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BPI posts 1Q2021 net income of P5.0 billion

MAKATI CITY, Philippines --- Bank of the Philippine Islands posted Net Income of P5.0 billion for the first quarter of 2021. While Net Income Before Taxes for the period was 5.1% higher, Net Income After Taxes was 21.7% lower due to one-time tax adjustments in connection with previously booked loan provisions because of the effectivity of the CREATE law.

Total Revenues for the first three months of the year declined by 1.5% to P24.3 billion. Net Interest Income dropped by 6.5% to P16.9 billion, driven by a 31-basis point contraction in Net Interest Margin to 3.31%. Meanwhile, Non-Interest Income increased by 12.1% to P7.4 billion on the back of robust fee income, up by 27.8% to P5.7 billion. This boost came from higher fees from the bancassurance, asset management, transaction banking, and investment banking businesses.

Total Operating Expenses for the first quarter declined by 2.3% to P11.8 billion. Cost-to-Income Ratio stood at 48.6%, an improvement from the 49.0% recorded in the prior year. The Bank recognized Provisions of P3.6 billion as of March 31, 2021, lower by 12.7% than the P4.1 billion booked over the same period last year. NPL ratio was 2.76%, with NPL Coverage ratio at 123.5%.

Total Loans as of March 31, 2021 was P1.4 trillion, a 5.0% decline year-on-year, due to softer demand across most loan products, except for mortgage and microfinance which registered growth rates of 10.9% and 10.5%, respectively. Total Deposits was flat year-on-year at P1.7 trillion. Notably, CASA grew 11.9%, offsetting a 34.4% decrease in time deposits. The Bank's CASA Ratio was 82.6%, while the Loan-to-Deposit Ratio was 81.6%.

Total Assets stood at P2.2 trillion, almost flat year-on-year. Total Equity increased to P280.8 billion, with an indicative Common Equity Tier 1 Ratio of 16.6% and a Capital Adequacy Ratio of 17.5%, both above regulatory requirements. Return on Equity was 7.2%, while Return on Assets was 0.93%.

ABOUT BPI

The 169-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).

Contact Us: Media: corporateaffairs@bpi.com.ph | Investor Relations: investorrelations@bpi.com.ph Bank of the Philippine Islands | Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo St., Legaspi Village, Makati City 1229 PH | +632 8246 6364