

**STANDARD DOCUMENT COVER SHEET
FOR SEC FILINGS**

All documents should be submitted under a cover page which clearly identifies the company and the specific document form as follows:

SEC Number PW-121

File Number

**BANK OF THE PHILIPPINE ISLANDS
AYALA NORTH EXCHANGE TOWER 1, AYALA AVE. CORNER SALCEDO ST.,
LEGASPI VILLAGE, MAKATI CITY, METRO MANILA
(632) 8246-5902**

FISCAL YEAR ENDING DECEMBER 31

(indicate if anything above is new and the date it was changed)

**SEC FORM 17-Q QUARTERLY REPORT
AMENDMENT DESIGNATION (if applicable)**

PERIOD-ENDED MARCH 31, 2022

(if a report, financial statement, GIS, or related amendment or show-cause filing)

NONE

EACH ACTIVE SECONDARY LICENSE TYPE AND FILE NUMBER

(state "NONE" if that is the case)

SECURITIES AND EXCHANGE COMMISSION

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, 2022**
2. Commission identification number **PW-121**
3. BIR Tax Identification No. - **TIN: 000-438-366-000**
4. **BANK OF THE PHILIPPINE ISLANDS**
Exact name of registrant as specified in its chart
5. **Manila, Philippines**
Province, country or other jurisdiction of incorporation
6. Industry Classification Code: (SEC Use Only)
7. **AYALA NORTH EXCHANGE TOWER 1**
Ayala Avenue corner Salcedo St., Legaspi Village
Makati City (current business address) **ZIP Code 1229**
Address of principal office Postal Code
8. **(632) 8246-5902**
Registrant's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code

Title of each class	Number of shares of common stock outstanding and amount of debt outstanding
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Common	4,513,128,255
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11. Are any or all of the securities listed on the Philippine Stock Exchange? Yes [x] No []
If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	Common
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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 12 months (or for such shorter period the registrant was required to file such reports) Yes No

(b) Has been subject to such filing requirements for the last 90 days Yes No

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF CONDITION
MARCH 31, 2022 AND DECEMBER 31, 2021
(in Thousands of Pesos)

	UNAUDITED	AUDITED
	MARCH 31, 2022	DECEMBER 31, 2021
<u>RESOURCES</u>		
Cash and Other Cash Items	29,149,626	35,143,098
Due from Bangko Sentral ng Pilipinas	196,313,869	268,827,080
Due from Other Banks	33,920,095	34,572,351
Interbank Loans Receivable and Securities		
Purchased under Agreements to Resell	29,793,204	30,851,558
Financial Assets at Fair Value through Profit or Loss	31,840,262	21,334,390
Financial Assets at Fair Value through OCI	113,379,685	134,740,715
Financial Assets at Amortized Cost	403,512,811	338,672,092
Loans and Advances, net	1,462,141,110	1,476,526,967
Assets Held for Sale, net	3,416,448	3,282,263
Bank Premises, Furniture, Fixtures and Equipment, net	16,881,985	17,524,600
Investments in Subsidiaries and Associates, net	8,228,197	7,164,726
Assets Attributable to Insurance Operations	19,059,073	17,562,625
Deferred Income Tax Assets, net	15,973,083	15,818,857
Other Resources, net	14,633,210	19,893,548
TOTAL RESOURCES	2,378,242,658	2,421,914,869
<u>LIABILITIES AND CAPITAL FUNDS</u>		
Deposit Liabilities		
Demand	387,030,328	369,079,125
Savings	1,144,255,472	1,137,123,846
Time	359,810,369	448,944,029
Sub-total	1,891,096,170	1,955,146,999
Derivative Financial Liabilities	3,214,932	3,631,616
Other Borrowed Funds	108,296,441	95,039,051
Due to Bangko Sentral ng Pilipinas and Other Banks	2,538,432	953,437
Manager's Checks and Demand Drafts Outstanding	7,588,174	6,931,060
Accrued Taxes, Interest and Other Expenses	8,827,075	8,413,478
Liabilities Attributable to Insurance Operations	14,682,659	13,241,507
Deferred Credits and Other Liabilities	39,869,287	43,401,908
TOTAL LIABILITIES	2,076,113,168	2,126,759,057
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI		
Share Capital	49,193,075	45,131,283
Share Premium	103,967,698	74,934,116
Reserves	540,052	564,120
Surplus	189,102,161	181,100,635
Accumulated Other Comprehensive Income/ (Loss)	(9,784,044)	(8,670,465)
Treasury Shares	(33,042,684)	-
	299,976,258	293,059,688
NON-CONTROLLING INTERESTS	2,153,232	2,096,124
TOTAL CAPITAL FUNDS	302,129,489	295,155,812
TOTAL LIABILITIES AND CAPITAL FUNDS	2,378,242,658	2,421,914,869

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2022 and 2021
(In Thousands of Pesos)

