

BPI Fixed Income Investor Update

20-22 November 2023



Presenters



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Chief Finance Officer
and Chief Sustainability Officer



Dino Gasmen
Treasurer and
Head of Global Markets



BPI Fixed Income Investor Update

Presentation Outline

- I. Institutional Overview
- II. Performance Highlights
- III. Sustainability and Digital Updates
- IV. Q&A



Institutional Overview



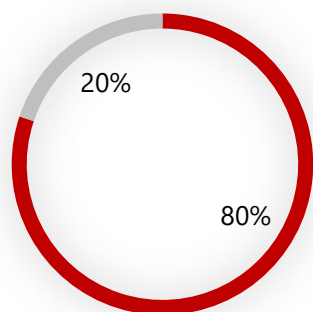
BPI at a glance



- ✓ The first bank in the Philippines and Southeast Asia, and the longest tenured bank with 172 years of continuous operating history, with highly reputable shareholders, the largest of which include the Ayala Group and the Roman Catholic Church
- ✓ Award winning, universal banking franchise licensed by the Bangko Sentral ng Pilipinas, offering a broad range of financial solutions catering to both retail and corporate clients
- ✓ Customer base now stands at 10.06 million customers (inclusive of clients acquired through Gcash, VYBE and Agency Banking) as of September 30, 2023 owing to the Bank's strong brand recognition

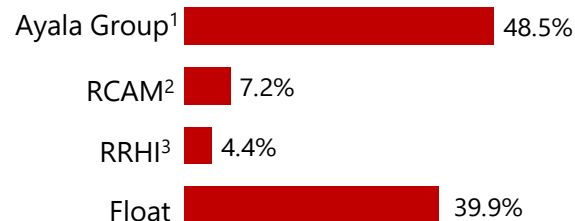
Ownership Structure, September 30, 2023

Citizenship Composition



■ Filipino ■ Non-Filipino

Shareholder Profile



¹ Includes share in Liontide Holdings Inc.

² Roman Catholic Archdiocese of Manila

³ Robinsons Retail Holdings, Inc.

Investment Information September 30, 2023

Fundamentals	
Stock Price	₱112.00 per share
BV per share	₱67.96
P-B Ratio	1.58x
P-E Ratio	11.62x
Dividends ¹	₱1.68 per share
Market Cap (in P mn)	₱553,862
Trading Fact Sheet	
Type	Common
Stock Ticker	BPI
ISIN	PHY0967S1694
Exchange	Philippine Stock Exchange
Par Value	10.00
Outstanding Shares	4,945,197,291
Foreign Ownership	20%

¹ Cash Dividends - First semester of 2023

Investment Ratings

Credit Ratings		Rating / Outlook	
S&P	BBB+ / Stable	Long term Issuer Credit Rating	Sep 2023
Moody's	Baa2 / Stable	Baseline Credit Assessment	Aug 2023
Fitch	BBB- / Stable	Long term Issuer Default Rating	May 2023
Capital Intelligence	BBB / Stable	Long term Foreign Currency	July 2023
ESG Ratings			
MSCI		BB	July 2023
Sustainalytics		28.8	June 2023
SAM (S&P)		47	Sep 2022
V.E. (Moody's)		47	Mar 2023

Operating Franchise



BPI has a leading deposit franchise and expansive reach through its network of traditional channels and unparalleled digital banking platform

One of the largest branch & ATM networks (as of Sep 2023)

1,211 Branches:

871 BPI¹

340 BanKo²

2,086 ATMs & CAMs

18,657 Employees

Main Operating Business Segments



Elevating
Financial Inclusion

INTEGRATED REPORT 2022

Institutional
Banking

Business
Banking

Wealth
Management

Bancassurance

Consumer
Banking

Mass Retail
Products

Agency
Banking

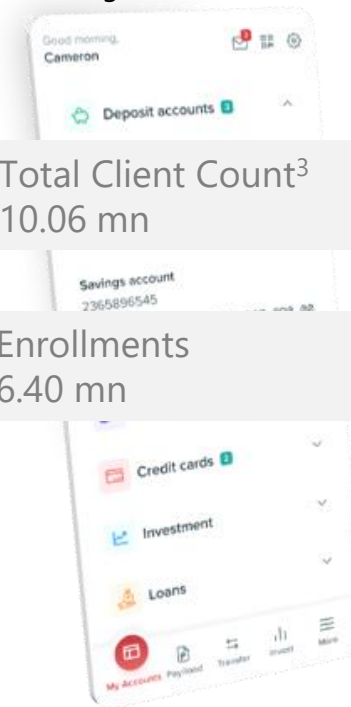
BPI's digital banking platform is amongst the best in the country

Digital Channels

As of August 2023

Total Client Count³
10.06 mn

Enrollments
6.40 mn



¹ **Branch licenses:** 869 domestic, 2 international; **Physical locations:** 738 domestic (with 131 branches co-located); 2 international (composed of 1 London and 1 Hong Kong office)

² Branches and branch-lite units (BLUs)

³ Inclusive of GSave clients acquired through Gcash and VYBE ⁴ Rolling 3 months on a growing client base

Milestones of BPI



- Founded in **1851**, as Banco Español Filipino de Isabel II, by Catholic charities
 - Antonio de Ayala inaugural member of board
- Named **Bank of the Philippine Islands** (Banco de las Islas Filipinas) after Treaty of Paris (1898)
- Ayala y Compañía** (present day Ayala Corp.) assumes strategic stake in 1969
- Morgan Guaranty Trust Company** purchases stake in People's Bank, a predecessor, in 1974



Pesos Fuertes, 1883



BPI Iloilo, 1897



BPI ₱10 note, 1933

Strategic Partnerships formed over the years, actively entering into diverse business joint ventures in the last decade

Year	Firm	Description
1974	People's Bank & Trust	Retail banking
1981	Commercial Bank & Trust	Expands BPI's middle market presence
1982	Ayala Inv & Dev't (AIDC)	Adds investment banking—precursor of BPI Capital
1982	Makati Leasing	JV with U.S. Leasing—precursor of BPI Leasing
1984	Family Bank & Filinvest Credit	Expands consumer banking franchise
1996	CityTrust Banking Corp.	Former Philippine retail operations of Citibank
2000	Far East Bank & Trust	Consolidation
2000	Ayala Life, FGU Insurance	BPI becomes first bancassurance platform in Philippines
2001	DBS Philippines	Consumer and middle markets
2002	BPI/MS	51%-owned non-life insurance JV with Mitsui Sumitomo,
2005	Prudential Bank	Expands BPI's middle market presence
2009	BPI-Philam Life Assurance	49%-owned life insurance JV with Philam Life
2009	BPI Globe BankO	Microfinance JV with Globe Telecom, Ayala Corp
2011	ING Asset Management	Trust & investment management
2014	Century Tokyo Leasing	51%-owned leasing JV with Century Tokyo Leasing
2015	Global Payments	49% JV with Global Payments
2016	BPI Direct BankO	BPI acquires 100% of BPI Globe BankO, merges with BPI Direct
2022	BPI Family Savings Bank	BPI and BFSB merger
2022	Robinsons Bank	BPI and RBC merger plans announcement

Historical Balance Sheet



In P bn	2019	2020	2021	2022	Sep 2022	Sep 2023	YoY
Assets	2,205.0	2,233.4	2,421.9	2,604.0	2,528.2	2,709.9	7.2%
Gross Loans	1,498.9	1,450.2	1,528.6	1,756.8	1,656.7	1,795.1	8.4%
Net Loans	1,475.3	1,407.4	1,476.5	1,703.0	1,600.4	1,741.1	8.8%
Securities	353.1	407.3	491.2	537.9	568.3	596.6	5.0%
Deposits	1,695.3	1,716.2	1,955.1	2,096.0	2,033.9	2,171.2	6.7%
CASA	1,171.2	1,365.9	1,506.3	1,558.4	1,547.7	1,504.8	-2.8%
Time	524.1	350.3	448.9	537.6	486.2	666.4	37.1%
Borrowings	150.8	151.9	95.0	97.5	84.2	101.6	20.7%
Capital	269.6	279.8	293.1	317.7	313.4	349.6	11.6%
LDR (Net Loans)	87.0%	82.0%	75.5%	81.2%	78.7%	80.2%	151 bps
CASA ratio	69.1%	79.6%	77.0%	74.4%	76.1%	69.3%	-679 bps
CET1	15.6%	16.2%	15.8%	15.1%	15.89%	16.09%	20 bps
CAR	16.5%	17.1%	16.7%	16.0%	16.78%	16.98%	20 bps

Historical Income Statement



In P bn	2019	2020	2021	2022	9M 2022	9M 2023	YoY
Net Interest Income	65.57	72.26	69.58	85.07	61.65	76.78	24.5%
Non-Interest Income	26.69	29.66	27.82	33.46	25.81	24.10	-6.6%
Trading Income	6.12	10.11	3.99	3.69	2.91	3.49	20.1%
Fee Income	20.57	19.55	23.83	29.77	22.91	20.61	-10.0%
Net Revenues	92.26	101.92	97.40	118.52	87.46	100.87	15.3%
Opex	48.34	48.15	50.73	57.99	40.09	48.62	21.3%
PPOP	43.92	53.77	46.67	60.54	47.37	52.25	10.3%
Provisions	5.56	28.00	13.14	9.17	7.50	3.00	-60.0%
NIBT	38.36	25.77	33.54	51.37	39.87	49.25	23.5%
Income Taxes	9.36	3.91	9.43	11.53	9.17	10.48	14.4%
Net Income	28.80	21.41	23.88	39.61	30.55	38.62	26.4%
Indicators (in %)							
ROE	10.97	7.70	8.40	13.14	13.73	15.56	183 bps
ROA	1.38	0.98	1.08	1.59	1.66	1.95	28 bps

