 billion

Loss Allowance – P (0.65) billion

HQLA is 1.2x times the undrawn committed lines



Financial Summary – 1Q 2020

Operations & Profitability	FY 2018	FY 2019	1Q 2020
Total Assets	P 2.1 tn	P 2.2 tn	P 2.2 tn
Total Loans	P 1.3 tn	P 1.5 tn	P 1.4 tn
Total Deposits	P 1.6 tn	P 1.7 tn	P 1.7 tn
Net Income	P 23.1 bn	P 28.8 bn	P 6.4 bn
NIM	3.11%	3.35%	3.63%
CIR	55.53%	53.08%	49.58%
ROE	10.21%	11.97%	9.38%
ROA	1.20%	1.38%	1.21%
Headcount	18,911	21,429	21,010
Branches	1,056	1,167	1,159

Appendices

Macroeconomic & Industry Indicators

	2013	2014	2015	2016	2017	2018	2019	1Q 2020
GDP Growth	7.2%	6.1%	5.8%	6.8%	6.7%	6.2%	5.9%	
Current Account (% to GDP)	4.2	3.8	2.5	-0.4	-0.7	-2.7	-0.1	
Inflation	2.6%	3.6%	0.7%	1.3%	2.9%	5.2%	2.5%	2.5%
M3 ¹	31.8%	11.2%	9.4%	12.8%	11.9%	9.5%	11.5%	10.9%
90D T-bill - quarter	0.00%	1.286	1.7%	1.44	2.0%	5.1%	3.1%	3.2%
Overnight RRP	3.5%	4.0%	4.0%	3.0%	3.0%	4.75%	4.0%	3.3%
BVAL - 3 months	0.330	2.380	2.670	2.080	2.430	5.776	3.204	3.290
BVAL - 10 years	3.600	3.860	4.100	4.630	5.700	7.065	4.461	4.872

Industry (in Pbn except ratios)	2013	2014	2015	2016	2017	2018	2019	1Q 2020
Customer Loans ^{1,2}	4,896.95	5,832.38	6,527.27	7,612.12	8,865.60	9,215.26	10,082.25	10,178.36
Deposits ¹	7,608.87	8,524.55	9,231.34	10,506.56	11,726.97	12,764.13	13,669.47	13,979.93
Loan Growth	15.8%	19.1%	11.9%	16.6%	16.5%	13.7%	9.4%	11.1%
Deposits Growth	32.2%	12.0%	8.3%	13.8%	11.6%	8.8%	7.1%	10.1%

Source: Bangko Sentral ng Pilipinas & Philippine Statistics Office

¹ M3 as of Feb 2020; Customer Loans & Deposits as of March 2020 (preliminary)

² Customer Loans (Loans and Receivables, net of Allowance for Credit Losses)

BPI at a glance



Bank of Philippine Islands Overview

- ✓ The first bank in the Philippines and Southeast Asia, and the longest tenured bank with almost 170 years of continuous operating history, with highly reputable shareholders, the largest of which include the Ayala Group, the Roman Catholic Church and GIC
- ✓ Award winning, universal banking franchise licensed by the Bangko Sentral ng Pilipinas, offering a broad range of financial solutions catering to both retail and corporate clients
- ✓ BPI has a local distribution network of 1,159 branches & BLUs, 3 international offices, and a manpower complement of 21,010 employees as of March 2020
- ✓ Customer base has almost doubled since 2010 to 8.8 million customers in January 2020 owing to the Bank's strong brand recognition

Main Operating Business Segments




Corporate Banking	<ul style="list-style-type: none"> ✓ Provides deposit and lending solutions to a broad range of multinationals, large and medium domestic conglomerates ✓ Products and services offered include cash management, electronic payments, trade finance, investment banking and other solutions
Small and Medium Sized Enterprises ("SMEs") Business Banking Group	<ul style="list-style-type: none"> ✓ Focused on the needs of the small and medium sized enterprise segment ✓ Tailored credit processes and credit-scoring models offer quick and efficient capital solutions to SME clients
Retail Banking	<ul style="list-style-type: none"> ✓ Responsible for the Bank's distribution network of 1,169 branches & BLUs and 2,779 ATMs & CAMs ✓ Provides private banking, preferred banking, personal banking and overseas Filipino banking services
Microfinance	<ul style="list-style-type: none"> ✓ Provides services to self-employed micro-entrepreneurs, advice from BankOpares & BankKomares ✓ Quick turnaround times and lower interest rates vs traditional money-lenders
Other key segments	<ul style="list-style-type: none"> ✓ Asset management and trust business operated through BPI Asset Management and Trust Corporation ✓ Insurance services provided through BPLAC and BPI/MS¹ ✓ Leasing and rental services through BPI Century Tokyo

