BPI Investor Presentation

2Q and 1H 2023

Performance Highlights

Performance Highlights

Profitability

- Record 1H income of P25.15 Bn, up 23% YoY, driven by strong net interest income and lower provisions
- Excluding gain from sale of property last year, net income was up 51%
- Profitability further improved with ROE at 15.53% and ROA at 1.92%, highest since 2016

Balance Sheet

- Funding and liquidity ratios are well above regulatory requirement; Indicative LCR at 204.19%; NSFR at 153.19%
- Slight moderation in capital position, reflecting strong pace of loan growth and capital distribution
- Indicative CET1 at 15.55%; CAR at 16.43%

Asset Quality

- Asset quality remained resilient
- NPL ratio at 1.88%, NPL cover at 167%
- Lower credit cost at 23bps

Shareholder Returns

- Sustained share value creation
- Cash dividend of P1.68 dividend per share in 1H23
- Property dividend of common shares at 1:0.89 entitlement ratio

Profitability – QoQ

In P bn	2Q 2022	1Q 2023	2Q 2023	QoQ	YoY
Net Interest Income	20.35	24.16	25.95	7.4%	27.5%
Non-Interest Income	11.93	7.55	7.92	4.9%	-33.6%
Trading Income	0.72	1.26	1.03	-17.7%	43.4%
Fee Income	11.21	6.30	6.89	9.4%	-38.5%
Net Revenues	32.28	31.71	33.87	6.8%	4.9%
Opex	13.26	15.06	16.33	8.4%	23.1%
PPOP	19.02	16.65	17.55	5.4%	-7.7%
Provisions	2.50	1.00	1.00	0.0%	-60.0%
NIBT	16.52	15.65	16.55	5.7%	0.2%
Income Taxes	4.01	3.45	3.50	1.5%	-12.8%
Net Income	12.46	12.13	13.02	7.3%	4.5%
Excluding One-Off Gain from Asset Sale					
Fee Income	6.22	6.30	6.89	9.4%	10.7%
Revenues	27.29	31.71	33.87	6.8%	24.1%
Net Income	8.72	12.13	13.02	7.3%	49.3%

Quarter-on-Quarter

- Record quarter income of P13.02 Bn notwithstanding record operating expenses

Year-on-Year

- 2Q23 net income was up 4.5% YoY on lower provisions; impact of decline in fee income and higher expenses offset the strong growth in net interest income and trading income
- Excluding the gain from asset sale last year,
  - Fee income would have been up 11%
  - Revenue, up 24%, higher than expense growth
  - Net income, up 49%

Profitability – 1H

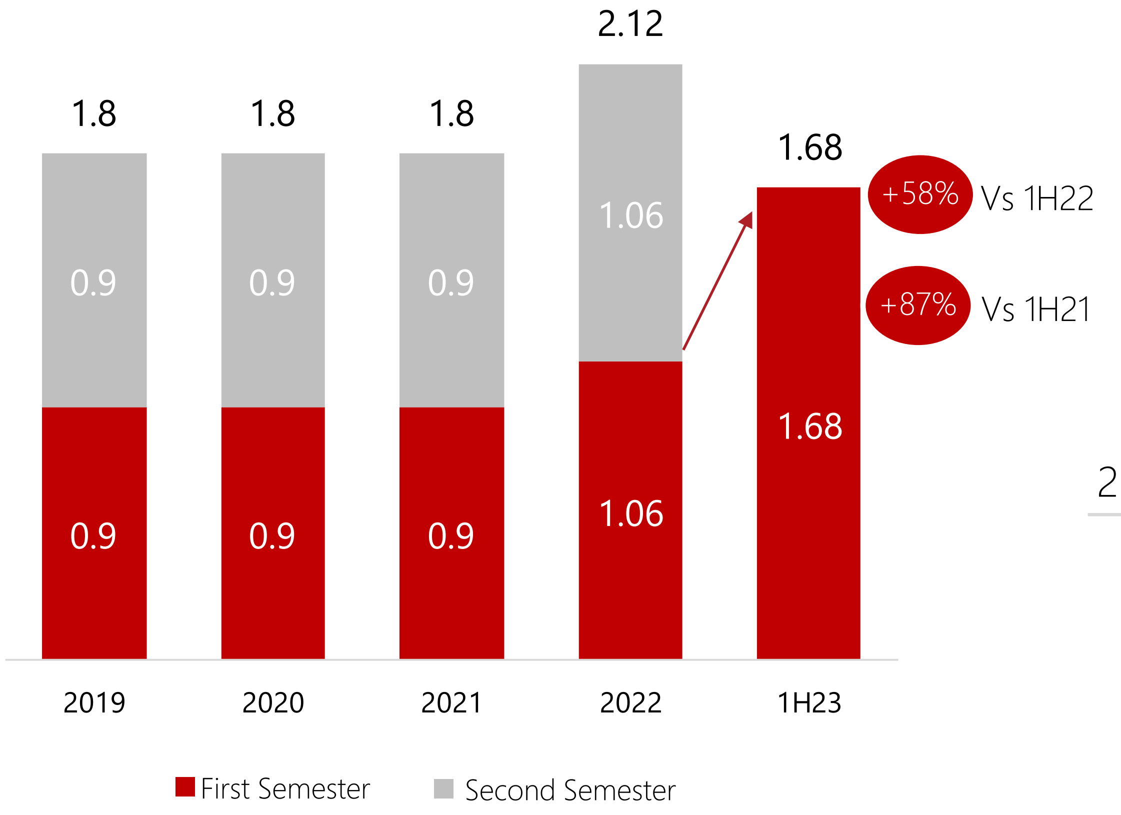
In P bn	1H 2022	1H 2023	YoY
Net Interest Income	39.34	50.11	27.4%
Non-Interest Income	18.30	15.48	-15.4%
Trading Income	1.62	2.29	41.5%
Fee Income	16.68	13.19	-20.9%
Net Revenues	57.64	65.59	13.8%
Opex	25.85	31.39	21.4%
PPOP	31.79	34.20	7.6%
Provisions	5.00	2.00	-60.0%
NIBT	26.79	32.20	20.2%
Income Taxes	6.23	6.94	11.4%
Net Income	20.45	25.15	23.0%
Excluding One-Off Gain from Asset Sale			
Fee Income	11.69	13.19	12.8%
Revenue	52.65	65.59	24.6%
Net Income	16.71	25.15	50.6%