Performance Highlights - 9M 2023



Performance Highlights



Profitability

- Record YTD Sept income of P38.62 Bn, up 26% YoY, largely driven by record revenues
- Excluding gain from sale of property last year, net income was up 44%
- Sustained ROE at 15.56% and ROA at 1.95%, highest in a decade

Balance Sheet

- Loans growth has moderated, up 8.4% YoY
- Liquidity ratios are well above regulatory requirement; LCR at 193.82%; NSFR at 150.2%
- Further strengthened capital position: CET1 at 16.09%; CAR at 16.98%

Asset Quality

- Asset quality remained strong with sufficient NPL cover
- NPL ratio at 1.97%, NPL cover at 159%
- Lower credit cost at 23bps

Shareholder Returns

- Sustained share value creation
- EPS of P7.81, up 15% YoY; up 31% excluding the one-off gain last year
- On track to sustain payments of improved cash dividends

Profitability – QoQ



In P bn	3Q 2022	2Q 2023	3Q 2023	QoQ	YoY
Net Interest Income	22.31	25.95	26.67	2.8%	19.6%
Non-Interest Income	7.51	7.92	8.62	8.7%	14.7%
Trading Income	1.29	1.03	1.20	16.0%	-6.8%
Fee Income	6.22	6.89	7.42	7.7%	19.2%
Net Revenues	29.82	33.87	35.29	4.2%	18.3%
Opex	14.24	16.33	17.23	5.5%	21.0%
PPOP	15.57	17.55	18.05	2.9%	15.9%
Provisions	2.50	1.00	1.00	0.0%	-60.0%
NIBT	13.07	16.55	17.05	3.1%	30.4%
Income Taxes	2.94	3.50	3.54	1.2%	20.6%
Net Income	10.10	13.02	13.47	3.4%	33.3%

Quarter-on-Quarter

- Record quarter net income of P13.47 Bn driven by record revenue partly offset by increase in operating expenses

Year-on-Year

- 3Q23 net income was up 33% YoY on strong revenue generation
- PPoP up 16%
- Lower provision further boosted income

Profitability – 9M



In P bn	9M 2022	9M 2023	YoY
Net Interest Income	61.65	76.78	24.5%
Non-Interest Income	25.81	24.10	-6.6%
Trading Income	2.91	3.49	20.1%
Fee Income	22.91	20.61	-10.0%
Net Revenues	87.46	100.87	15.3%
Opex	40.09	48.62	21.3%
PPOP	47.37	52.25	10.3%
Provisions	7.50	3.00	-60.0%
NIBT	39.87	49.25	23.5%
Income Taxes	9.17	10.48	14.4%
Net Income	30.55	38.62	26.4%
Excluding One-Off Gain from Asset Sale			
Fee Income	17.92	20.61	15.0%
Revenue	82.47	100.87	22.3%
Net Income	26.81	38.62	44.1%

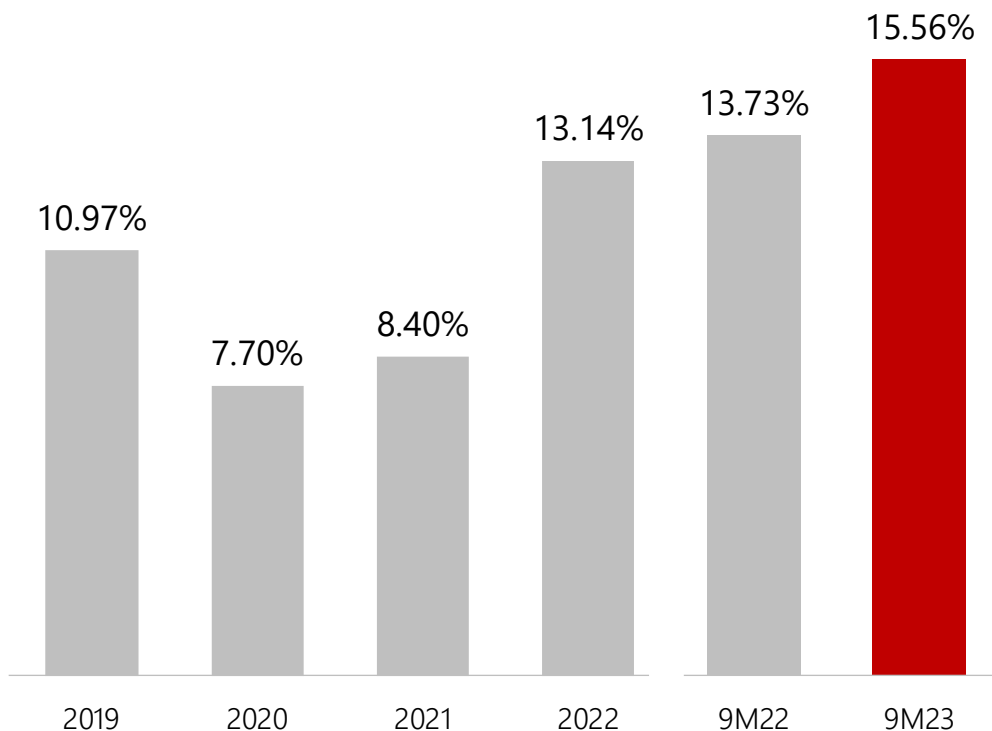
- Record net income of P38.62 Bn, up 26% YoY, largely driven by revenues and lower provisions which offset the increase in operating expenses
 - Impact of sustained expansion of loans and NIM offset the decline in fee income
 - Solid trading income, up 20% YoY
- Excluding gain from asset last year -
 - Fee income up 15%, on sustained volume growth in our biggest businesses
 - Revenue up 22% ahead of the 21% increase in operating expenses
 - Net income up 44%

Shareholder Returns

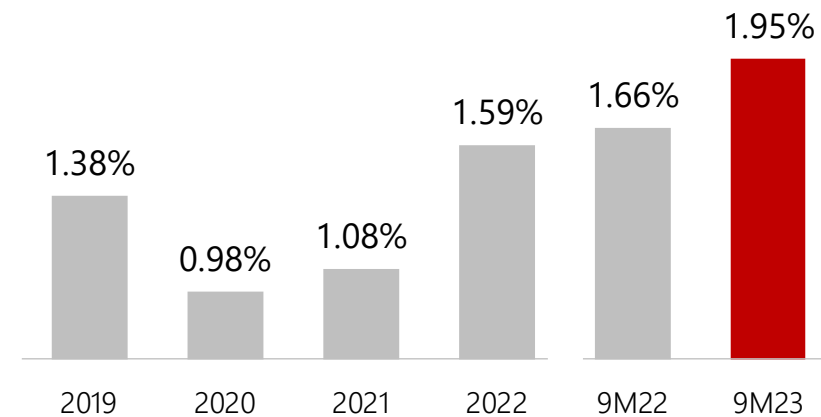
Increased profitability and share value creation