¹ BPLAC is the Bank's life insurance joint venture with Philippine American Life and General Insurance Company. BPI/MS is the Bank's non-life insurance joint venture with Mitsui Sumitomo Insurance Group ("Mitsui")

Balance Sheet	2014	2019	5yr CAGR	1Q 2020	YoY
Total assets	1,450.2	2,205.0	8.7%	2,191.8	5.1%
Net loans	800.2	1,475.3	13.0%	1,447.4	7.3%
Deposits	1,176.2	1,695.3	7.6%	1,677.3	4.3%
CASA	816.1	1,171.2	7.5%	1,232.8	9.0%
Capital	144.1	269.6	13.4%	272.7	6.1%
Income Statement					
Revenues	55.8	94.3	11.1%	25.3	10.9%
Net interest income	34.8	65.9	13.6%	18.1	13.0%
Non Interest Income	21.0	28.4	6.2%	7.1	5.8%
Operating expense	30.0	50.1	10.8%	12.5	3.8%
Pre-provision	25.8	44.3	11.4%	12.7	18.8%
Operating Profit					
Net Income	18.0	28.8	9.8%	6.4	-5.0%
Key ratios					
NIM	3.03%	3.35%		3.63%	
Asset Yield	3.67%	5.16%		5.08%	
Cost of Deposits	1.06%	1.54%		1.21%	
Cost of Funds	1.07%	2.04%		1.65%	
Cost to Assets	2.39%	2.40%		2.40%	
Cost to Income	53.70%	53.08%		49.60%	
ROE	13.75%	10.97%		9.38%	
ROA	1.44%	1.38%		1.21%	
CASA Ratio	69.39%	69.08%		73.50%	
Loan-to-Deposit	68.03%	87.02%		86.29%	
Credit Cost (<i>in bps</i>)	42bps	43bps		46bps	
NPL ratio	1.51%	1.66%		1.77%	
NPL coverage ratio	108.90%	102.14%		109.02%	
CAR	14.85%	16.07%		16.25%	
CET1	13.97%	15.17%		15.35%	

S&P rates BPI equivalent to Sovereign



Entity				
Republic of the Philippines	BBB+	Baa2	BBB	-
Development Bank of the Philippines	BBB+	-	BBB	-
Land Bank of the Philippines	-	Baa2	BBB	-
Bank of the Philippine Islands	BBB+	Baa2	BBB-	BBB
BDO Unibank Inc.	-	Baa2	BBB-	-
Metropolitan Bank & Trust Co.	-	Baa2	BBB-	BBB
Philippine National Bank	-	Baa2	BB+	-
Rizal Commercial Banking Corporation	-	Baa2	BBB-	-
China Banking Corporation	-	Baa2	BBB-	-
Security Bank	BBB-	Baa2	-	-
Union Bank of the Philippines	-	Baa2	-	-