	Unaudited 2022	Unaudited 2021
INTEREST INCOME		
On loans and advances	18,481,914	17,717,594
On FA at amortized cost	3,049,814	1,911,589
On FA at FV through OCI	494,356	651,264
On deposits with BSP and other banks	332,213	420,744
On FA at FV through profit or loss	52,262	57,070
	22,410,559	20,758,262
INTEREST EXPENSE		
On Deposits	2,479,546	2,568,024
On Bills Payable and other borrowings	940,148	1,332,848
	3,419,694	3,900,872
NET INTEREST INCOME	18,990,865	16,857,390
IMPAIRMENT LOSSES	2,500,000	3,600,026
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	16,490,865	13,257,364
OTHER INCOME		
Fees and commissions	2,410,263	3,039,843
Income from foreign exchange trading	702,056	316,161
Trading gain (loss) on securities	196,106	1,421,424
Income attributable to insurance operations	446,704	293,218
Other operating income	2,613,861	2,377,567
	6,368,991	7,448,212
OTHER EXPENSES		
Compensation and fringe benefits	4,719,840	4,403,080
Occupancy and equipment-related expenses	3,804,860	3,604,633
Other operating expenses	4,060,780	3,812,084
	12,585,480	11,819,797
INCOME BEFORE INCOME TAX	10,274,375	8,885,778
PROVISION FOR INCOME TAX		
Current	2,362,379	1,892,423
Deferred	(144,541)	1,970,374
	2,217,838	3,862,797
NET INCOME FOR THE PERIOD	8,056,537	5,022,981
Attributable to:		
Equity holders of BPI	7,983,584	5,000,954
Non-controlling interest	72,954	22,027
	8,056,537	5,022,981

Earnings per share:

Based on 4,513,128,255 shares as of March 31, 2022
and 4,513,103,261 shares in 2021

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BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2022 and 2021
(In Thousands of Pesos)

	Unaudited 2022	Unaudited 2021
NET INCOME BEFORE MINORITY INTEREST	8,056,537	5,022,981
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss		
Net change in fair value reserve on FVOCI securities, net of tax effect	(1,404,551)	(3,080,431)
Fair value reserve on investments of insurance subsidiaries, net of tax effect	(75,934)	(112,449)
Share in other comprehensive income of associates	(430,341)	(718,240)
Currency translation differences	(79,133)	229,274
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	761,770	(432,044)
Share in other comprehensive income gain (loss) of associates	98,765	(60,907)
Total Other Comprehensive Income (Loss), net of tax effect	(1,129,424)	(4,174,795)
Total Comprehensive Income for the Year	6,927,113	848,186
Attributable to:		
Equity holders of BPI	6,870,005	865,242
Non-Controlling Interest	57,108	(17,056)
	6,927,113	848,186

BANK OF THE PHILIPPINE ISLANDS
STATEMENT OF CHANGES IN CAPITAL FUNDS
FOR THE PERIOD ENDED MARCH 31, 2022 & MARCH 31, 2021
(In Thousands of Pesos)

	Consolidated									
	Attributable to equity holders of BPI					Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reserves	Surplus						
Balance, December 31, 2021	45,131,283	74,934,116	564,120	181,100,635	(8,670,465)	-	293,059,688	2,096,124	295,155,812	
Comprehensive Income										
Net Income for the year				7,983,584			7,983,584	72,954	8,056,537	
Other Comprehensive Income for the year					(1,113,579)		(1,113,579)	(15,846)	(1,129,424)	
Total Comprehensive Income for the year	-	-	-	7,983,584	(1,113,579)	-	6,870,005	57,108	6,927,113	
Transactions with owners										
Issuance of Shares - BPI & BFB Merger	4,061,793	28,980,891				(33,042,684)	-			
Executive Stock Plan amortization	-	52,691	727	-	-		53,418	-	53,418	
Cash Dividends	-	-	-	-	-		-	-	-	
Total transactions with owners	4,061,793	29,033,582	727	-	-	(33,042,684)	53,418	-	53,418	
Other movements										
Transfer from Reserve to Surplus	-	-	(2,175)	-	-		(2,175)	-	(2,175)	
Transfer from Surplus to Reserves	-	-	-	2,175	-		2,175	-	2,175	
Merger Reserves	-	-	(22,621)	-	-		(22,621)	-	(22,621)	
Others	-	-	-	15,768	-		15,768	(0)	15,768	
Total other movements	-	-	(24,796)	17,942	-	-	(6,853)	(0)	(6,853)	
Balance, March 31, 2022	49,193,075	103,967,698	540,052	189,102,161	(9,784,044)	(33,042,684)	299,976,258	2,153,232	302,129,489	