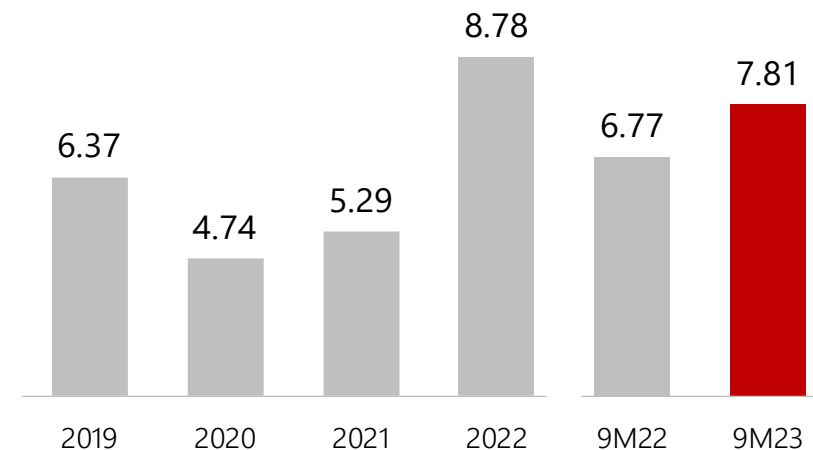
Return on Equity



Return on Assets



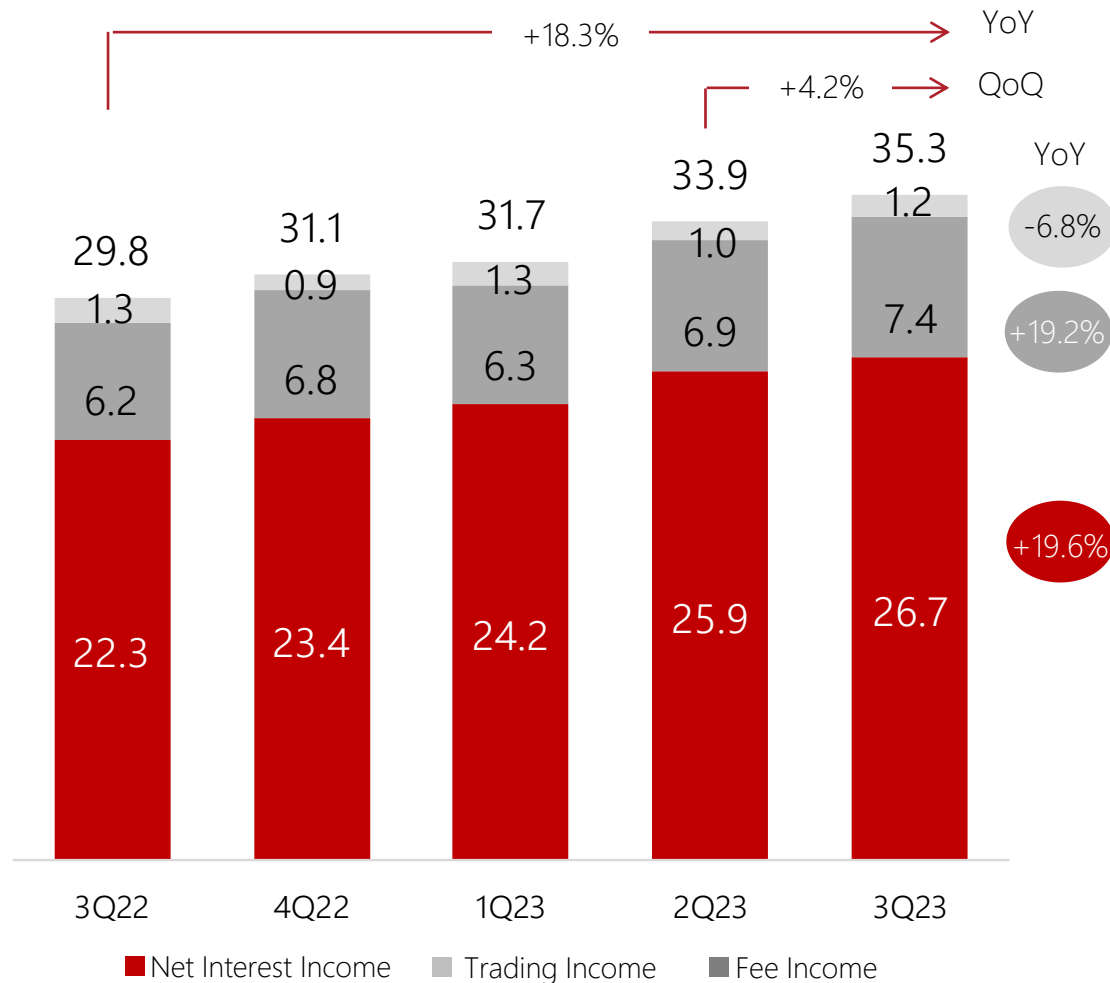
Earnings per Share



Revenues

Robust revenue performance, driven by interest income and fee income

Quarter-on-Quarter (in P bn)

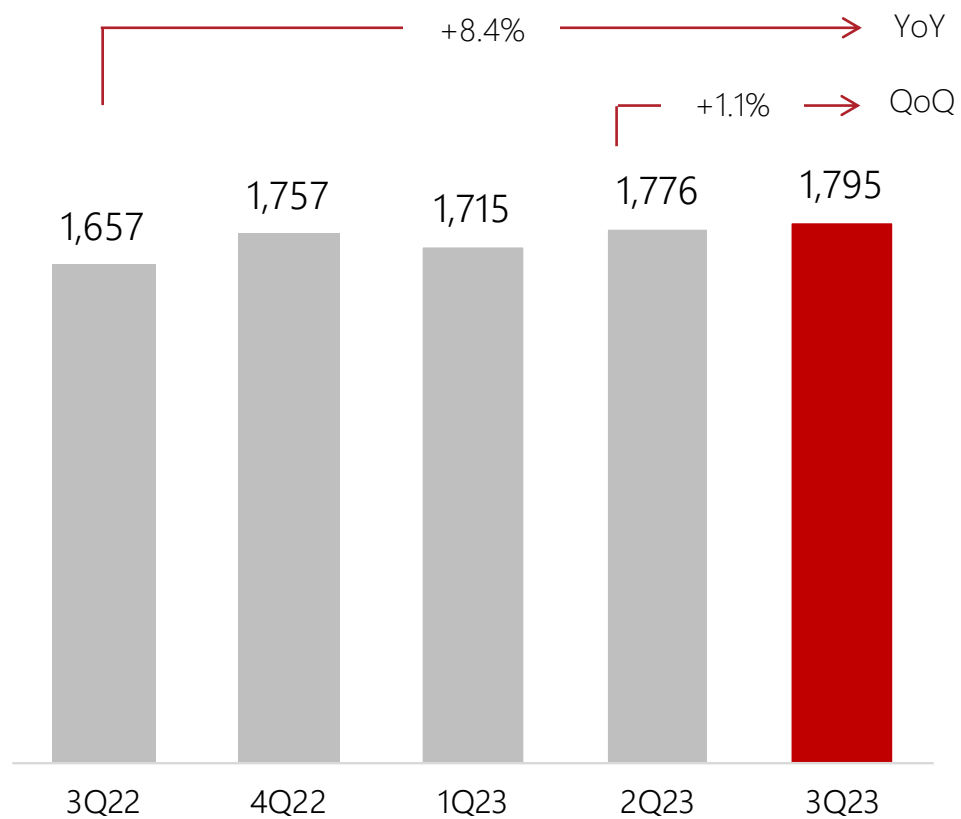


- New high in quarter revenues
- Record net interest income on sustained loan growth and highest NIM since the pandemic
- Record fee income on strong increase in client base and client engagement

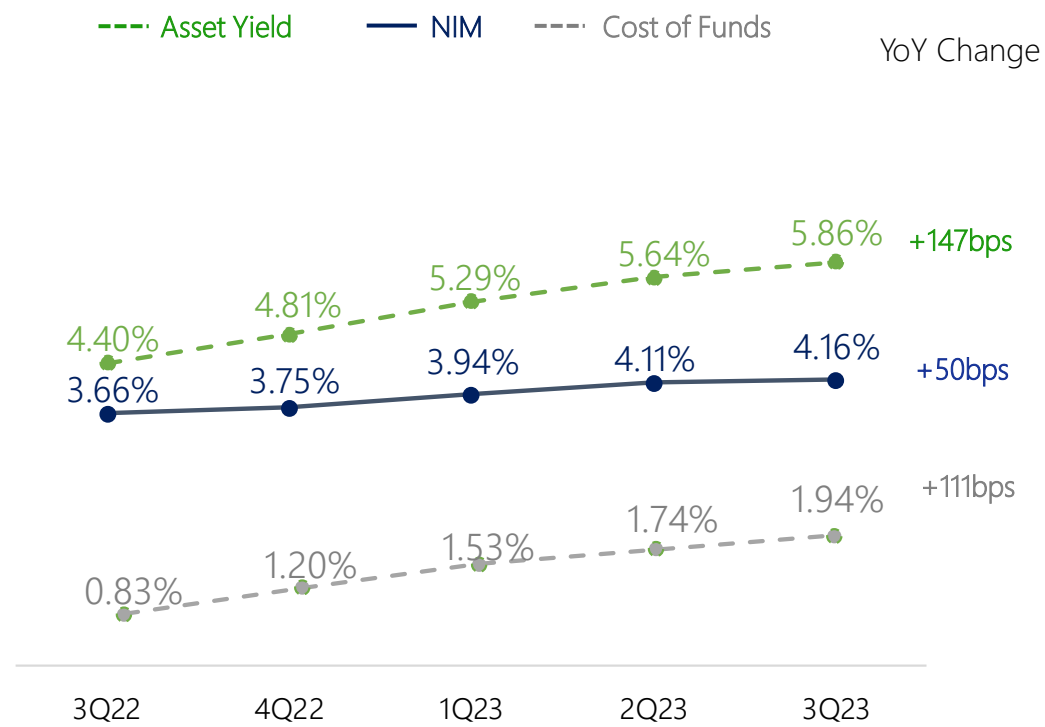
Loans and Quarter NIM

Sustained loan growth and NIM expansion

Gross Loans (in P bn)