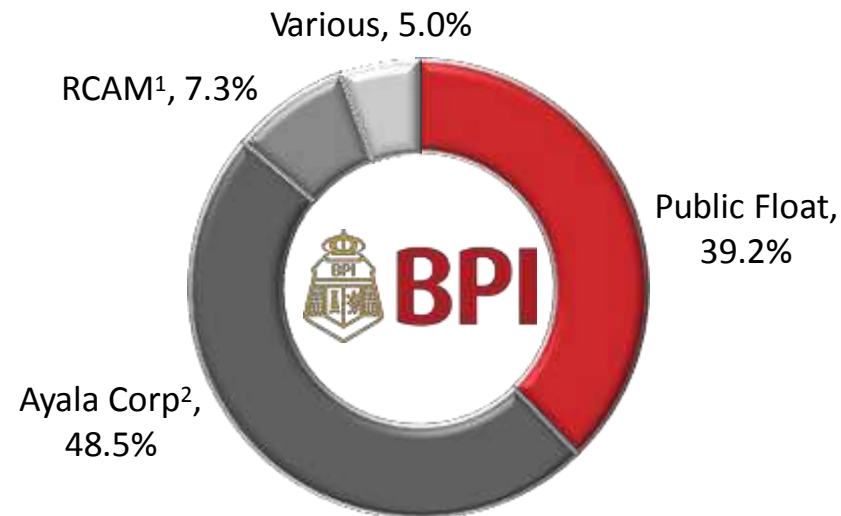
- Not Rated

Source: Mizuho Banks materials, Credit Ratings agencies press releases as of March 2020

Shareholders & Equity Profile



Shareholders



As of March 31, 2020

Fundamentals	Description
Stock Price	P61.80 per share
BV per share	P60.42
P-B Ratio	1.0x
P-E Ratio	9.7x
Dividends	P1.80 per share
Market Cap	P278.91 bn

Trading Fact Sheet	Description
Type	Common
Stock Ticker	BPI
ISIN	PHY0967S1694
Exchange	Philippine Stock Exchange
Par Value	10.00
Outstanding Shares	4,513,100,378
Foreign Ownership	30.9%

¹ Roman Catholic Archdiocese of Manila

² Includes share in Liontide Holdings Inc.

BPI Management Team



**Cezar "Bong"
Consing**
President & CEO

23 years with BPI

- Elected President and CEO since 2013
- Director of BPI from 1995-2000, 2004-2007 and 2010-present
- Former Head of Investment Banking, J.P. Morgan Asia Pacific
- Currently also serving on the boards of various subsidiaries of BPI



**Tere
Marcial Javier**
EVP & CFO

25 years with BPI

- Chief Finance Officer and Head of Strategy and Finance since April 2017
- 25 years of banking experience
- Serving on the Board of BPI Europe, PLC., BPI MS, BPI Global Payments, BPI Payment Holdings
- Previously served on the BPI Trust Committee and Board of BPI Investment Management, Inc.
- Previously held senior positions in Corporate Banking and Asset Management & Trust



**John-C
Syquia**
EVP

4 years with BPI

- Head of Corporate Banking since January 2018
- Former President of BPI Capital Corp.
- Over 29 years of experience in financial services
- Previously, Country Head of Corporate Clients for Standard Chartered Bank, Head of Corporate Finance at ING Bank Manila, and Head of Strategy and Business Development at ING Asia Pacific Ltd



**Jojo
Ocampo**
EVP

24 years with BPI

- Head of Mass Retail, Former Chief Marketing Officer
- Serving on the Boards of BPI Payment Holdings Inc, BPI Global Payments, BPI Direct Banko, AF Payments Inc, and Zalora
- 24 years of banking experience
- Previously held several positions in Unsecured Lending Cards, Payments, Remittances, Deposits, Kiosk Banking & Customer Segments



**Mon
Jocson**
EVP & COO

4 years with BPI

- Chief Operating Officer since January 2019, and Head of Enterprise Services
- Formerly Vice President & General Manager of IBM Global Services and Managing Director of IBM Philippines
- Served on the Economic Development Board of Singapore
- Vice-Chairman, CyberSecurity Committee of the Bankers Association of the Philippines

BPI Management Team



An-an King
SVP

34 years with BPI

- Head of Branch Sales and Service Channels since October 2018
- Served as BFB Director (2015-2017), Chairman of BPI Remittance Centre (HK) Ltc. (2016-2018)
- 34 years of banking experience
- Chair, Unibank WoW Committee and Excellence Retail Awards Committee



Ginbee Go
BFB President

16 years with BPI

- President of BPI Family Savings Bank since June 2017
- 20 years of banking experience
- Previously served as SVP of Retail Loans Group and Card Banking Group
- Director of Transunion Phils & Chairman of BPI Payment Holdings, Inc.
- Secretary & Trustee of Chamber of Thrift Banks



