

July 18, 2024

BPI finishes 1H24 strong, with net income of P30.6 billion, up 22%

MAKATI CITY, Philippines --- Bank of the Philippine Islands ended the first semester with record net income of P30.6 billion, up 21.5%, driven by robust revenues and sustained positive operating leverage. Return on Equity was 15.5% and Return on Assets was 2.0%. Earnings per share for the first semester stood at P5.80, up 14.0% from last year's P5.09, notwithstanding the additional shares issued for the BPI and RBC merger.

Total revenues accelerated 23.8% to P81.2 billion year-on-year, boosted by the 22.2% increase in net interest income to P61.3 billion. Average loans expanded 18.4% and net interest margin widened 23 basis points to 4.26%. Non-interest income was up 28.7% to P19.9 billion, driven by the 28.8% increase in fee income to P17.0 billion and foreign exchange gains of P2.2 billion, up 58.6% year-on-year. Strong fee income performance was led by higher service charges, bancassurance income, and credit card fees.

Operating expenses reached P38.3 billion, up 21.9%, on more spending for manpower, transaction processing costs, and technology, resulting in a Cost-to-Income ratio of 47.1%.

Provisions booked were P3.0 billion, a 50.0% jump from last year. Despite the uptick in NPL ratio to 2.20%, asset quality remained strong with sufficient NPL coverage at 127.6%.

For the second quarter of the year, the Bank booked net income of P15.3 billion, up 17.5% year-on-year, on the back of higher revenue growth of 23.0% to P41.7 billion.

Total loans stood at P2.0 trillion, an 18.0% increase over the previous year, driven by sustained growth across all portfolios led by Personal Loans, up 128.7%, Business Banking, up 87.9%, and Microfinance, up 67.2%. Total deposits stood at P2.5 trillion, up 14.4% year-on-year, with CASA Ratio at 64.7% and the Loan-to-Deposit Ratio at 82.8%.

Total assets grew to P3.1 trillion, up 15.8% year-on-year. Total equity stood at P406.5 billion, with an indicative Common Equity Tier 1 Ratio of 14.2% and a Capital Adequacy Ratio of 15.0%, both above regulatory requirements. Last month, the Bank distributed cash dividends of P1.98 per share, up 17.9% from last year, supported by the Bank's strong financial performance.

As part of its Php 100 Billion Bond Programme, BPI announced the issuance of 1.5 Year Php 5 Billion Fixed-Rate ASEAN Sustainable Bonds¹, with an option to upsize. The offer period will commence on July 18, 2024 and end on August 2, 2024. The Sustainable Bonds will be listed with the Philippine Dealing and Exchange Corporation.

¹The Bank has submitted an application for confirmation of the "ASEAN Sustainable" label with the SEC on June 28, 2024. Confirmation from the SEC is pending as of this date.

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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Press Release



In the second quarter of 2024, two major international Credit Rating Agencies reaffirmed BPI's investment grade credit ratings and Stable Outlook. In April 2024, Fitch Ratings affirmed its Long-term Issuer Default Rating of "BBB-" and in May 2024, Moody's Investors Service affirmed its Baseline Credit Assessment of "Baa2". The Bank recently concluded its annual review by S&P Global Ratings and await the forthcoming results.

BPI hosted for the third year the Sustainability Awareness Month (SAM), packed with exciting in-person and online environmental, social, and governance or ESG-related activities. This year's theme, "Beyond Green", represents BPI's commitment to advancing beyond traditional green initiatives like energy efficiency and renewable. Some of the activities this year includes launching of LavLoans, a specialized financing solution to ease the financial challenges associated with cancer treatment, #BestLifeRun Corporate Race, Tree Growing and Nurturing Activity, technical training session, Sustainability Summit and Sustainability Innovations Awards (SIA).

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