Quarter NIM

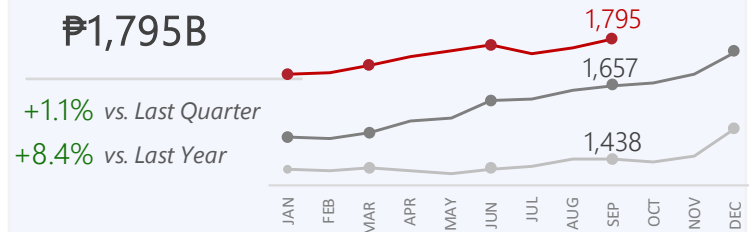


Loan Book per Segment

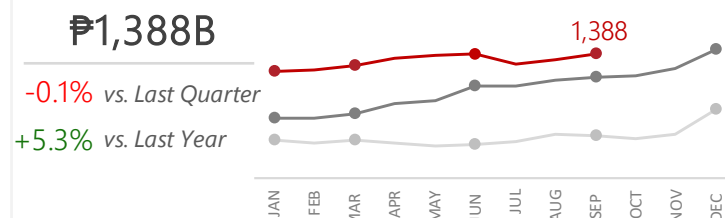


Loan mix further improved, consumer lending up 20% YoY

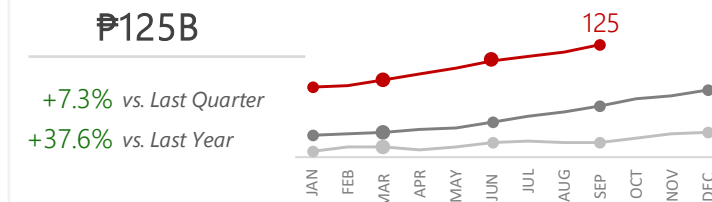
Total Gross Loans



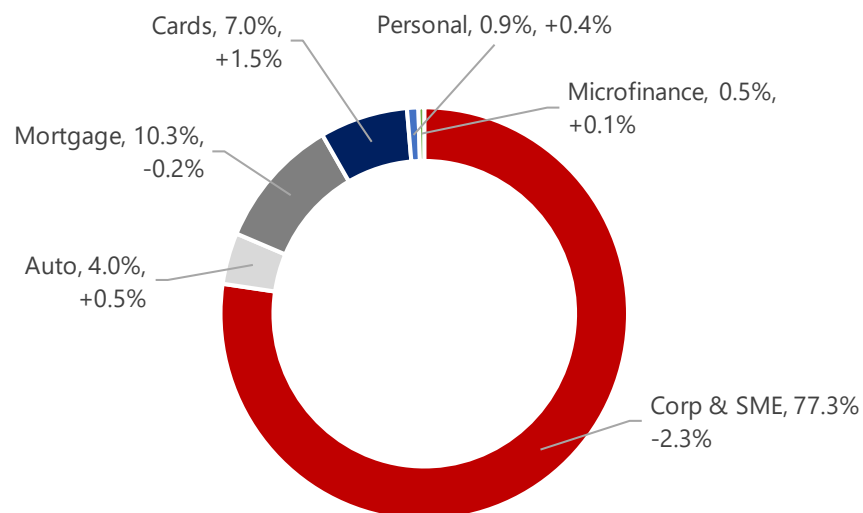
Corporate & SME



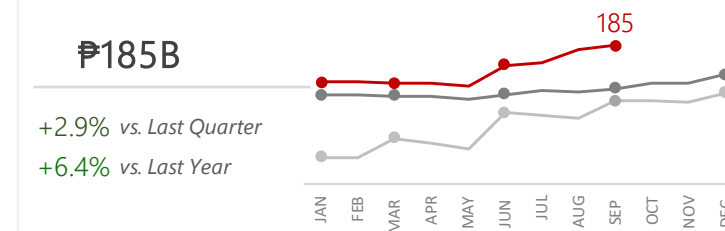
Credit Cards



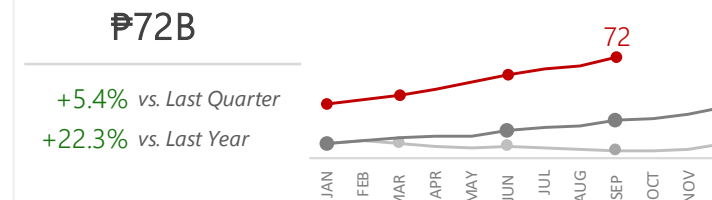
Loan Mix, YoY change



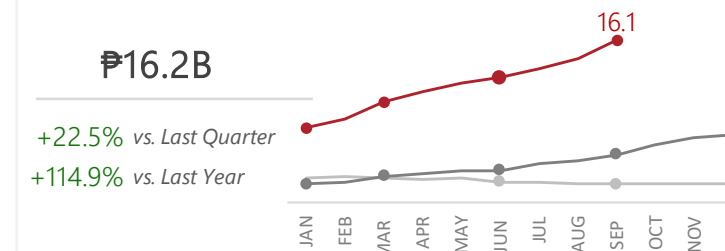
Mortgage



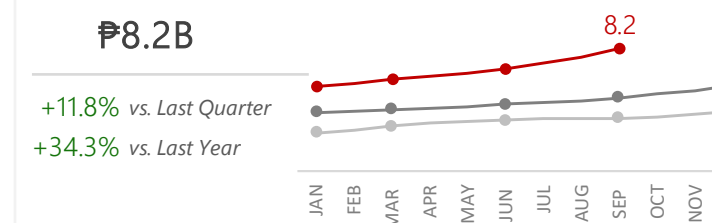
Auto



Personal



Microfinance

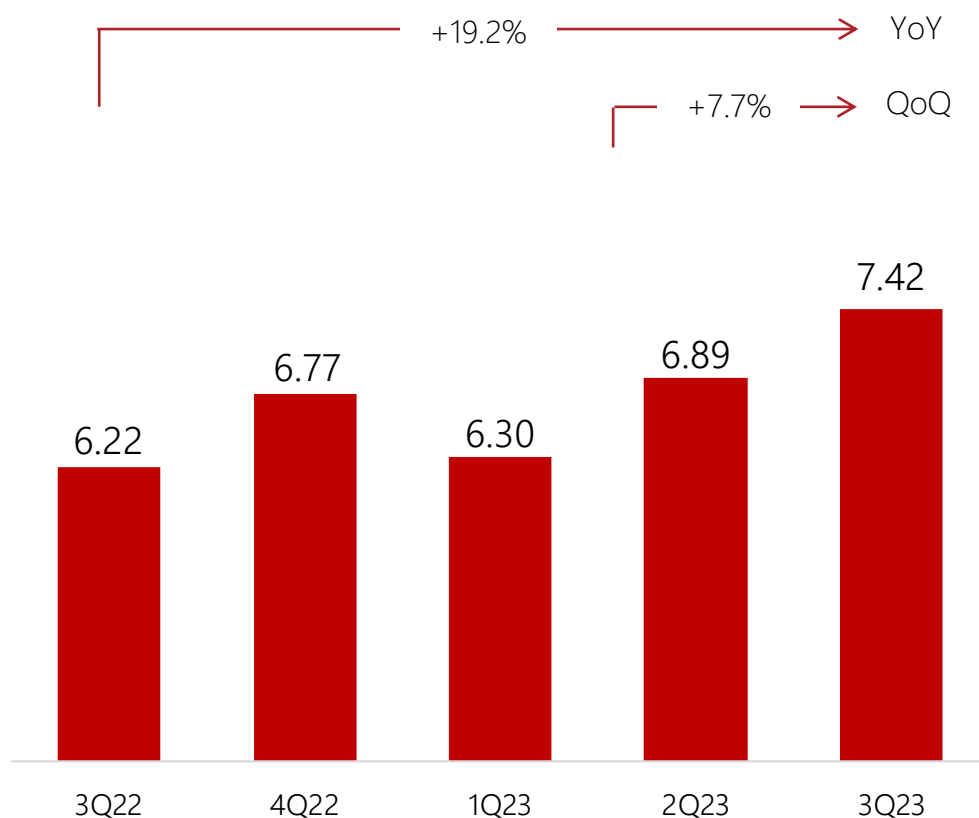


Fee Income



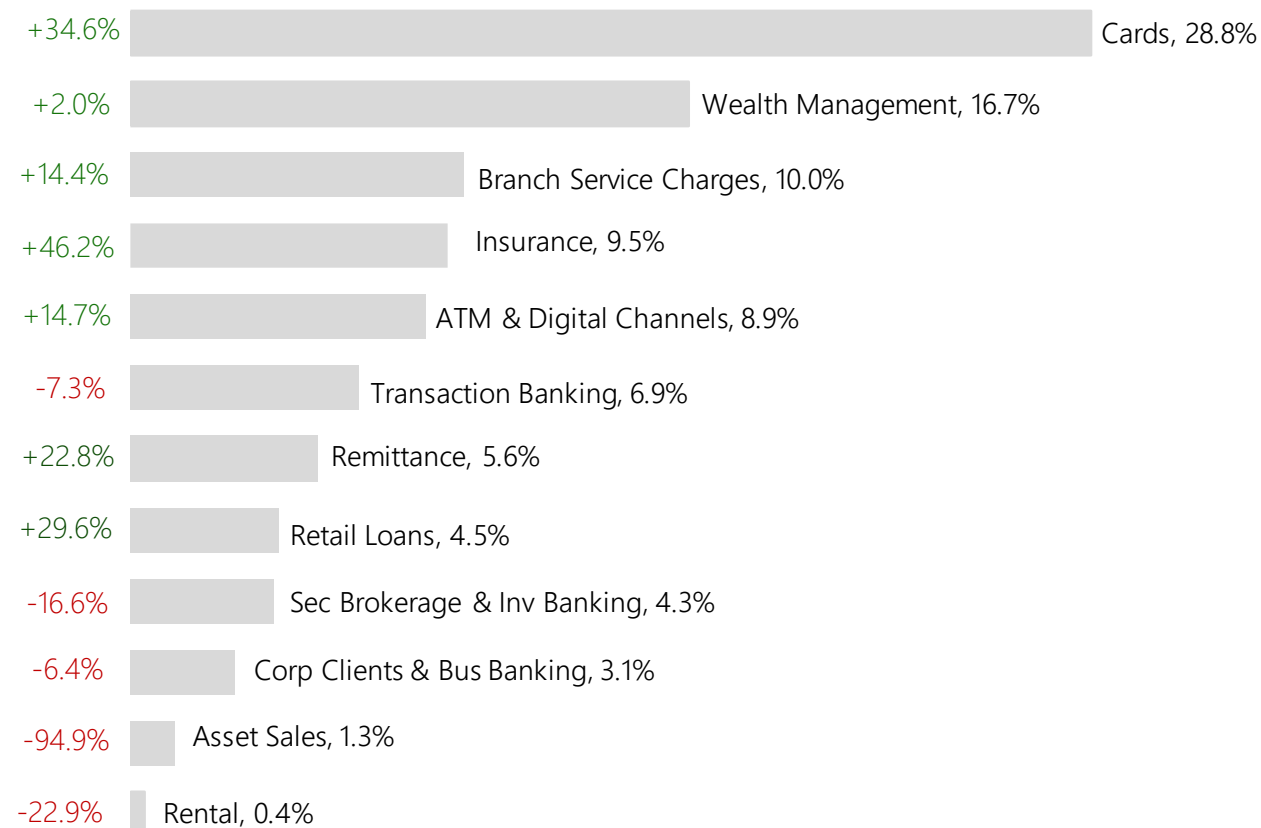
Positive momentum across top businesses on higher client count and customer engagement