- Record net income of P25.15 Bn, up 23% 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 due to gains from asset sale last year
  - Solid trading income, up 41.5%
- Excluding gain from asset last year -
  - Fee income up 13%, on sustained volume growth in our biggest businesses
  - Revenue up 25% ahead of the 21% increase in operating expenses
  - Net income up 51%

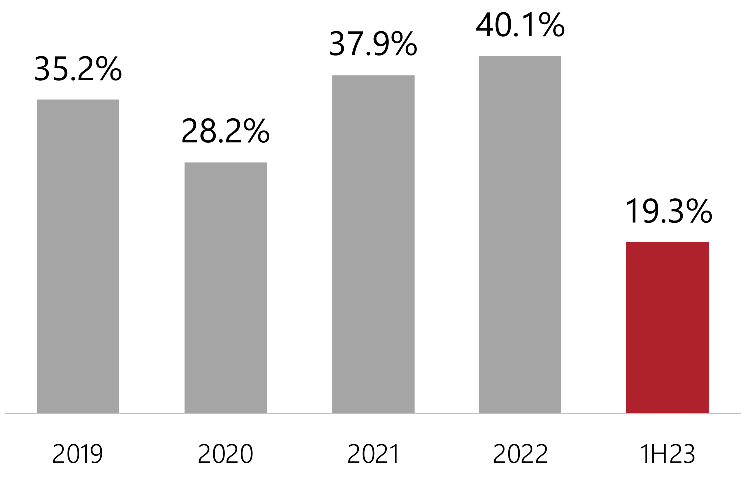
Capital Distribution

Strong organic capital generation ensured sustainability of shareholder remuneration

Dividend per Share



Dividend Payout



Payout Ratio = Cash Dividends Declared/Previous Year's Income

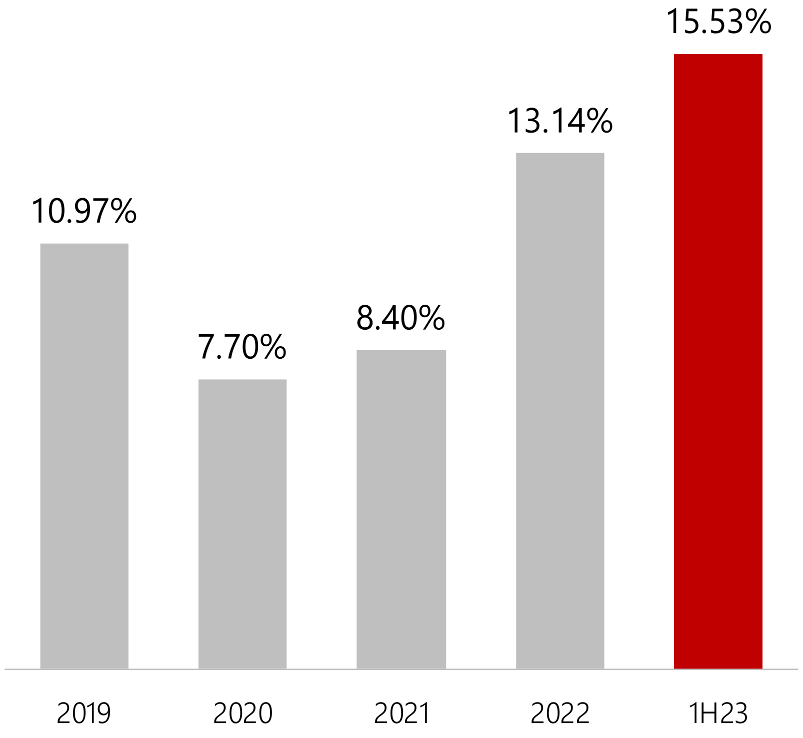
2023 Property Dividend

- Property Dividend : 406,179,276 Common Shares
- Rights Entitlement Ratio: 1:0.0896395563
- Record date: March 29, 2023
- Payment Date: June 16, 2023
- Distribution Date : June 21, 2023
- Cross Price: P105.00/share

