

April 22, 2024

BPI delivers record quarter net income at P15.3 billion

MAKATI CITY, Philippines --- Bank of the Philippine Islands reported record quarter net income of P15.3 billion for the first three months of 2024, up 25.8% from last year, and equivalent to a return on equity of 15.7% and return on asset of 2.02%. The bank attributed the solid performance to higher revenues, which more than offset the impact of higher operating expenses and provision for losses. Earnings per share for the first quarter stood at P2.90, an 18.1% increase from last year's P2.46, reflecting the strong income growth and the increased number of outstanding shares arising from the merger with Robinsons Bank on January 1, 2024.

Total revenues for the quarter stood at P39.5 billion, up 24.6% from last year. This was driven by a 23.5% increase in net interest income to P29.8 billion, on the back of an 18.5% increase in the average daily balance of loans and a 25-basis point increase in net interest margin to 4.19%. Non-interest income reached P9.7 billion, up 28.1%, driven by the underlying strength of the bank's businesses led by insurance, credit cards and wealth management.

Total operating expenses for the quarter amounted to P18.0 billion, up 19.6%, driven by spending on manpower, technology, marketing campaigns, and transaction-related processing fees. Cost-to-income ratio further improved to 45.6% owing to robust revenue generation. Pre-provision operating profit increased by 29.2%.

Total assets grew by 14.7% to P3.1 trillion while gross loans stood at P2.0 trillion, up 18.7% from last year. Total deposits reached P2.4 trillion, up 12.8%, with CASA ratio at 64.8% and loan-to-deposit ratio at 84.0%. Strong loan and deposit growth remained evident even after removing the loans and deposits that were acquired from the merger. Excluding the amount of loans and deposits brought in by Robinsons Bank on day one, loans grew 11.9% while deposits grew 6.0%. All loan segments posted strong growth, led by Personal Loans, Microfinance and Business Bank/SME at 147.4%, 57.2% and 45.8%, respectively.

Notwithstanding the strong loan growth, asset quality remained well-managed with the NPL ratio at 2.12% and NPL cover at 136.20%.

The Bank's total equity stood at P403.1 billion, with an indicative Common Equity Tier 1 Ratio at 14.7% and a Capital Adequacy Ratio of 15.6%, both well above regulatory requirements.

In March 2024, BPI issued a US\$ 400 million 5-year senior unsecured fixed rate note with a coupon of 5.25% p.a., payable semi-annually. This marks BPI's first issuance of a US dollar bond since 2019. The note was issued at a spread of 105 basis points, the tightest ever spread on a 5-year bond from a non-sovereign Philippine issuer. The bond is listed the Singapore Exchange Securities Trading Ltd.

ABOUT BPI

The 172-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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