	Consolidated									
	Attributable to equity holders of BPI					Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reserves	Surplus						
Balance, December 31, 2020	45,045,403	74,764,236	415,532	165,508,813	(5,899,181)	-	279,834,802	2,121,738	281,956,540	
Comprehensive Income										
Net Income for the year				5,000,954			5,000,954	22,027	5,022,981	
Other Comprehensive Income for the year					(4,135,712)		(4,135,712)	(39,083)	(4,174,795)	
Total Comprehensive Income for the year	-	-	-	5,000,954	(4,135,712)	-	865,242	(17,056)	848,186	
Transactions with owners										
Proceeds from the stock rights offering	-	-					-		-	
Executive Stock Plan amortization	8,150	55,965	11,884				76,000		76,000	
Cash Dividends	-	-					-		-	
Total Transactions with owners	8,150	55,965	11,884	-	-	-	76,000	-	76,000	
Other movements										
Prior Period Adjustment										
Reversal of Excess Surplus Reserves			84,172				84,172		84,172	
Transfer from Surplus Free to Reserves				(84,172)			(84,172)		(84,172)	
Others				(8,418)			(8,418)		(8,418)	
Total other movements	-	-	84,172	(92,591)	-	-	(8,418)	-	(8,418)	
Balance, MARCH 31, 2021	45,053,554	74,820,201	511,588	170,417,176	(10,034,894)	-	280,767,626	2,104,682	282,872,308	

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2022 AND MARCH 31, 2021
(In Millions of Pesos)

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	10,274	8,886
Discontinued Operations	-	-
Adjustments for:		
Impairment losses	2,500	3,600
Depreciation and amortization	1,194	1,539
Share in net income of associates	(230)	(120)
Dividend and other Income	(12)	(10)
Share based compensation	1	12
Interest income	(22,411)	(20,758)
Interest received	21,585	22,943
Interest expense	3,489	3,982
Interest paid	(4,084)	(4,492)
(Increase) decrease in:		
Interbank loans receivable and securities purchased under agreements to resell	2,481	1,022
Financial Assets at FVTPL	(10,504)	(10,643)
Loans and advances, net	12,572	38,068
Assets held for sale	(189)	(107)
Assets attributable to Insurance operations	(1,397)	450
Other assets	4,996	(483)
Increase (decrease) in:		
Deposit liabilities	(64,051)	(44,057)
Due to Bangko Sentral ng Pilipinas and other banks	721	(100)
Manager's checks demand drafts outstanding	657	(1,023)
Accrued taxes, interest and other expenses	(436)	1,576
Liabilities attributable to insurance operations	1,441	(468)
Derivative financial instruments	(417)	(1,629)
Deferred credits and other liabilities	(1,982)	(2,429)
Net cash from (used in) operations	(43,800)	(4,242)
Income taxes paid	(927)	(2,742)
Net cash from (used in) operating activities	(44,728)	(6,983)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Investment Securities, net	(44,557)	(14,910)
Bank, premises, furniture, fixtures and equipment	(578)	(815)
Investment properties, net	2	1
Investment in subsidiaries and associates, net	(834)	1,357
Assets attributable to insurance operations	(167)	88
Dividends received	12	10
Net cash used in investing activities	(46,122)	(14,270)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	-	-
Proceeds from issuance	53	64
(Decrease) Increase in bills payable and other borrowed funds	13,257	(20,706)
Payments for principal portion of lease liabilities	(368)	(460)
Net cash used in financing activities	12,942	(21,102)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(77,908)	(42,355)
CASH AND CASH EQUIVALENTS		
January 1	365,953	330,588
March 31	288,045	288,233

BANK OF THE PHILIPPINE ISLANDS
Financial Indicators
As at March 31, 2022 and 2021

Ratio	Formula	Current Year	Prior Year
		in percentage	
Liquidity ratio	Total current assets divided by total current liabilities	46.87	53.83
Debt-to-equity ratio	Total liabilities (Bills payable and Bonds payable) divided by total equity	36.10	46.74
Asset-to-equity ratio	Total assets divided by total equity	792.81	770.90
Interest rate coverage ratio	Earning before interest expense, income taxes, depreciation, and amortization	435.35	367.24
Return on equity	Net income divided by average equity	11.02	7.21
Return on assets	Net income divided by average assets	1.36	0.93
Net interest margin (NIM)	Net interest income (return on investment less interest expense) divided by average net interest bearing assets	3.42	3.31
Average assets to average equity	Average assets divided by average equity	809.03	774.35
Net interest to average assets (NRFF)	Net interest income divided by average assets	3.24	3.14
Cost to income ratio	Total operating expense divided by total income (revenues)	49.63	48.63
Cost to asset ratio	Total operating expense divided by average asset	2.15	2.20
Capital to assets ratio	Total equity divided by total assets	12.61	12.97

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles 	<ul style="list-style-type: none"> The Bank's interim financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) which includes applicable PFRS, Philippine Accounting Standards (PAS), and interpretations approved by the Financial Reporting Standards Council (FRSC).
<ul style="list-style-type: none"> The following information, as a minimum, should be disclosed in the notes to financial statements, if material and if not disclosed elsewhere in the interim financial report: 	
<ul style="list-style-type: none"> A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change. 	<ul style="list-style-type: none"> The Bank's interim financial statements have been prepared consistent with its most recent annual financial statements as of December 31, 2021 which was in accordance with the PFRS adopted by the SEC.
<ul style="list-style-type: none"> Explanatory comments about the seasonality or cyclical nature of interim operations 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period. 	<ul style="list-style-type: none"> Nothing to report