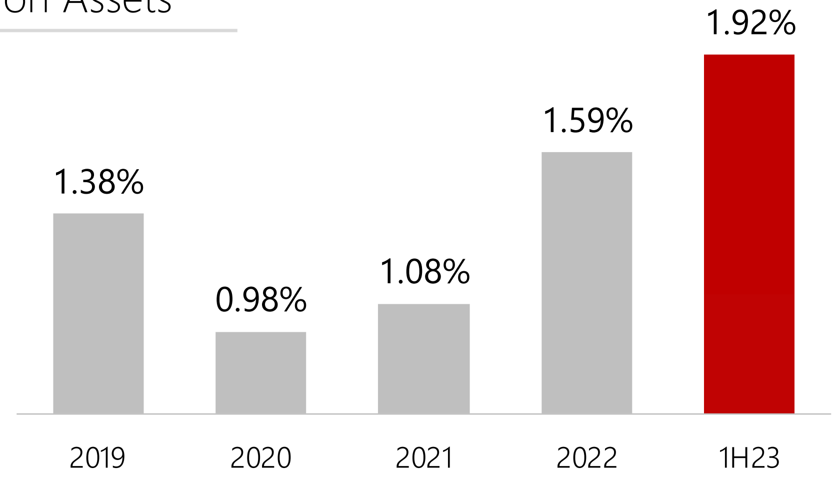
Shareholder Returns

Increased profitability and share value creation

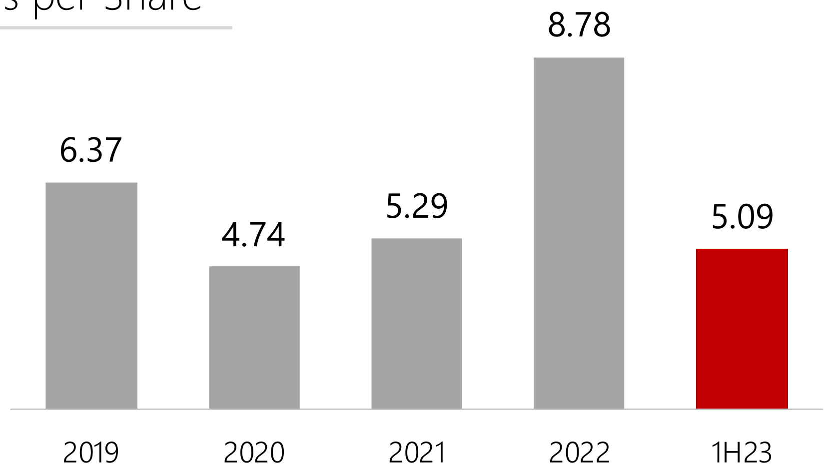
Return on Equity



Return on Assets

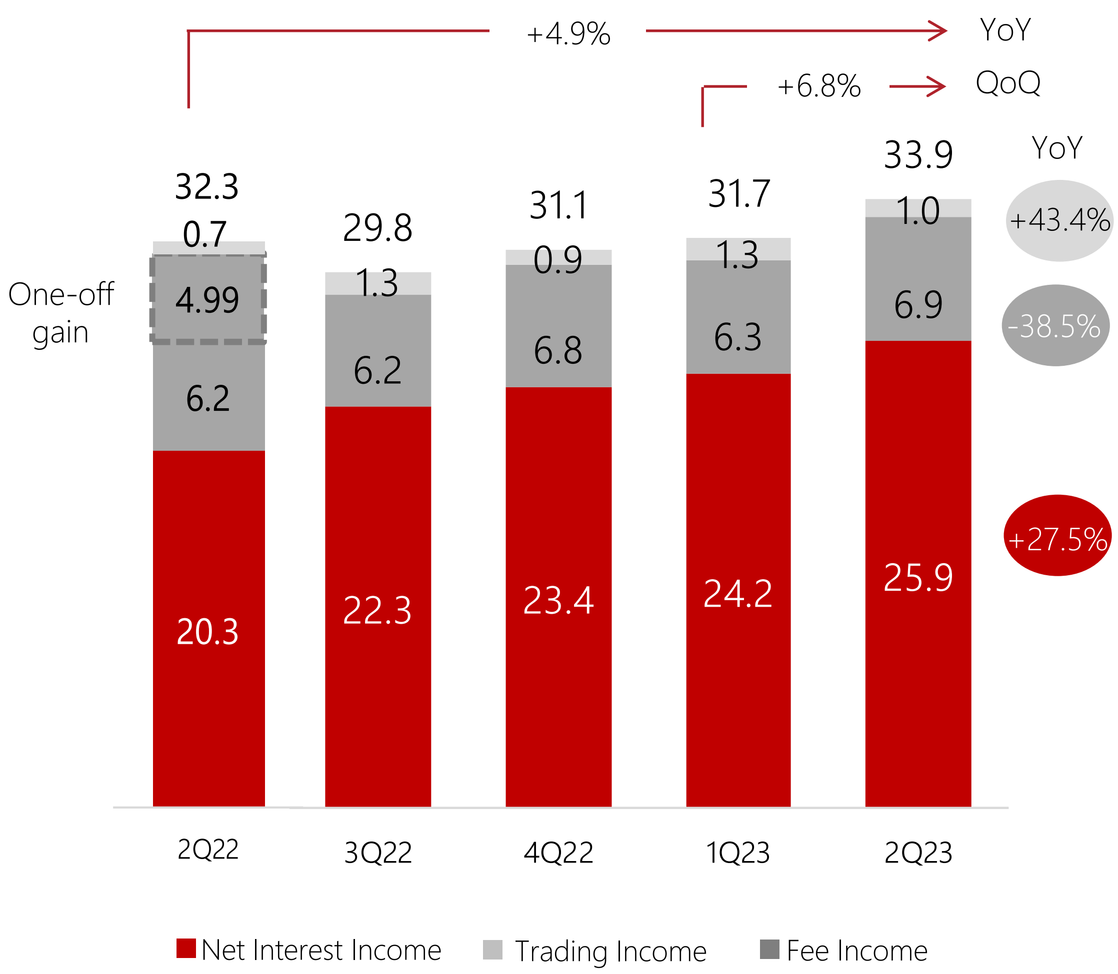


Earnings per Share



Revenues

Quarter-on-Quarter (in P bn)

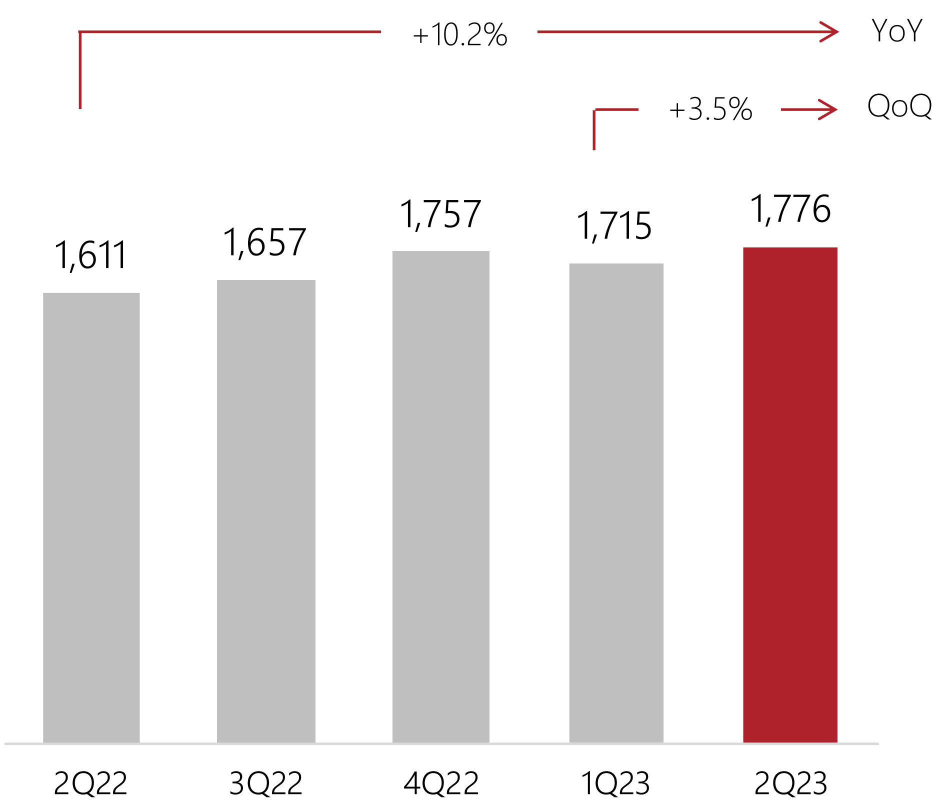


- New high in quarter revenues
- Record net interest income on sustained-above industry loan growth and highest NIM since the pandemic
- Record fee income (excluding fee income last year) on strong growth in client base and client engagement