Amounts in P bn



Ranked by Contribution to 9M 2023 Fee Income*

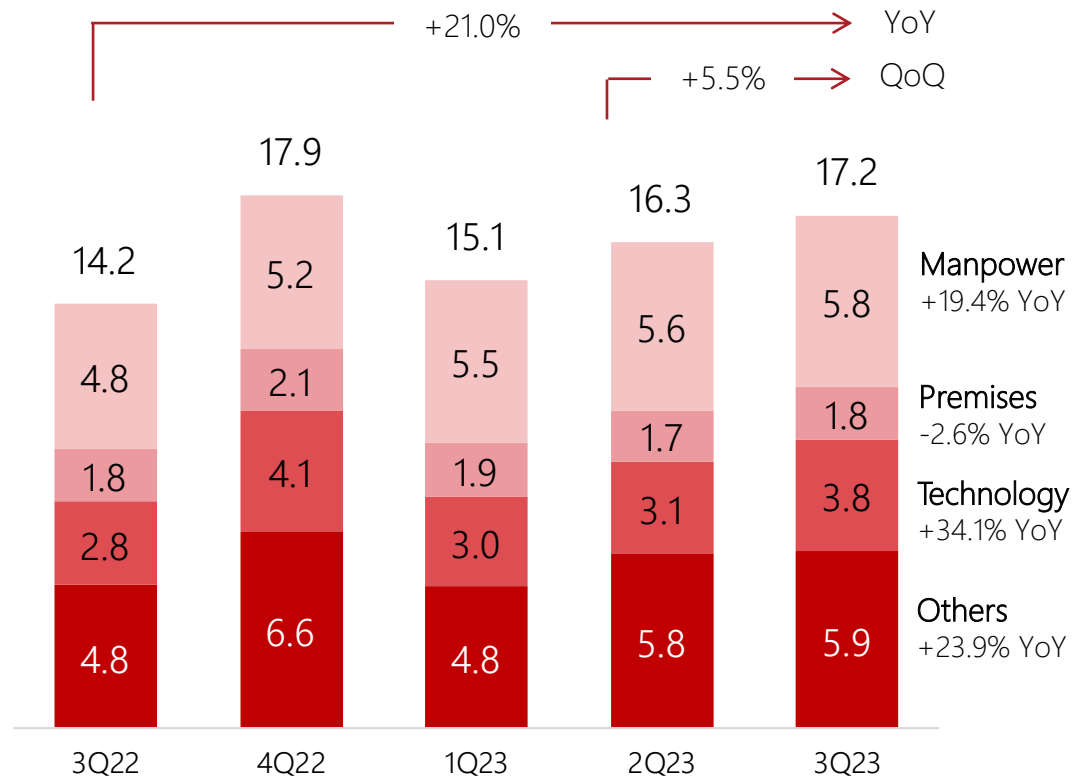
YoY Growth



* gross of GRT and Others

Operating Expenses

Focused on improving cost-to-income than absolute cost target



	2019	2020	2021	2022	9M23
Cost-to-Income	52.4%	47.3%	52.1%	48.9%	48.2%
Customer Count (in mn)	8.66	8.57	8.46	9.32	10.06
Digital Customers (in mn)	0.51	1.45	1.87	2.80	3.52 ¹
Headcount	21,429	19,952	19,181	18,204	18,657
Customer Count/Headcount	404	429	441	508	539
Local Branch Count (Physical Locations)					
BPI	867	866	813	752	738
Banko	300	304	307	317	340
Ave Deposit Per BPI Branch (in P bn)	1.96	1.98	2.40	2.79	2.94

¹ As of Aug 2023

DRIVERS:

Manpower: structural salary increase and higher headcount

Technology: volume and headcount-related expenses; continued investments in platforms and infrastructure

Others: marketing campaigns, rewards program and volume-related card transaction charges

Balance Sheet

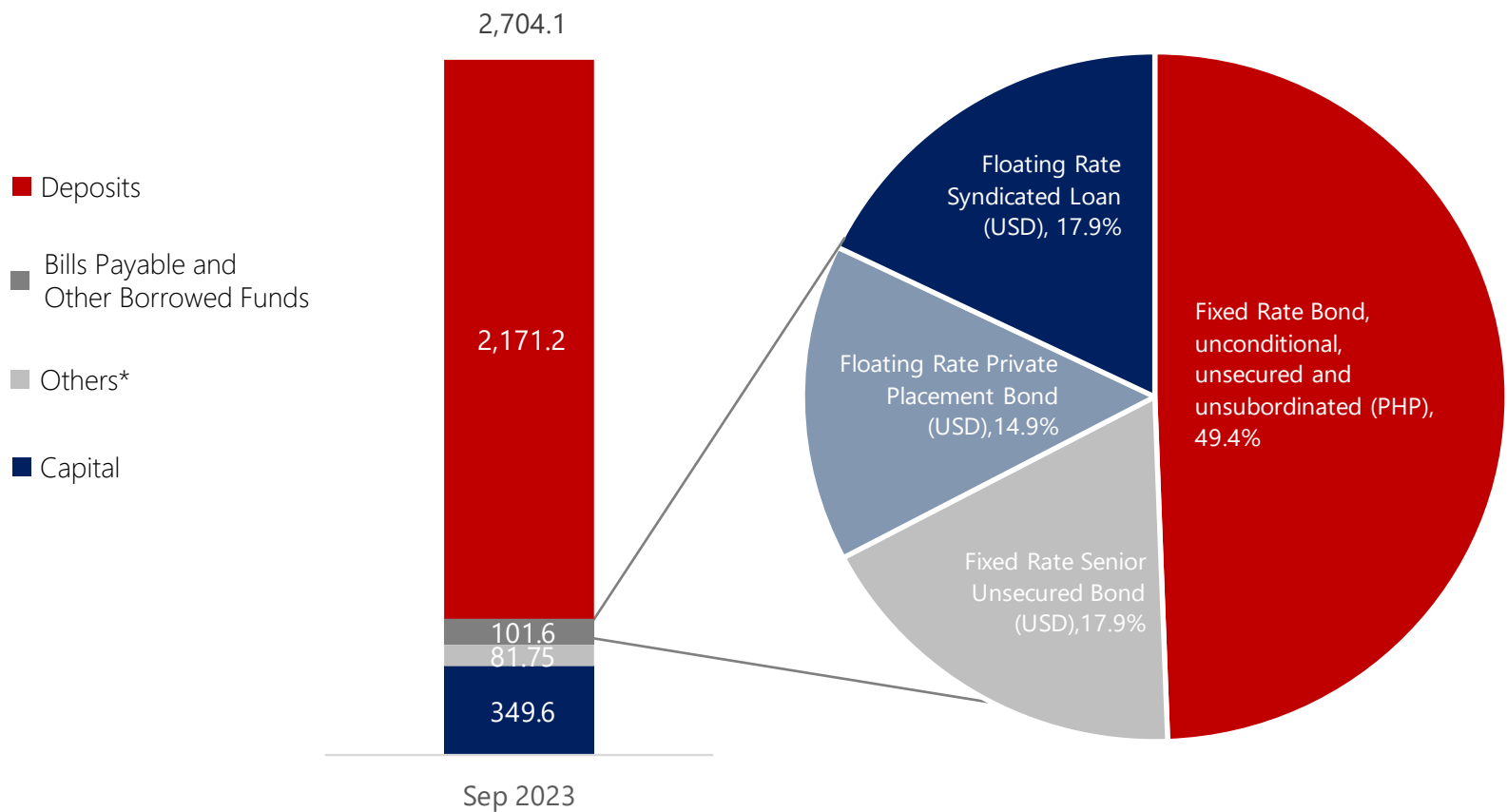


In P bn	Sep 2022	June 2023	Sep 2023	QoQ	YoY
Assets	2,528.2	2,684.7	2,709.9	0.9%	7.2%
Gross Loans	1,656.7	1,775.7	1,795.1	1.1%	8.4%
Net Loans	1,600.4	1,720.5	1,741.1	1.2%	8.8%
Securities	568.3	582.6	596.6	2.4%	5.0%
Deposits	2,033.9	2,144.1	2,171.2	1.3%	6.7%
CASA	1,547.7	1,505.7	1,504.8	-0.1%	-2.8%
Time	486.2	638.3	666.4	4.4%	37.1%
Borrowings	84.2	106.5	101.6	-4.6%	20.7%
Capital	313.4	336.1	349.6	4.0%	11.6%
LCR	203.14%	203.47%	193.82%	-965 bps	-932 bps
LDR (Net Loans)	78.68%	80.25%	80.19%	-5 bps	151 bps
CASA ratio	76.09%	70.23%	69.31%	-92 bps	-679 bps

- High quality funding with LCR at 194%; CASA ratio declined in line with industry
- Gradual build-up in securities, up 5% YoY, as rates increased
- YoY increase in capital driven by solid income generation

Funding Profile

Total Liabilities and Capital (in P bn)



Others include:

- 1) Due to BSP and other banks (P3.1bn)
- 2) Manager's checks and demand drafts outstanding (P7.5bn)
- 3) Accrued taxes, interest and other expenses (P15.0bn)
- 4) Liabilities attributable to insurance operations (P13.2bn)
- 5) Deferred credits and other liabilities (P42.9bn)