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> • Issuances, repurchases, and repayments of debt and equity securities 	<ul style="list-style-type: none"> • On January 31, 2022, the Bank listed its PHP 27 Billion Fixed Rate Bonds Due 2024, the fourth tranche of its PHP 100 Billion Bond Program on the Philippine Dealing & Exchange Corp. (PDex), using the electronic Securities Issue Portal. The bonds have an interest rate of 2.8068% per annum to be paid quarterly. The bonds were over 5 times oversubscribed from its initial offer of PHP 5 Billion due to strong investor demand. The proceeds from this bond offer shall be utilized for BPI's digitalization efforts.
<ul style="list-style-type: none"> • Dividends paid (aggregate per share) separately for ordinary shares and other shares 	<ul style="list-style-type: none"> • Nothing to report
<ul style="list-style-type: none"> • Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting. (This shall be provided only if the issuer is required to disclose segment information in its annual financial statements). 	<ul style="list-style-type: none"> • Attached
<ul style="list-style-type: none"> • Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period 	<ul style="list-style-type: none"> • On January 1, 2022, the merger of BPI and BPI Family Savings Bank, its wholly owned thrift bank subsidiary officially took effect, with BPI as the surviving entity. The Bank has secured all necessary approvals for the transaction from its regulatory agencies and shareholders. Post-merger activities have started in the first quarter of 2022 and targeted for completion by the end of 2022.
<ul style="list-style-type: none"> • The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term 	<ul style="list-style-type: none"> • Nothing to report

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
investments, restructurings, and discontinuing operations.	
<ul style="list-style-type: none"> Changes in contingent liabilities or contingent assets since the last annual balance sheet date 	<ul style="list-style-type: none"> Changes in contingent liabilities and contingent assets are in the normal course of business and are not anticipated to cause any material losses from those commitments/contingent liabilities.
<ul style="list-style-type: none"> Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period. 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> Assess the financial risk exposures of the company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks. If any change thereof would materially affect the financial condition and results of operation of the company, provide a discussion in the report on the qualitative and quantitative impact of such risks and include a description of any enhancement in the company's risk management policies to address the same; 	<ul style="list-style-type: none"> The Bank manages risk exposures according to three major classifications: credit, market and liquidity, and operational and IT risks. The Bank is exposed to these financial risks primarily through lending activities, trading and investment in securities, currencies, financial derivatives and structured investment products, and engaging in operating activities, infrastructure and technology to support the Bank's day-to-day business. The risks associated with these activities are closely monitored through the various key risk indicators (KRIs) and metrics, risk appetite and limits, and management triggers defined and set by the Board through its Risk Management Committee (RMCom). The Chief Risk Officer of the BPI Group leads the Bank's Risk Management Office to support the RMCom in identifying, measuring, controlling, monitoring, and reporting the Bank's financial and non-financial risks exposures. The Bank has established risk management policies and standards ensuring that controls are generally in place and working effectively. These allow the Bank and its key subsidiaries to manage credit, market and liquidity, operational and information technology (IT) risks, as well as emerging risks such as environmental and social risks, within

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>the RCom-approved risk appetite (BPI subsidiary Board-level RComs in the case of key BPI subsidiaries). Dedicated and skilled risk managers, including business risk and subsidiary risk officers, fully support the Bank's three lines-of-defense (3LoD) risk organization.</p> <p>The persistent challenges observed in the global and local financial markets have resulted in more active risk management strategies in the Bank. Sensitivity analyses, forward-looking simulations and stress testing, regular risk monitoring and escalation procedures, risk MIS reporting and in-depth discussions involving business units, Senior Management, and the Board of Directors, are measures to strengthen the effectiveness of the Bank's enterprise risk management (ERM) framework. The Bank has also implemented a formal integrated risk and capital stress testing framework, with forward-looking assessment of risks to facilitate development of contingency plans and risk strategies, under given stressed scenarios crafted by the Bank's experts. Under the baseline projections, incorporating forward-looking macroeconomic assumptions and scenarios on COVID-19 impact, the Bank's capital position on both consolidated and solo bases will remain strong and well within the regulatory minimum CAR and CET1 ratios. The levels of risk limits and exposures are regularly reviewed to reflect the Board's overall risk appetite and strategy.</p> <p>The Bank is able to manage overall credit risks and maintain asset quality for the period, evidenced by generally acceptable NPL ratios relative to the Bank's total loan portfolio, diversified portfolio across key industries,</p>