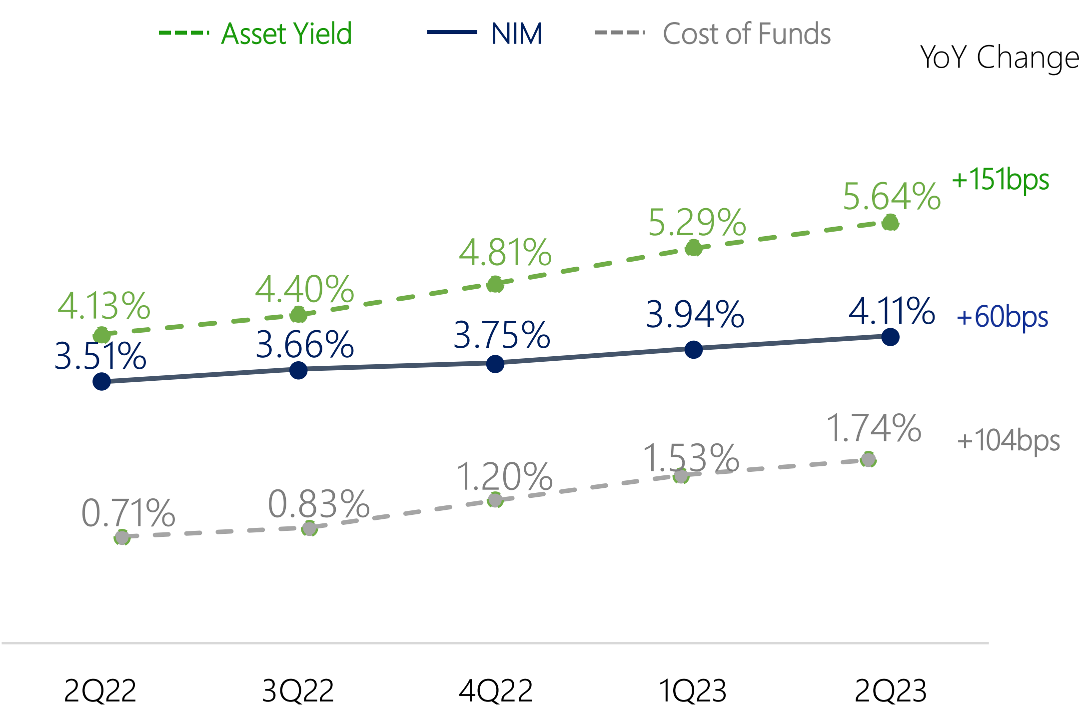
Loans and Quarter NIM

Sustained expansion in NIM and above-industry loan growth

Gross Loans (in P bn)



