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BPI posts 46.8% increase in 2Q 2019 net income

MAKATI CITY, Philippines --- Bank of the Philippine Islands posted P7.01 billion in Net Income in the second quarter of 2019, higher by 46.8% compared to the same period last year. This brings the first half Net Income to P13.74 billion, up 24.6% from P11.03 billion registered in the same period last year. Comprehensive Income for the first half was P15.25 billion, up 62.8%.

Total Revenues for the first half increased by 23.3% to P45.90 billion, driven by a 24.1% year-on-year growth in Net Interest Income which reached P32.36 billion. Net Interest Margin widened by 38 basis points on higher asset yields which rose by 103 basis points, partially offset by higher cost of funds.

Total Loans as of June 30, 2019 reached P1.35 trillion, registering a growth of 10.8% year-on-year, boosted by corporate loans which increased by 11.6% and consumer loans which grew by 10.3%. Within the consumer segment, credit card loans continued to accelerate, rising by 25.8% in the first half. Total Deposits reached P1.66 trillion, higher by 8.0% year-on-year. The Bank's CASA Deposit Ratio stood at 68.3% while the Loan-to-Deposit Ratio was at 81.7%.

Non-interest Income reached P13.54 billion in the first half, a 21.5% increase year-on-year, driven by increases in securities trading gains and fee-based income. The Bank's securities position stood at P404.22 billion, up by 33.4% year-on-year. Fees, Commissions and Other Income increased by 16.1% across a broad range of businesses including credit cards, deposit products, insurance, transaction banking, leasing, retail loans and electronic channels.

Operating Expenses stood at P24.28 billion in the first half, higher by 14.4% year-on-year on continued technology spend, the continued build-out of new microfinance branches, and one-time manpower expenses related to the recently concluded collective bargaining agreements. Cost-to-Income Ratio for the first semester was at 52.9%, an improvement from 57.0% in the first half of 2018.

Provision for Loan Losses for the first semester, which included specific reserves for Hanjin, was at P3.48 billion, bringing the Bank's Loss Coverage Ratio to 100.7%. NPL Ratio was at 1.86%, flat versus year-end 2018.

Total Assets stood at P2.13 trillion, higher by 12.3%, with Return on Assets at 1.34%. Total Equity reached P259.88 billion, providing a strong capital position to deliver future growth, with an indicative Common Equity Tier 1 Ratio of 15.55% and Capital Adequacy Ratio of 16.44%.

ABOUT BPI

The 168-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, and foreign exchange and capital markets. BPI has significant financial strength, with robust Tier 1 capital adequacy ratios and profitability, underpinned by a stringent compliance and risk management regimes. BPI has investment-grade ratings of BBB- (Fitch), Baa2 (Moody's), and BBB (Capital Intelligence).

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