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>adequate loan loss provisioning, and general compliance to BSP guidelines and regulatory ceilings on credit risk (including single borrower's limit and related party transactions). The Bank's NPL ratio was at 2.38% as of March 2022. Credit portfolio reviews, internal and regulatory credit stress tests, and risk reporting to Senior Management and the RMCom are regularly conducted to ensure that the Bank practices sound credit risk management. Since January 2018, the Bank adopted the accounting standards on classification and measurement under PFRS 9 guidelines. The Bank began recognizing credit losses upon initial recognition of its assets through the Expected Credit Loss (ECL) models. The Bank also complies with BSP's requirement of maintaining 1% general loan loss provisions for Stage 1 loans as prescribed by BSP 1011. In view of the COVID-19 pandemic, the Bank regularly updates its macroeconomic forecasts and uses these forecasts to update the forward-looking, point-in-time probability of default and loss rate models used in ECL calculation. Industry risk assessments, proactive collection and loan restructuring measures, and disciplined loan loss provisioning are being strictly observed to mitigate the effects of the COVID-19 pandemic and industry risks on the Bank's borrowing accounts.</p> <p>The Bank closely monitors the risk exposures of both trading and non-trading portfolios. Assets in both on- and off-balance sheet trading portfolios are marked-to-market and the resulting gains and losses are recognized through profit or loss. Market risk exposures are measured using the historical simulation Value-at-Risk (VaR) model complemented by several risk metrics such as Stop Loss and DV01. For the</p>

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>first quarter of 2022, the Philippine Government Securities (GS)/PHP BVAL yields have gone up by an average of around 60 bps across the curve from the previous quarter due to rising inflation, policy rate hike expectations and geopolitical risks which have a negative impact on the Bank's trading and securities/investment portfolios. The Bank's risk metrics (e.g., VaR and/or stop loss) are within the RCom-approved limits as of end of the first quarter of 2022.</p> <p>The Bank conducts regular price stress tests that measure the potential impact of adverse movements in interest rates on the Bank's trading and banking book and the corresponding impact on the Bank's CAR and CET1 ratios. The results of the first quarter 2022 price stress test on both the trading and banking book, showed that the Bank's post-shock CAR and CET1 levels are expected to be well above the minimum regulatory requirement given adverse movements in risk factors.</p> <p>Interest rate risk exposures arising from core banking activities are measured through (a) Earnings-at-Risk (EaR), or the potential deterioration in net interest income over the short- to medium- term horizon (i.e., those occurring in the next one to three years) due to adverse movements in interest rates, and (b) Balance Sheet Value-at-Risk (BSVaR), or the impact on the economic value of the future cash flows in the banking book due to changes in interest rates. As of the first quarter of 2022, BPI Group's BSVaR and EaR levels are well within the RCom-approved limits.</p> <p>The Bank's liquidity profile is measured and monitored through its internal metric, the</p>

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>Minimum Cumulative Liquidity Gap (MCLG) supplemented by liquidity risk monitoring tools, as well as through regulatory metrics, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). MCLG measures the smallest net cumulative cash inflow (if positively gapped) or the largest net cumulative cash outflow (if negatively gapped) over the next three months. LCR promotes the short-term resilience of the Bank's liquidity risk profile and requires the Bank to hold an adequate level of high-quality liquid assets (HQLA) to cover net cash outflows in the next 30 days. NSFR, on the other hand, requires the Bank to maintain a stable funding profile so as to cover its assets over a horizon of one year. Both LCR and NSFR are designed to strengthen the resilience of the Bank against liquidity shocks. As of the first quarter of 2022, BPI Group's MCLG is well above the RMCom-approved minimum while actual LCR and NSFR figures exceed the prescribed minimum requirement set by the BSP.</p> <p>The Bank regularly reviews its risk models and assumptions to assess performance, accuracy and/or effectiveness, from which recalibration or update is conducted, as necessary. Model validation is performed by a team independent of development, guided by an established framework and standards. Independent validation reports are presented to the Bank's RMCom and action items are subject to monitoring and review. Enterprise risk systems are continuously enhanced and/or upgraded in light of increasing regulatory expectations and the Bank's risk data aggregation initiatives towards the completeness, accuracy, timeliness and quality of risk data, dashboards, and reporting.</p>

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>On the Bank's management of operational and IT risks, for the first quarter of 2022, the Bank has maintained estimated operational and IT losses related to the Bank's operating activities to less than 1% of gross income. Such minimal losses are well within the Senior Management and Board/RMCom's conservative and prudent risk appetite, and are generally attributed to inherent risks in executing the Bank's day-to-day business operations. The Bank is conscientiously aware of new and emerging industry-wide risks, and duly considers these in regular risk assessments and in updating the Bank's risk strategies. Despite the challenges posed by the COVID-19 pandemic, the Bank remains operational, through the guidance of the Bank's Crisis Resiliency Committee (CRCom) and the Bank's updated business continuity playbook, ensuring the health and safety of its employees and considering the alert level and/or restrictions imposed by the national government.</p> <p>The Bank's strategic initiatives on digitalization, improvements on IT infrastructure and cybersecurity technology, and availability of business recovery sites enabled the continued delivery of the Bank's products and services to its customers.</p> <p>For personnel safety and welfare, the Bank fully complied with health and medical guidelines from the DOH and DOLE. The Bank continues to maintain lesser density in the corporate offices and fully comply with the social distancing rules through work from home arrangement and split operations using the BCP sites, newly established alternate work sites, and/or mobility</p>