Quarter NIM



Loan Book per Segment

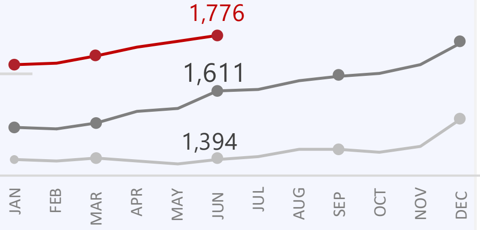
BPI

Total Gross Loans

₱1,776B

+3.5% *vs. Last Quarter*

+10.2% *vs. Last Year*

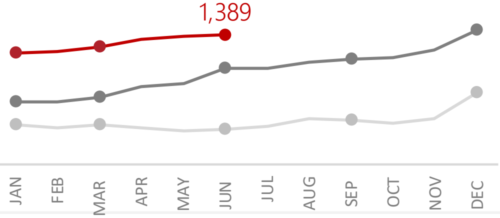


Corporate & SME

₱1,389B

+2.8% *vs. Last Quarter*

+8.0% *vs. Last Year*

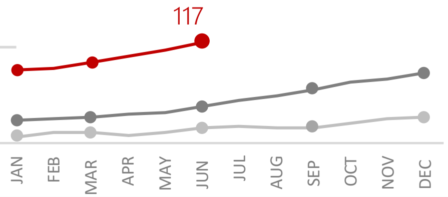


Credit Cards

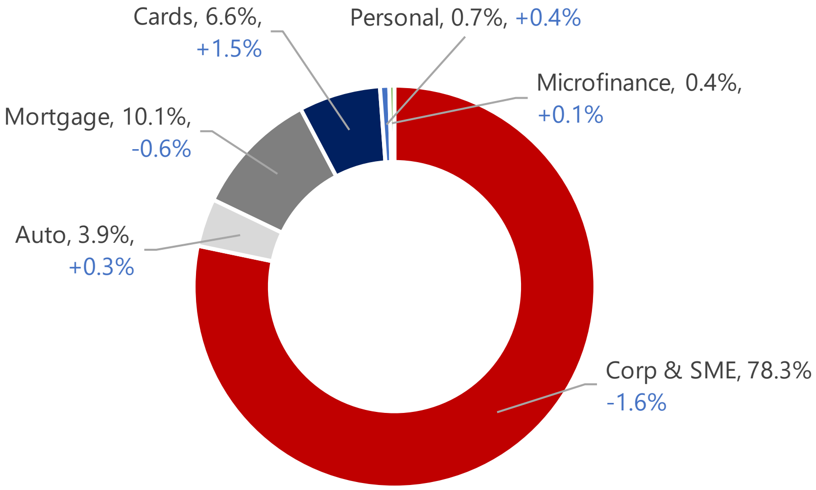
₱117B

+10.7% *vs. Last Quarter*

+42.7% *vs. Last Year*



Loan Mix, YoY change

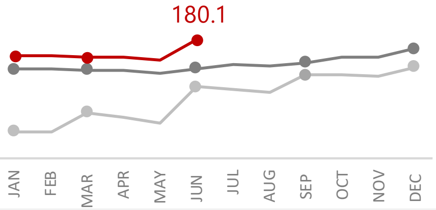


Mortgage

₱180B

+2.7% *vs. Last Quarter*

+4.3% *vs. Last Year*

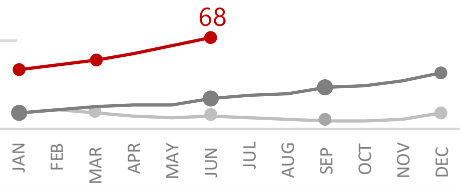


Auto

₱68B

+6.4% *vs. Last Quarter*

+20.4% *vs. Last Year*

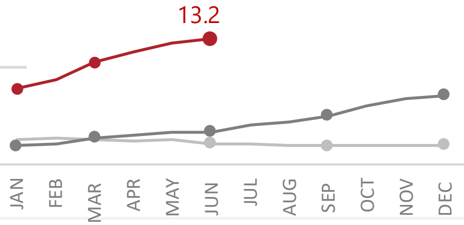


Personal

₱13.2B

+15.9% *vs. Last Quarter*

+107.6% *vs. Last Year*

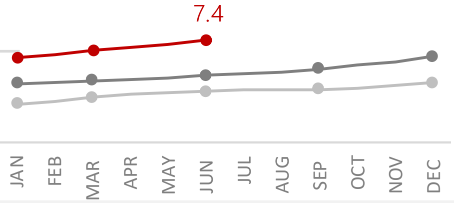


Microfinance

₱7.4B

+6.0% *vs. Last Quarter*

+25.9% *vs. Last Year*

