

April 19, 2023

BPI starts 2023 strong with first quarter net income up 52%

MAKATI CITY, Philippines --- Bank of the Philippine Islands recognized net income of P12.1 billion for the first three months of 2023, up 52.0% compared to the same period last year, achieving a Return on Equity of 15.4%. The solid performance was attributable to average asset base expansion, margin growth, and lower provisions.

Total revenues for the first quarter of the year grew 25.1% to P31.7 billion propelled by the 27.2% increase in net interest income to P24.2 billion, on the back of a 10.0% expansion in average asset base coupled with a 52-basis point increase in net interest margin to 3.94%. Further boosting revenues was the 18.6% jump in non-interest income to P7.6 billion, driven by higher credit card billings and charges, securities trading gains, and fees from investment banking project finance deals.

Total operating expenses for the first quarter was P15.1 billion on spending for manpower structural increases, milestone payments for digitalization initiatives, targeted marketing campaigns and rewards redemptions, and higher transaction-related processing fees. Despite the 19.7% increase in opex year-on-year, cost-to-income ratio was still lower at 47.5% on the strong revenue generation.

The Bank noted continued strength in asset quality as the NPL Ratio improved to 1.82% from 2.38% in March 2022, with a robust NPL Coverage Ratio of 176.71%. The Bank booked provisions of P1.0 billion year-to-date, lower by 60.0% from the P2.5 billion recorded over the same period last year, as asset quality has been on an improving trend.

Total assets stood at P2.7 trillion, up 12.4% versus the same period last year, while Return on Assets was 1.88%. Total loans as of March 31, 2023 climbed 13.6% to P1.7 trillion, coming from higher loan growth in the corporate, credit card, and auto portfolios of 12.6%, 38.7%, and 16.4%, respectively. Total deposits also grew year-on-year to P2.1 trillion, up 13.6%. The Bank's CASA Ratio was 70.3%, while the Loan-to-Deposit Ratio was 77.3%.

Total equity was P331.6 billion, with an indicative Common Equity Tier 1 Ratio of 15.7% and a Capital Adequacy Ratio of 16.6%, both above regulatory requirements.

In March 2023, BPI was recognized as the Best Employer Brand on LinkedIn in the over 10,000 employee category for successfully engaging with its talents through meaningful and relevant content and as a Diversity Champion finalist at the LinkedIn Talent Awards for initiating and inspiring meaningful conversations around diversity, inclusion, belonging and equity.

In April 2023, BPI launched its new and future-ready mobile app, built on a more modern system which features an improved user experience – customers can get things done in fewer taps, with top transactions that are easier to access upon login and faster to finish. The new BPI app is part of the Bank's aggressive digital transformation journey and reinforces its solid footing as a digital banking leader in the Philippines.

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, wealth 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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