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>areas. This also ensures containment in the event of infection and at the same time improves the accessibility of corporate offices to the Bank’s employees. A significant number of Bank employees were also made “mobile” and were given adequate tools to allow work outside of the Bank premises.</p> <p>As additional precautionary measures, shuttles are continuously provided to employees, limiting movements of personnel within and across its business offices, and enforcing virtual meetings. COVID-19 antigen testing for employees and maintenance personnel who come to the office was continuously carried out and only halted upon government declaration on March 1, 2022 of relaxed safety protocols under Alert Level 1.</p> <p>While additional expenses are continuously incurred due to COVID-19 related expenses, the Bank is sufficiently capitalized and has more than adequate reserves for operational risk events.</p>
<ul style="list-style-type: none"> The significant judgments made in classifying a particular financial instrument in the fair value hierarchy. 	<ul style="list-style-type: none"> The assumptions/judgments made in the Bank’s interim financial statements are consistent with the most recent annual financial statements as of December 31, 2021.
<ul style="list-style-type: none"> A comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods 	<p>The BPI Group classifies its financial assets in the following measurement categories: at Fair Value through Profit and Loss (FVTPL), Fair Value through Other Comprehensive Income (FVOCI), and at amortized cost. The recognition of each category’s fair values and gain(s)/loss(es) for the relevant periods are detailed below.</p> <ul style="list-style-type: none"> FVTPL: A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

SEC REQUIREMENT	DISCLOSURE									
	<p>of a hedging relationship is recognized in profit or loss and presented in the statements of income within “Securities trading gain” in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately.</p> <ul style="list-style-type: none"> FVOCI: Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortized cost which are recognized in the statements of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Amortized Cost: carrying amount and fair value are summarized in the following table. <table border="1" data-bbox="821 1213 1490 1381"> <thead> <tr> <th>In P Mn</th> <th>Carrying Amount</th> <th>Fair Value</th> </tr> </thead> <tbody> <tr> <td>March 31, 2022 (unaudited)</td> <td>403,513</td> <td>397,456</td> </tr> <tr> <td>Dec 31, 2021 (audited)</td> <td>338,672</td> <td>339,189</td> </tr> </tbody> </table> <p>The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured.</p>	In P Mn	Carrying Amount	Fair Value	March 31, 2022 (unaudited)	403,513	397,456	Dec 31, 2021 (audited)	338,672	339,189
In P Mn	Carrying Amount	Fair Value								
March 31, 2022 (unaudited)	403,513	397,456								
Dec 31, 2021 (audited)	338,672	339,189								

BANK OF THE PHILIPPINE ISLANDS
SEGMENT REPORT
For the Three Months Ended March 31, 2022

In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	10,161	6,691	2,772	(633)	18,991
Impairment charge	321	2,182	(4)	1	2,500
Net interest income after impairment charge	9,840	4,509	2,777	(634)	16,491
Fees and commission income	2,032	368	216	(34)	2,582
Other income	1,826	269	1,499	564	4,157
GRT	(249)	(42)	(32)	(48)	(370)
Other Income, net	3,610	595	1,683	482	6,369
Compensation and fringe benefits	3,646	545	268	261	4,720
Occupancy and equipment-related expenses	1,328	18	51	2,407	3,805
Other operating expenses	3,811	1,379	310	(1,440)	4,061
Total operating expenses	8,786	1,942	630	1,228	12,585
Operating Profit	4,664	3,161	3,829	(1,380)	10,274
Provision for Income Tax					2,218
Share in net income of associates					230
Total Assets	506,899	1,188,346	679,901	15,674	2,390,820
Total Liabilities	1,346,632	591,707	123,175	27,177	2,088,691

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition as of March 31, 2022 versus as of December 31, 2021

Total resources of P2.38 trillion, decreased P43.67 billion, or 1.8%, led by the decrease in **due from Bangko Sentral ng Pilipinas** of P72.51 billion, or 27.0%, on account of lower term deposit balances.

Followed by the decreases in:

- **Financial Assets at Fair Value through OCI** at P113.38 billion, down P21.36 billion, 15.9%, due to lower holdings of securities available for sale;
- **Loans and advances, net** at P1.46 trillion, decreased P14.39 billion, or 1.0%, on account of lower loan balances as compared to year-end 2021, on seasonal dips.
- **Cash and other cash items** at P29.15 billion, decreased P5.99 billion, or 17.1%, on account of lower cash placements as compared to year-end 2021;
- **Other Resources, net** at P14.63 billion, decreased P5.26 billion, or 26.4%, primarily from the decrease in miscellaneous assets.