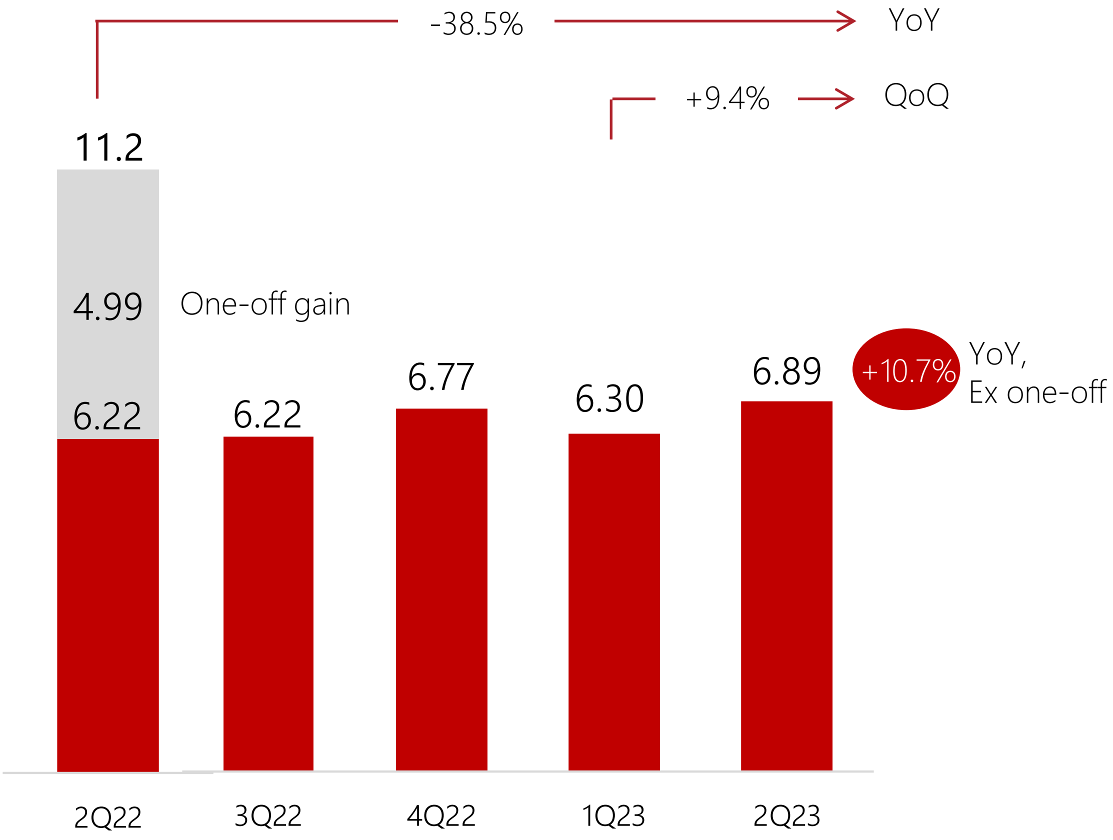


2021 2022 2023

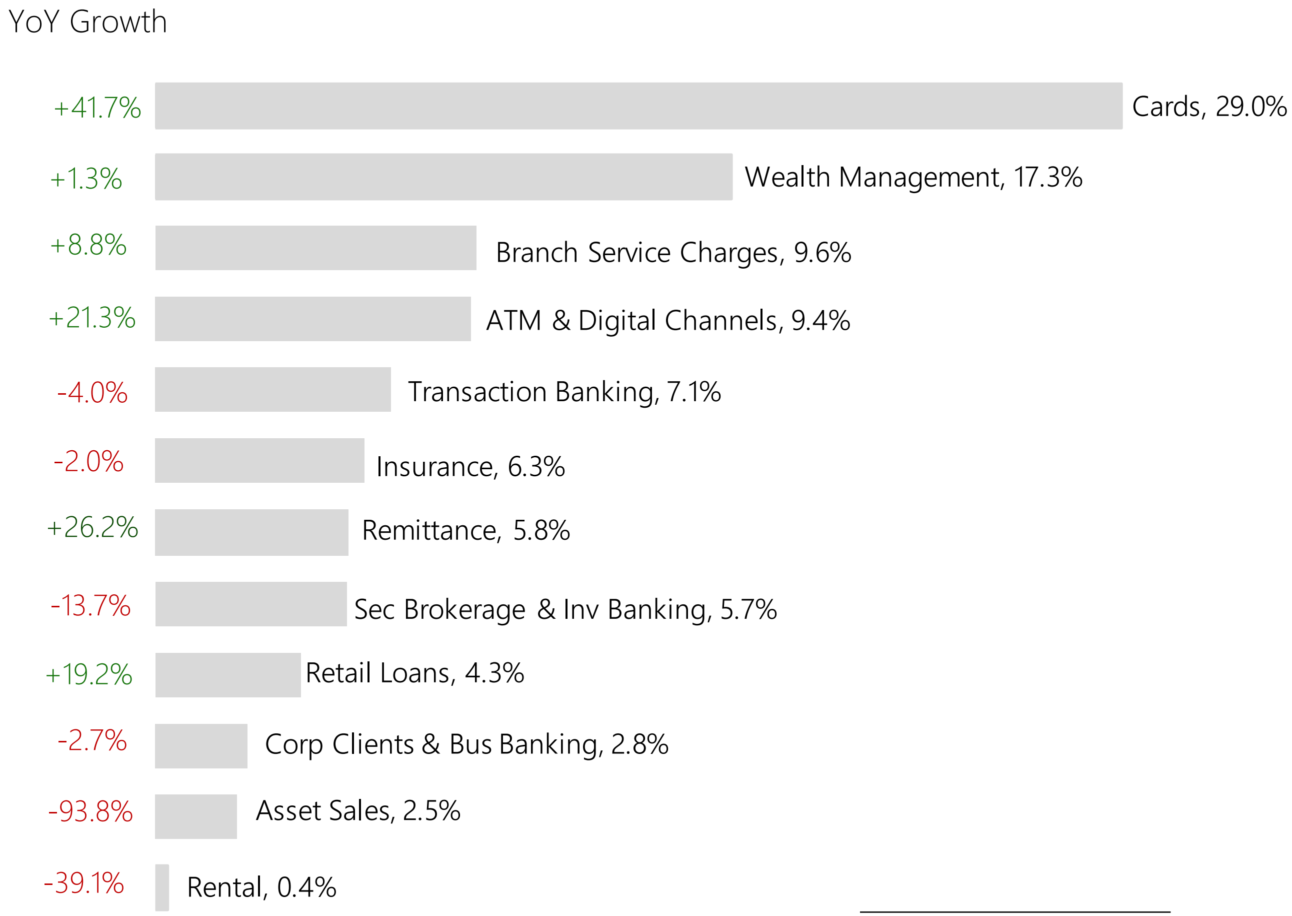
Fee Income

Excluding asset sale last year, fee income up 11% YoY, largely driven by Cards

Amounts in P bn



Ranked by Contribution to 1H 2023 Fee Income*

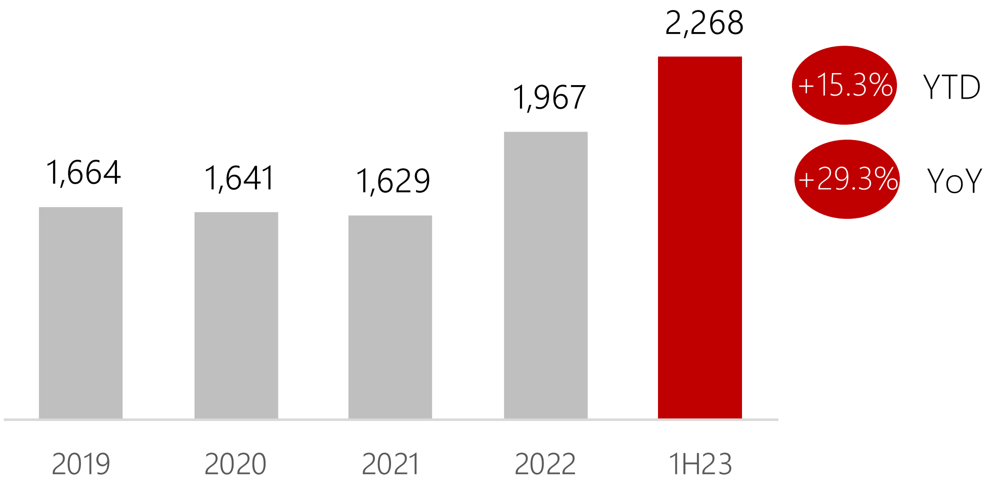


* gross of GRT and Others

Cards Business

Cards business' proof of concept demonstrates a compelling case for adoption

Card Base (*in th*)



Market Share as of 1Q23

Loans	18.4% (+1.2% YoY)
Billings	18.7% (+2% YoY)
Card base	18.2% (+2% YoY)

June 2023 vs June 2022

29% increase in card base

55% increase in YTD billings

Monthly card usage up to 9x from 7x last year

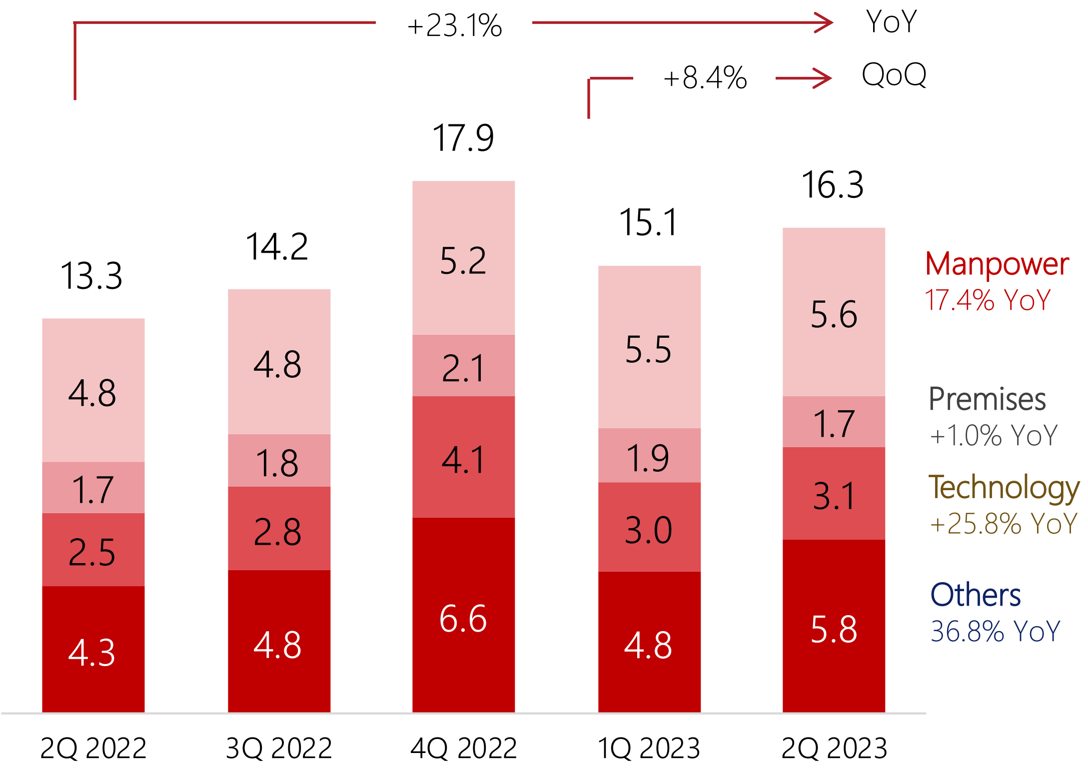
NPL ratio down 110bps

Drivers

- Universe expansion initiatives
- Diversified sources of acquisition
- "Fall-of-your-seat" offers
- Pervasive communication and performance optimization across digital platforms