Debt Issuances

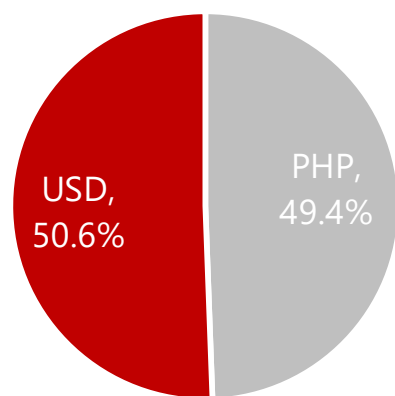


Issuances under BPI Group's Debt Issuance Programs

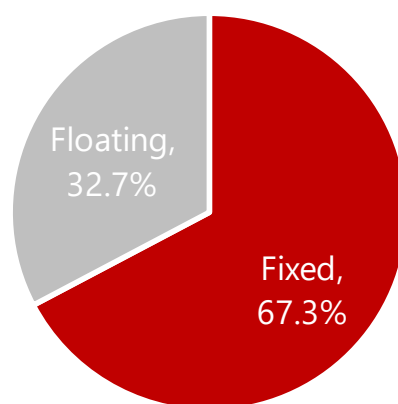
Issuer	CCY	Amount (in mn)	Interest Rate	Term	Issue Date	Maturity Date
Fixed Rate Bond, unconditional, unsecured and unsubordinated	PHP	27,000	2.8068%	2.00	31-Jan-22	31-Jan-24
Fixed Rate Bond, unconditional, unsecured and unsubordinated	PHP	20,300	5.7500%	1.50	30-Jan-23	30-Jul-24
Fixed Rate Senior Unsecured Green Bond	USD	300	2.5000%	5.01	10-Sep-19	10-Sep-24

BPI also issued a 3-year 250mn USD private placement bond and a 3-year 300 million USD syndicated loan both floating rate and will mature on August 2026

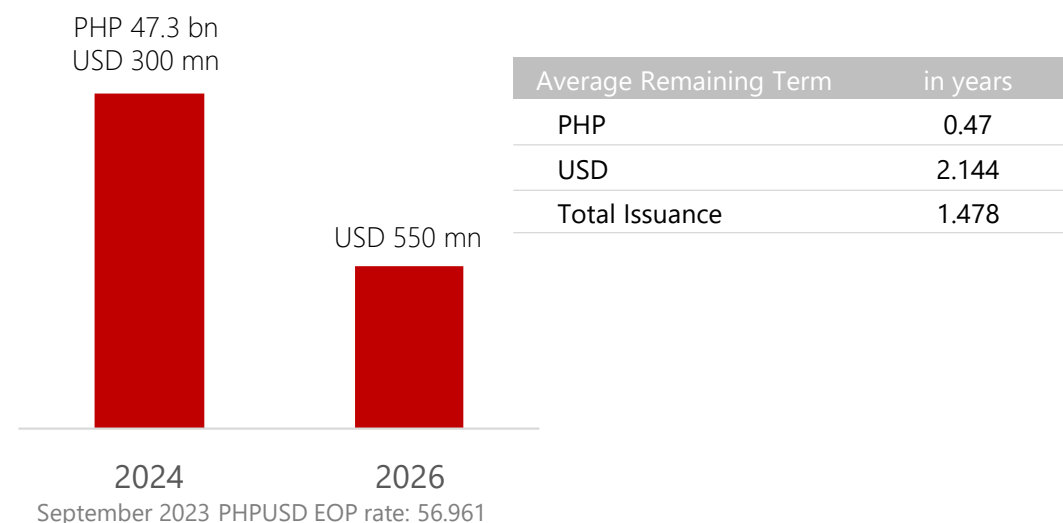
Currency Profile



Fixed and Floating



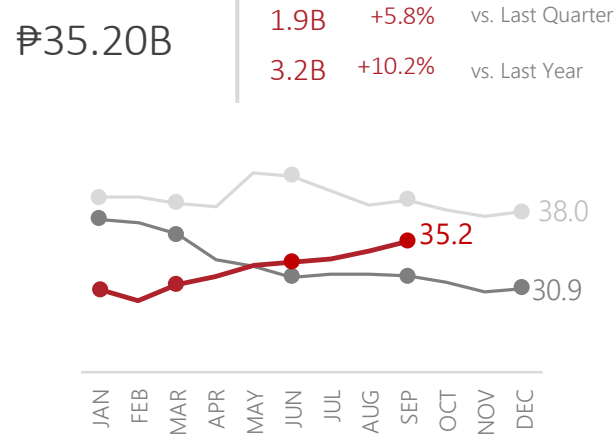
Debt Maturity Profile (in P bn)



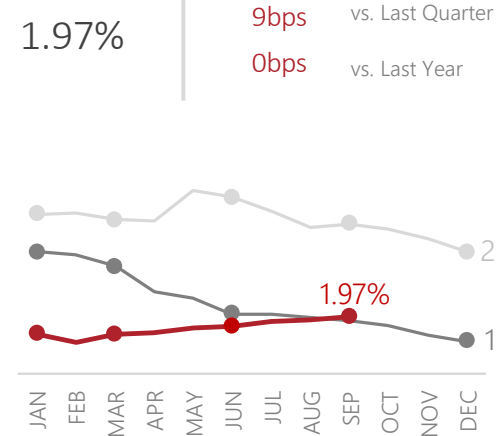
Asset Quality



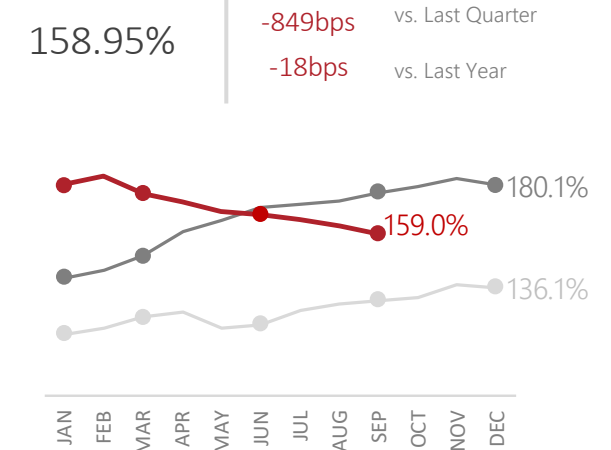
NPL Level (in ₱ bn)



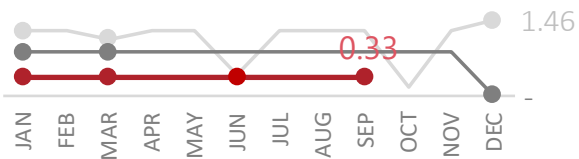
NPL Ratio



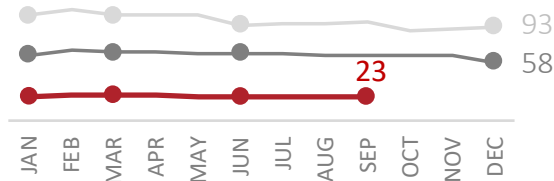
NPL Cover



Provisions (in ₱ bn)



Credit Cost (in bps)



- QoQ, higher NPL ratio on corporates, credit card and personal loans; other segments remained resilient
- NPL ratio is 30 bps above pre-pandemic levels
- Asset quality remained strong with comfortable NPL cover allowing lower credit cost

2021

2022

2023

Capital Position

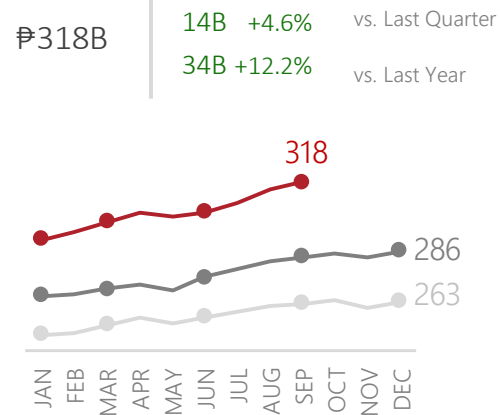


2021

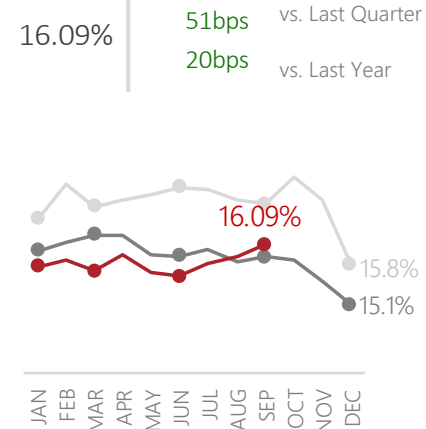
2022

2023

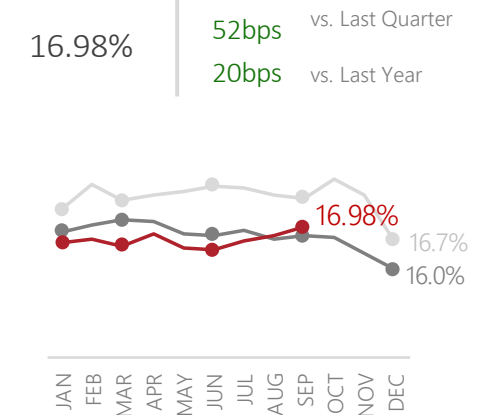
CET1 Level (in ₱ bn)



CET1 Ratio



CAR Ratio



- Increase in CET1 capital from strong net income accretion
- CET1 ratio improved 20bps notwithstanding the higher dividends distributed in the first half of the year
- Ratios comfortably above internal and regulatory thresholds