Eric Luchangco
SVP

6 years with BPI

- Head of Business Banking since June 2019
- Previously headed Corporate Credit Products Group, was head of Debt Capital Markets for BPI Capital and served on the Board of BPI Securities
- 23 years of experience in financial services
- Previously worked with Daiwa Capital Markets



Sheila Tan
AMTC President

6 years with BPI

- 3 years with BPI Asset Management and Trust Corp; Chief Operating Officer (2017-2018)
- Previously headed Strategic Advisory at BPI Capital (2013-2017)
- In the practice of law for more than 25 years
- Former Co-Managing Director of Ayala Group Legal and Chief Legal Counsel of Ayala Land, Inc



Dino Gasmen
SVP & Treasurer

6 years with BPI

- Assumed position of Treasurer and Head of the BPI's Global Markets in January 2020
- 26 years of banking experience
- Chairman of BPI's Asset & Liability Committee
- 17 years in HSBC Manila with stints in the UK, Indonesia, and Vietnam



Cathy Santamaria
SVP & CMO

8 years with BPI

- Chief Marketing Officer since November 2018
- Over 31 years of marketing experience
- Previously segment head of Globe Telecom Touch Mobile and Mobile Business
- Former Marketing Director, Kraft Food Philippines; Kraft Foods International Head of Business Development and General Manager
- Vice President, Bank Marketing Association of the Philippines (2018)



Jovi Alonso
SVP & CCO

23 years with BPI

- Chief Credit Officer since January 2017
- Previously involved in Corporate Relationship Management Asian Corporations and PEZA Divisions
- Serving on the Boards of BPI Century Tokyo Lease & Rental Corps
- 30 years of banking experience
- Formerly Japan Desk Head in the World Corporation Group of Citibank, N.A. Manila Branch



Mayette Gayares
SVP & CRO

35 years with BPI

- Chief Risk Officer since January 2018, Former Chief Compliance Officer (2012-2017)
- 35 years of banking experience
- Member, Risk Management Committee of the Bankers Association of the Philippines
- Previously served as Director and Treasurer of ABCOMP, Voting Member of the Bankers Institute of the Philippines

As of January 31, 2020

Credit and Sustainability Ratings



- At par with Philippine Sovereign Rating (Moody's, Capital Intelligence, and S&P)



BBB ESG Rating
Sustainable development goals touched on by BPI:



	S&P ¹		Moody's ²		Fitch ³		Capital Intelligence ⁴
Outlook	Stable	Outlook	Stable	Outlook	Stable	Outlook	Stable***
Long-Term Issuer Credit Rating	BBB+	Counterparty Risk Rating	Baa1/P-2	Financial Strength	-	Core Financial Strength	bbb
Short-Term Issuer Credit Rating	A-2	Bank Deposits	Baa2/P-2	Foreign Currency: Long-Term IDR**	BBB-	Long-Term Foreign Currency	BBB
SACP*	bbb+	Baseline Credit Assessment	baa2	Foreign Currency: Short-Term IDR	F3	Short-Term Foreign Currency	A3
SACP: Anchor	bbb-	Adj. Baseline Credit Assessment	baa2	Local Currency: Long-Term IDR	BBB-	Bank Standalone Rating	bbb-
SACP: Business Position	Strong (+1)	Counterparty Risk Assessment	Baa1(cr)/P-2(cr)	Support Rating	2	Extraordinary Support Level	High
SACP: Capital & Earnings	Strong (+1)	Senior Unsecured	Baa2	Support Rating Floor	BBB-	Operating Environment Risk Anchor	bbb-
SACP: Risk Position	Adequate (0)						
SACP: Funding & Liquidity	Average and Strong (0)						

/1 As of August 2019 /2 As of May 2019 /3 As of May 2020 /4 As of October 2019 /5 As of August 2019
 * Stand Alone Credit Profile (SACP)
 ** Issuer Default Ratings
 *** Outlook for Long-term Foreign Currency Rating & Bank Standalone Rating

Green Finance Framework

- We have developed a Green Finance Framework under which we intend to issue:
 - Green Bonds and/or Loans – proceeds allocated to selected Eligible Green Projects
- The Framework has been established to continue our thrust to promote positive environmental and social practices in our core markets



2020 Citations

Institutional



BPI Foundation



Bancassurance





For your comments and queries contact us via:

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