Operating Expenses

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



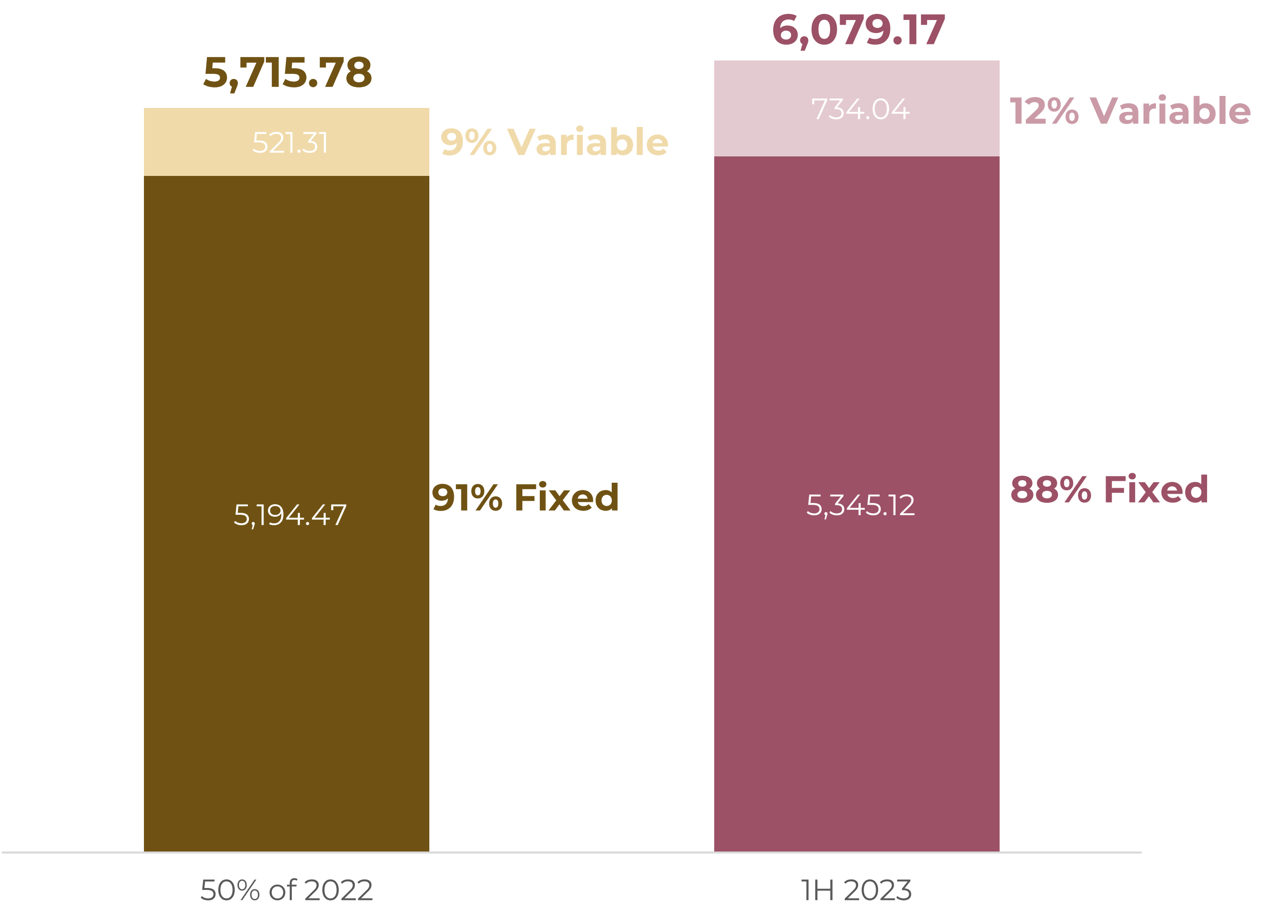
	2019	2020	2021	2022	1H23
Cost-to-Income	52.4%	47.3%	52.1%	48.9%	47.9%
Customer Count (in mn)	8.66	8.57	8.46	9.32	9.65
Digital Customers (in mn)	0.51	1.45	1.87	2.80	3.10
Headcount	21,429	19,952	19,181	18,204	18,656
Customer Count/Headcount	404	429	441	508	517
Local Branch Count (Physical Locations)					
BPI	867	866	813	752	737
BanKo	300	304	307	317	321
Branch Headcount		8,719	8,397	7,513	7,367
Ave Deposit Per BPI Branch (in P bn)	1.96	1.98	2.40	2.79	2.91

DRIVERS:
Manpower: structural salary increase and higher headcount
Technology: continued investments in platforms and infrastructure
Others: marketing campaigns, rewards program and volume-related card transaction charges

Technology Expense

50% of 2022 Actual and 1H 2023 Actual

in Php Mn



- **Variable** – costs that are affected by changes in volume / no. of transactions / no. of accounts
- **Fixed** – other technology costs

Balance Sheet

In P bn	2Q 2022	1Q 2023	2Q 2023	QoQ	YoY
Assets	2,464.3	2,674.2	2,684.7	0.4%	8.9%
Gross Loans	1,611.3	1,715.3	1,775.7	3.5%	10.2%
Net Loans	1,557.0	1,661.1	1,720.5	3.6%	10.5%
Securities	536.3	586.7	582.6	-0.7%	8.6%
Deposits	1,992.9	2,148.7	2,144.1	-0.2%	7.6%
CASA	1,578.9	1,510.4	1,505.7	-0.3%	-4.6%
Time	414.1	638.3	638.3	0.0%	54.2%
Borrowings	80.2	99.7	106.5	6.9%	32.8%
Capital	304.1	331.6	336.1	1.3%	10.5%
LCR	213.96%	209.43%	204.19%[1]	-524 bps	-977 bps
LDR (Net Loans)	78.13%	77.31%	80.25%	294 bps	212 bps
CASA ratio	79.22%	70.29%	70.23%	-6 bps	-899 bps