The above declines were tempered by upward movements of the following accounts:

- **Investments in subsidiaries and associates, net** at P8.23 billion, increased P1.06 billion, or 14.8%, as a result of higher equity income brought by the BPI-BFB merger;
- **Assets attributable to insurance operations** at P19.06 billion, up P1.50 billion, or 8.5%, due to higher insurance balances receivables of the Bank's non-life insurance affiliate;
- **Financial Assets at Fair Value through Profit or Loss** at P31.84 billion, up P10.51 billion, 49.2%, due to increase in holdings of securities intended for trading;
- **Financial Assets at Amortized Cost** at P403.51 billion, increased P64.84 billion, or 19.1%, due to increase in hold to collect debt securities.

Total liabilities at P2.08 trillion, decreased P50.64 billion, or 2.4%, primarily from the P64.05 billion, or 3.3%, decline in **total deposits**, ending at P1.89 trillion. The decrease in deposits is attributable to lower time deposits at P359.81 billion, down P89.13 billion, or 19.9%, due to the discontinuance of certain high cost products. The following accounts also declined:

- **Deferred credits and other liabilities** at P39.87 billion, decreased P3.53 billion, or 8.1%, primarily from the decrease in other liabilities;
- **Derivative financial liabilities** at P3.21 billion, declined P416.68 million, or 11.5%, owing to decreases in certain derivative positions.

Notably, the following liabilities increased for the period:

- **Manager's checks and demand drafts outstanding** at P7.59 billion, up P657.11 million, or 9.5%, on account of higher volume of manager's checks issued;
- **Liabilities attributable to insurance operations** at P14.68 billion, up P1.44 billion, or 10.9%, owing to higher reserves and other balances;
- **Due to Bangko Sentral ng Pilipinas (BSP) and other banks** at P2.54 billion, higher by P1.58 billion, or 166.2%, on account of higher taxes collected for the Bureau of Internal Revenues (BIR) and due to other banks;
- **Other borrowed funds** at P108.30 billion, increased P13.26 billion, or 13.9%, owing to the recent bond issuances.

Total capital at P299.98 billion, increased P6.92 billion, or 2.4%, due to the P29.03 billion increase in **share premium**, ending at P103.97 billion, tempered by the retirement of common shares that was previously acquired and recorded as **treasury shares** at P33.04 billion, pursuant to the Bank's merger with BPI Family Savings Bank, Inc., effective as of January 1, 2022. **Share capital** stood at P49.19 billion, up 9.0%, tempered by the increase in **accumulated other comprehensive loss** at P9.78 billion, up P1.11 billion, or 12.8%, as a result of the booked retired shares.

RESULTS OF OPERATIONS

For the Quarters ended March 31, 2022 and 2021

Net income of P7.98 billion for the first quarter of 2022 was up 59.6%, attributable to higher net interest income, lower loss provisions, and normalized tax expenses.

Net interest income at P18.99 billion, was up P2.13 billion, or 12.7%, as NIM expanded 11 basis points (bps) primarily from lower cost of funds, which decreased by 18 bps.

Interest income, net of GRT stood at P22.41 billion, up 8.0%, on the back of the following movements in interest income on:

- **Loans and advances** at P18.48 billion, up 4.3%, on higher average asset volume despite lower yields;
- **FA at FV at amortized cost** at P3.05 billion, up 59.5%, on account of higher average asset volume and yields;
- **FA at FV through OCI** at P494.36 million, down 24.1%, on account of lower average asset volume and yields;
- **Deposits with BSP and other banks** at P332.21 million, down 21.0%, due to lower yields despite higher average asset volume;
- **FA at FV through profit or loss** at P52.26 million, down 8.4%, on account of lower average asset volume despite higher yields.

Interest expense at P3.42 billion, declined P481.18 million, or 12.3%, driven by the decreases in interest expense on:

- **Bills payable and other borrowings** at P940.15 million, down P392.70 million, on account of lower average volume and cost;
- **Deposits** at P2.48 billion, down 3.4%, due to lower cost despite higher average volume.

Other income, net of GRT at P6.37 billion, down P1.08 million, or 14.5%, mainly from the decline in **trading gain on securities** at P196.11 million, down P1.22 billion, or 86.2%, due to the sale of FVOCI securities last year. Other material movements are:

- **Fees and commissions** at P2.41 billion, down P629.58 million, or 20.7%, due to lower service charges and underwriting fees;
- **Income from foreign exchange trading** at P702.06 million, up P385.90 million, or 122.1%, due to favorable trading opportunities;

- **Other operating income** at P2.61 billion, up P236.29 million, or 9.9%, mainly from higher equity income of the Bank's leasing and bancassurance affiliates;
- **Income attributable to insurance operations** at P446.70 million, up P153.49 million, 52.3%, due to higher income contribution of non-life insurance affiliate.

Other expenses at P12.59 billion, up P765.68 million, or 6.5%, due to broad increases in all cost categories, namely:

- **Compensation and fringe benefits** at P4.72 billion, up P316.76 million, or 7.2%, attributable to annual salary increases and performance bonuses;
- **Other operating expenses** at P4.06 billion, up P248.70 million, or 6.5%, on the back of higher regulatory costs;
- **Occupancy and equipment-related expenses** at P3.80 billion, up P200.23 million, or 5.6%, due to higher security services fees, rent expense, and software repairs and maintenance.