Sustainability and Digital Updates



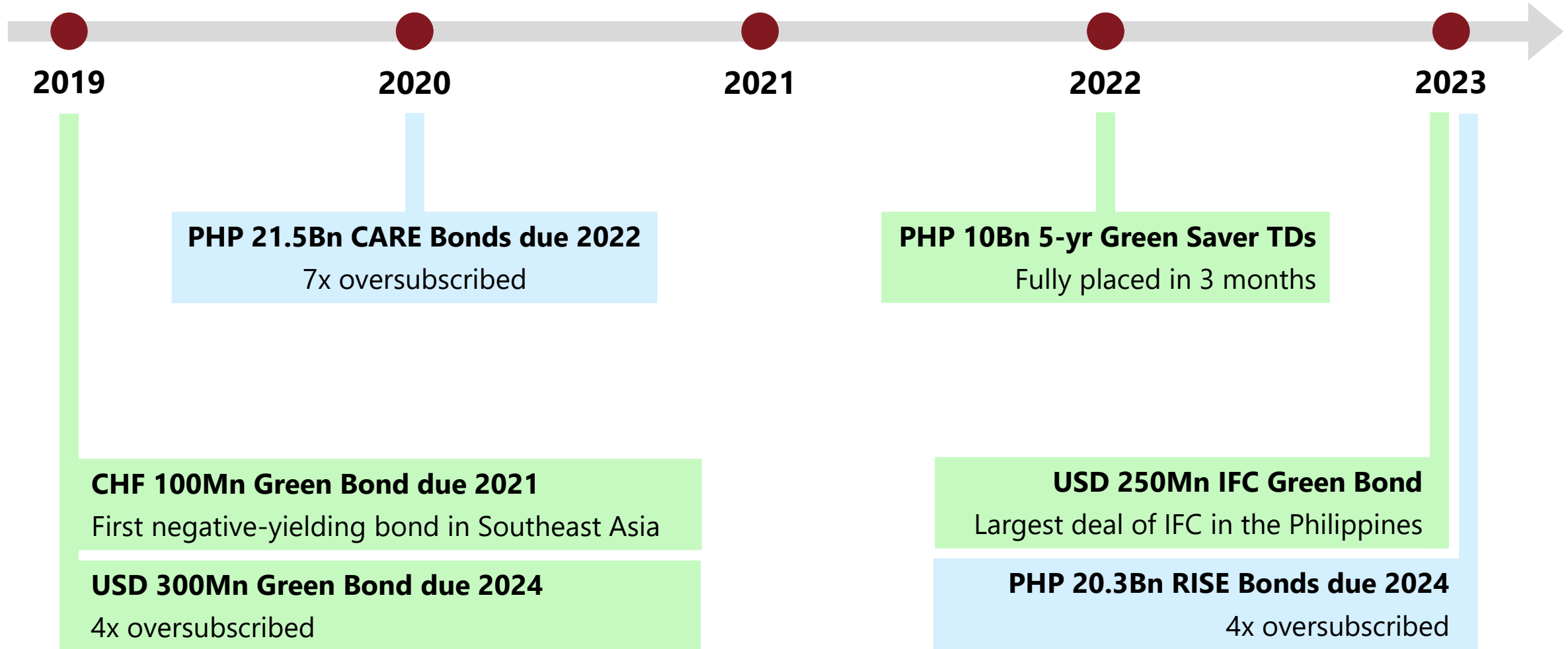
BPI Sustainable Funding Framework



	GREEN PROJECTS	SOCIAL PROJECTS
	Projects with clear environmental benefits	Projects which address or mitigate specific social issues and/or seek to achieve positive social outcomes
Examples	Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management, Pollution Prevention and Control, Green Buildings	MSME Lending
Exclusion List	Fossil Fuel	Alcohol, Gambling, Tobacco, Weaponry



BPI Green and Social Bond Issuances



BPI Sustainability Achievements



BPI continues to be an inclusive, innovative, and trusted pioneer in Responsible Banking

Sustainable Banking, Financial Inclusion, and Support for UN SDGs



Over **311,000 SMEs** served through **PHP 43.9 billion** microfinance loans since 2016¹



PHP 398.5 billion Business Banking loans disbursed to **132,183 SME** clients since 2018², as supported by continuous training and capacity building



402 projects equivalent to **PHP 265 billion** financed through Sustainable Development Finance since 2008¹



4.4 million user base across all digital platforms



51% of corporate and SME portfolio support the **UN SDGs**²

3Q 2023 Sustainability Highlights



USD 250Mn Green Bond deal with the International Finance Corporation (IFC) – the largest deal of IFC with a Philippine bank



Established a **Responsible Lending Policy**, further enhancing the integration of environmental and social risks to the Bank's credit quality assessment process



Over 800 active retailer “nanays” (mothers) registered in the **BPI e'Nay App**, empowering sari-sari store owners to quickly, easily, and conveniently order, manage and pay for their inventory

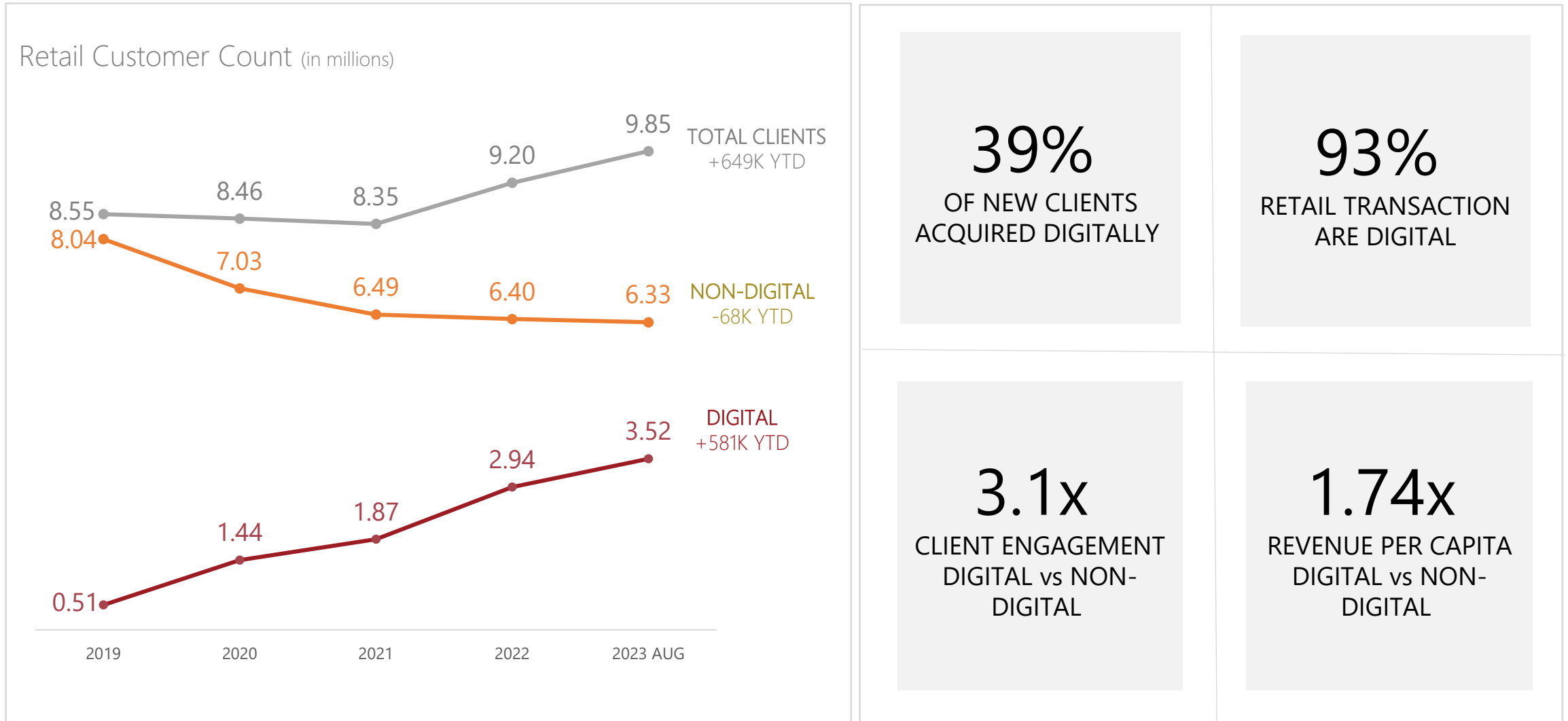


Aimed at public sustainability awareness, BPI shared knowledge in more than **10 ESG events** for students, local government units (LGUs), and small, medium, and large enterprises year-to-date



Partnered with DHL for their **GO Green Flyer Recycle Box Program**, allowing the recycling of parcel containers used by the Bank for its operations

Digital capabilities add a sizable client base



Digitalization: Updates on Client Engagement Platforms

Functionalities

New :

- Pay Bills
- Points Earning
- Upgrade to Vybe Pro and Regular

Soon: Cardless Withdrawal, P2P Incoming/Outgoing

New:

- Decommissioned old app
- Personal Finance Mgt (insights on client's activities)

Soon:

- Time Deposit
- Credit Card control
- SIP Loans

New: Soft launch of New BPI Trade Online & BPI Trade Mobile

Soon:

- Digital onboarding
- Customized price alert
- In-app cash in

New :

- Max 500 credit facility
- E'nay
- BIDA Club Loyalty and Rewards

Soon :

- TODO Savings repricing

New :

- Improved UI/IX
- FX Facility

Available:

- Payroll
- Pay Bills/Gov
- Invoice/Billing

Soon:

eSOA/P2M QRPh

New :

- Improved UI/UX
- FX Facility

Available:

