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BPI wraps up 2022 with record net income of P39.6 Billion

MAKATI CITY, Philippines --- Bank of the Philippine Islands (“BPI” or the “Bank”) delivered full year 2022 net income of P39.6 billion, up 66% from the previous year, driven by strong loan growth, higher NIM and lower provisions, as well as a gain from a property sale in the second quarter. Return on Equity stood at 13.14% and Return on Assets at 1.59%. Excluding the impact of the one-off gain from the property sale, net income stood at P35.9 billion, up 50.2%. For the fourth quarter of the year, the Bank recorded net income of P9.1 billion, up 41.4% year on year and down 10.3% quarter on quarter, on higher revenue growth and also lower provisions recognized.

The Bank generated record revenue of P118.5 billion, up 21.7% year-on-year, boosted by the 22.2% growth in net interest income to P85.1 billion, on the back of asset base expansion and improvement in net interest margin by 28 bps to 3.59%. Non-interest income grew 20.3% to P33.5 billion, primarily from the one-off gain on the property sale, higher fees from the credit cards business and transaction banking services, as well as gains from foreign exchange transactions.

Total operating expenses stood at P58.0 billion, up 14.3% compared to the previous year, with all categories showing increases, led by technology and marketing. The cost-to-income (“CIR”) ratio was 48.9%, but excluding the property sale, CIR would have been 51.1%.

The Bank booked provisions of P9.2 billion, a 30.2% reduction from last year. Asset quality continued to improve with the NPL ratio declining to 1.76%, while the NPL coverage ratio rose to 180.1% as of the end of the year.

As of December 31, 2022, total loans stood at P1.7 trillion, up 15.3% from the previous year, led by growth in the credit card, corporate/SME and auto portfolios of 31.1%, 15.5%, and 14.0%, respectively. Total deposits expanded to P2.1 trillion, up 7.2% year-on-year, while CASA increased 3.5%. The CASA Ratio stood at 74.4% and the Loan-to-Deposit Ratio at 81.2%.

Total assets reached P2.6 trillion, reflecting an 7.5% growth year-on-year. Total equity stood at P317.7 billion, with a Common Equity Tier 1 Ratio of 15.1% and a Capital Adequacy Ratio of 16.0%, both well above regulatory requirements.

BPI also ended 2022 as the first Philippine bank to have five International Finance Corporation - Excellence in Design for Greater Efficiencies (IFC-EDGE) certified bank branches in the Philippines. These branches are BPI Iloilo Solis, Loyola Katipunan, Guiguinto, San Fernando Highway Main, and North Greenhills. An IFC-EDGE certified branch means 20% savings in energy, water, and embodied energy in materials, demonstrating BPI’s commitment to global sustainability standards. Furthermore, in 2022 alone, the Bank received 10 ESG-related awards from well-recognized publications establishing BPI’s continuing leadership in the sustainability space.

ABOUT BPI

The 171-year-old Bank of the Philippine Islands is the first bank in the Philippines and Southeast Asia. We are licensed as a universal bank by the Bangko Sentral ng Pilipinas to provide a diverse range of financial services: deposit taking and cash management, payments, lending and leasing, asset management, bancassurance, investment banking, securities brokerage, foreign exchange and treasury. BPI has investment-grade ratings of BBB+ (S&P), Baa2 (Moody’s), BBB (Capital Intelligence), and BBB- (Fitch).

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