Impairment losses at P2.50 billion, dropped P1.10 billion, or 30.6%, coming from higher loan loss provisioning in 2021.

Provision for income tax at P2.22 billion, declined P1.64 billion, or 42.6%, primarily due to movements in **deferred income tax** of P2.11 billion, in relation to lower loan loss provisioning in 2022 compared to same period in the prior year. Meanwhile, **current income tax** at P2.36 billion normalized after last year's one-time tax adjustments upon effectivity of the CREATE law.

Income attributable to non-controlling interest at P72.95 million, up P50.93 million, attributable to higher income contribution from the Bank's non-life insurance affiliate.

Total comprehensive income at P6.93 billion, increased P6.00 billion, due to higher **net income before minority interest** at P8.06 billion, up P3.03 billion, and lower **total other comprehensive loss, net of tax effect** at P1.13 billion, compared to previous year's P4.17 billion loss, on the back of the following movements:

For Items that may be reclassified subsequently to profit and loss:

- **Net change in fair value reserve on FVOCI securities, net of tax effect** at P1.40 billion loss, decreased P1.67 billion, or 54.4%, on account of lower market valuation loss of the Bank's investment securities;
- **Share in other comprehensive loss of associates** at P430.34 million, declined P287.90 million, on account of the higher valuation of the bancassurance affiliates' investment securities;
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P75.93 million loss, or 32.5%, as a result of lower market valuation loss of the non-life insurance affiliates' investment funds;
- **Currency translation differences** at P79.13 million loss, down P308.41 million, on account of the net effect from cash flow hedging.

For Items that will not be reclassified to profit and loss:

- **Actuarial gains on defined benefit plan, net of tax effect** at P761.77 million, up P1.19 billion, on account of higher valuation of the Bank's contribution to the retirement fund;
- **Share in other comprehensive income of associates** at P98.77 million, up P159.67 million, on higher valuation of the life insurance affiliate's investments compared to last year's movement.

Income attributable to non-controlling interest at P57.11 million, increased P74.16 million, because of the higher share in the actuarial valuation adjustment of the Bank's contribution to the retirement fund.

Key Performance Indicators

The following ratios, applied on a consolidated basis, are used to assess the performance of the Bank and its majority owned subsidiaries:

	March 31, 2022	March 31, 2021
Return on Equity (%)	11.02	7.21
Return on Assets (%)	1.36	0.93
Net Interest Margin (%)	3.42	3.31
Operating Efficiency Ratio (%)	49.63	48.63
Capital Adequacy Ratio (%) – Basel III	17.14	17.58

Return on equity (ROE), the ratio of net income to average equity, was at 11.02%, higher compared to last year's 7.21%, as the growth in net income outpaced the expansion of average equity.

Return on assets (ROA), the ratio of net income to average assets, was higher at 1.36%, compared to last year's 0.93%, due to the increase in net income of 59.6% compared to the expansion in average asset base of 9.1%.

Net interest margin (NIM), net interest income divided by average interest bearing assets, at 3.42%, expanded 11 basis points than the 3.31% in 2021, due to drop in cost of funds.

Operating efficiency (cost to income) ratio, the ratio of operating expenses to income, higher at 49.63% from 48.63% in 2021, as revenues declined and operating expenses slightly increased.

Capital adequacy ratio (CAR), the ratio of total qualifying capital to total risk-weighted assets, was at 17.14%, lower versus prior year's 17.58%, as the growth in risk-weighted assets outpaced the growth in qualifying capital. The CET 1 ratio at 16.26%, was also lower than the 16.71% from the same period last year. Both of the Bank's capital ratios are above the BSP's minimum requirement.

Material Events and Uncertainties

Other than the disclosures enumerated above, the Bank has nothing to report on the following:

1. Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
2. Any events that will trigger direct or contingent financial obligation that is material to the Bank, including any default or acceleration of an obligation.
3. Other material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Bank with unconsolidated entities or other persons created during the reporting period.
4. Any material commitments for capital expenditures.
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
6. Any significant elements of income or loss that did not arise from the Bank's continuing operations.
7. Any seasonal aspects that had a material effect on the financial condition or results of operations.

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 hereunto duly authorized.

BANK OF THE PHILIPPINE ISLANDS

Issuer



JOSE TEODORO K. LIMCAOCO
President &
Chief Executive Officer

Date: May 13, 2022



MARIA THERESA D. MARCIAL
Executive Vice President &
Chief Finance Officer

Date: May 13, 2022

BPI UNIBANK
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE
MARCH 31, 2022

No. of Days Outstanding		Amount
		(In Thousands)
	0-90	P 907,801
	91-180	230,781
	181-360	214,629
	Over 360	831,577
Total		2,184,788
Less : Allow. For Probable Losses		1,046,552
Net of Allowance		P 1,138,236