- Payroll
- Pay Bills/Gov
- Invoice/Billing

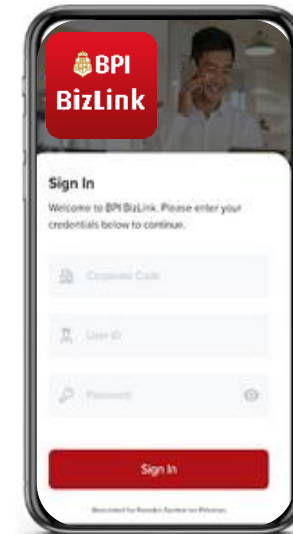
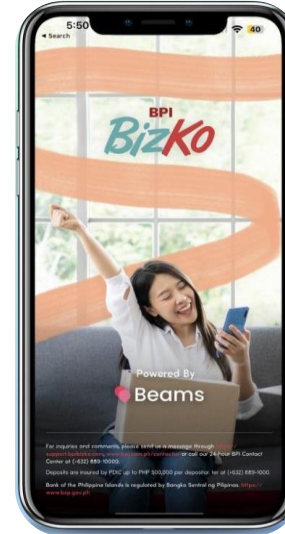
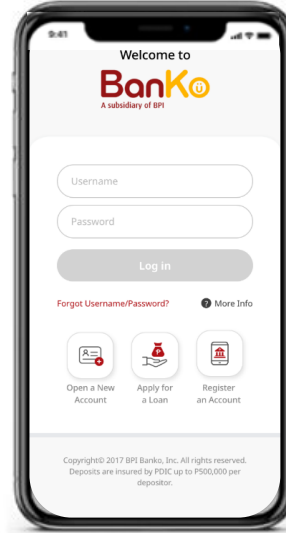
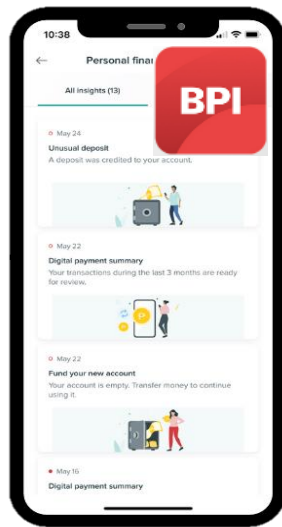
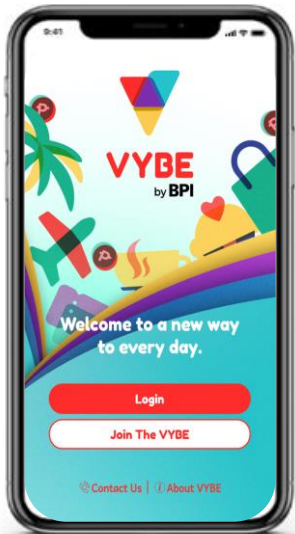
Soon:

eSOA, Mobile Check Deposit,

Wealth Management App

Features:

- View Holdings
- Get Advice
- Transact



Metrics

530K sign ups:

96.2% VYBE Pro (existing BPI online users)
3.8% VYBE Lite (New-to-Bank clients)

6.2M enrolled clients
+17% YoY

4.2M active users
+13% YoY

88% of BPI Securities' Clients are using BPI Trade

266K enrolled clients
+121% vs LY

222K K Digital Clients
+94% vs LY

14K lifetime enrolled clients

44% penetration rate

41% YoY increase in transaction value

Development Ongoing

Agency banking will boost BPI's market access strategy



Launched 2 new products **Added 2 new Partners**

P2M One QR



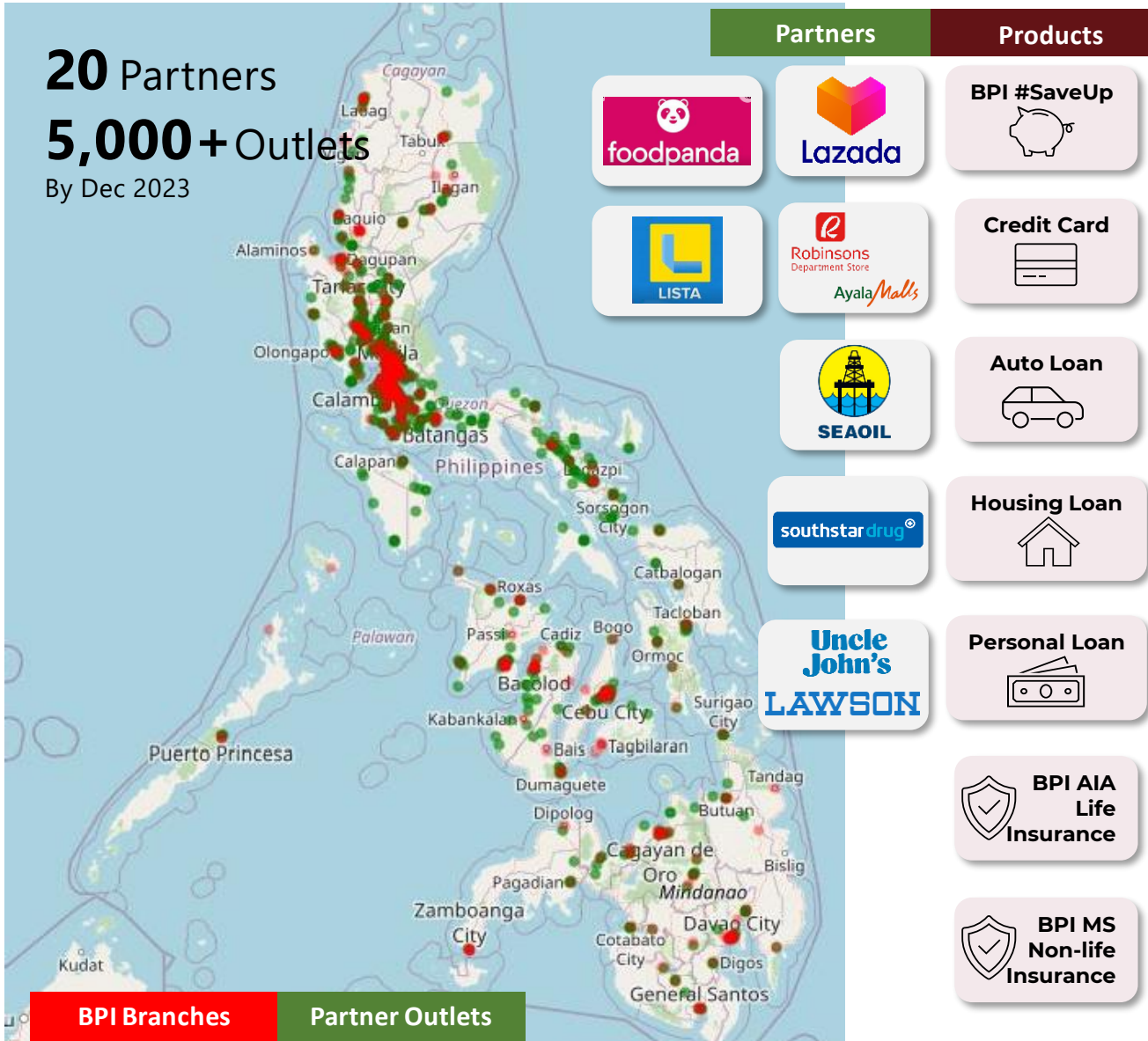
Salary On-Demand



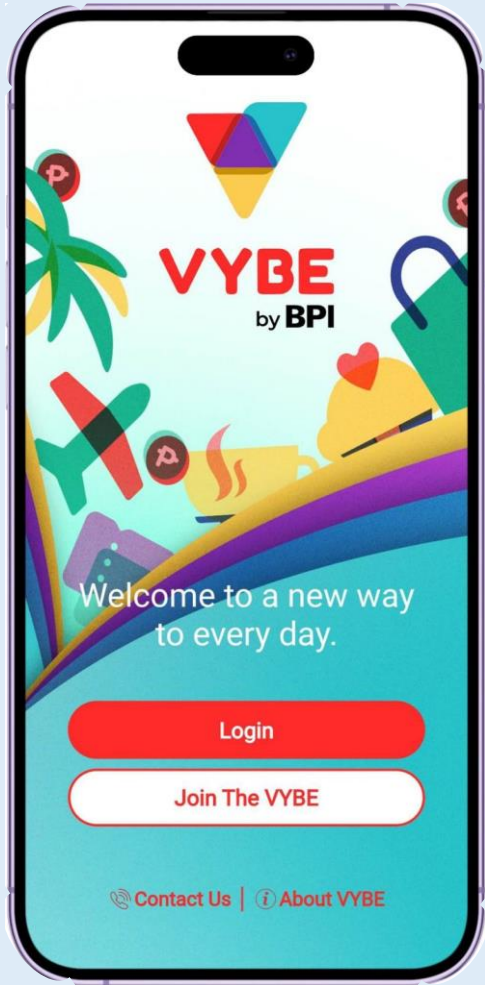
Engaged 137 Barangays

Sold 175k Products

Reached 225K Filipinos



BPI e-Wallet VYBE



530.5K

SIGN UPS

as of Sept 30, 2023

EXISTING FEATURES



PAYMENTS

Scan to Pay

Bills Payment



TRANSFERS

Add Money

Send Money

Request Money



**REWARDS
PROGRAM**

Cash Out
(BPI account)

UPCOMING IN DEC 2023

Cardless Withdrawal



VYBE OFFERS 3 OPTIONS TO JOIN

Based on e-KYC

VYBE LITE

Non-BPI clients with no ID

VYBE REGULAR

VYBE LITE with valid ID

VYBE PRO

Existing BPI Online users



Summary



- 1 **Profitability** : Improved profitability and shareholder returns; revenue generation remains strong
- 2 **Balance Sheet** : Moderating loan growth; healthy liquidity and capital position
- 3 **Asset Quality** : Strong asset quality with sufficient allowance
- 4 **Digitalization**: Delivered strong client acquisition and higher customer engagement

Q&A





ELEVATING FINANCIAL INCLUSION

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