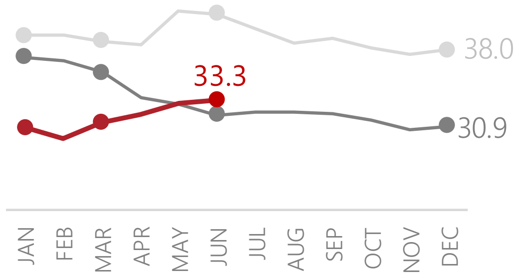
[1] indicative

- Expansions in total assets funded largely by TD and to a smaller extent, borrowings
- High quality funding with CASA ratio at 70% and LCR at 204%
- Gradual build-up in securities, up 9% YoY, as rates increased

Asset Quality

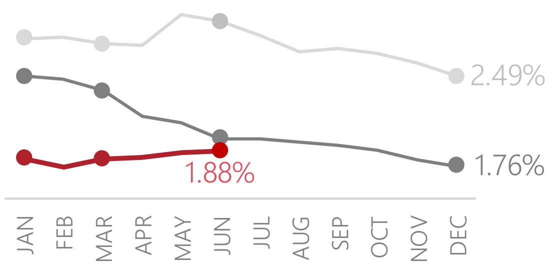
NPL Level (in ₱ bn)

₱32.95B	2.2B	+6.9%	vs. Last Quarter
	1.4B	+4.3%	vs. Last Year



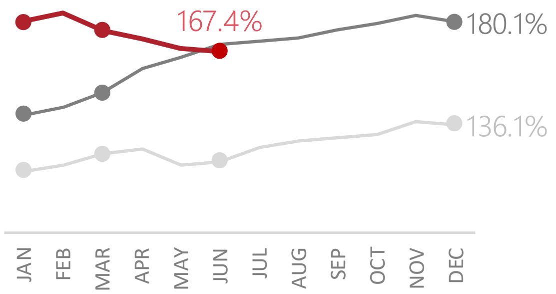
NPL Ratio

1.88%	6bps	vs. Last Quarter
	0bps	vs. Last Year

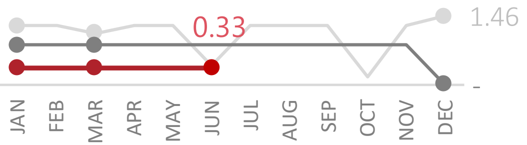


NPL Cover

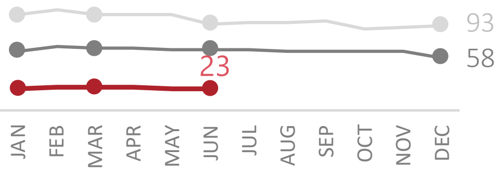
167.44%	-927bps	vs. Last Quarter
	-3bps	vs. Last Year



Provisions (in ₱ bn)



Credit Cost (in bps)

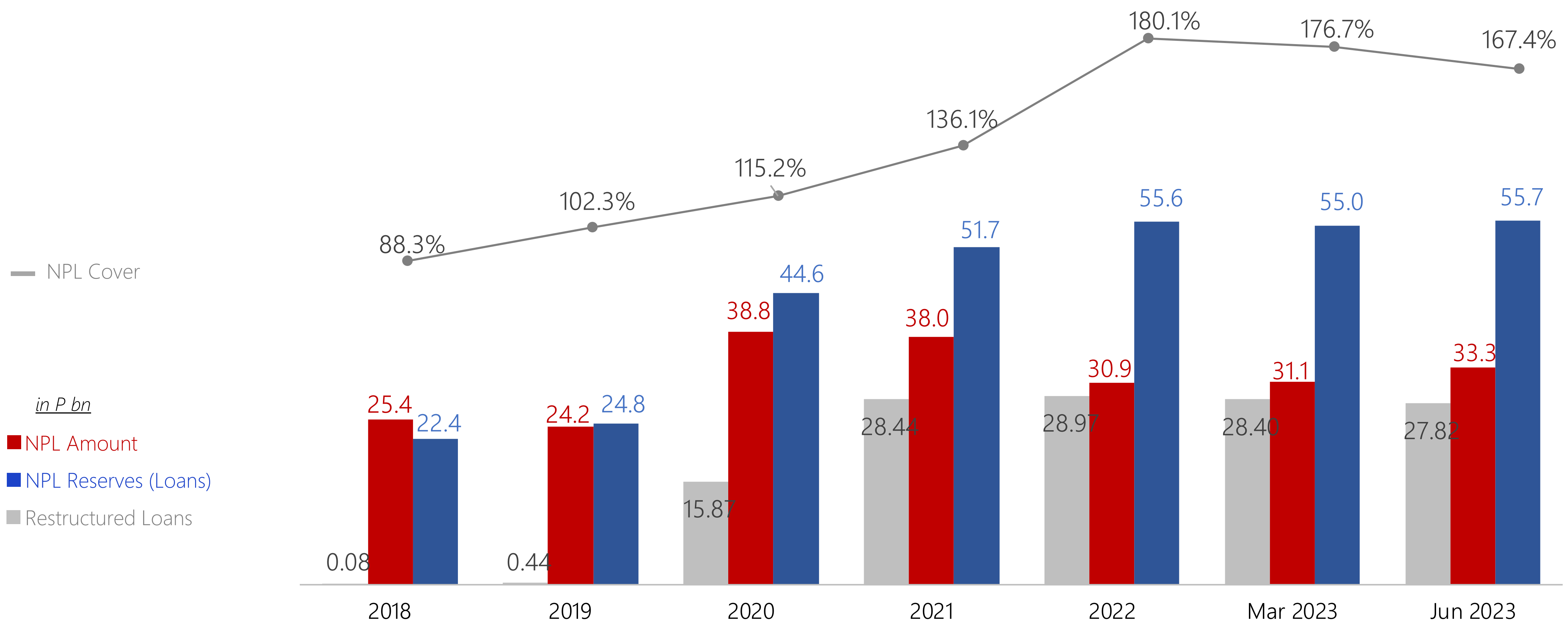


2021 2022 2023

- Asset quality remained resilient
- NPL formation largely from credit card and personal loans following huge increase in loan volume
- Slight uptick in NPL ratio but NPL cover remains more than sufficient

Provisions

Strong asset quality, sufficient provisions and improving economic outlook allow for lower credit cost



NPL Ratio	1.85%	1.63%	2.68%	2.49%	1.76%	1.82%	1.88%
Credit Cost (in bps)	40	41	196	93	58	24	23

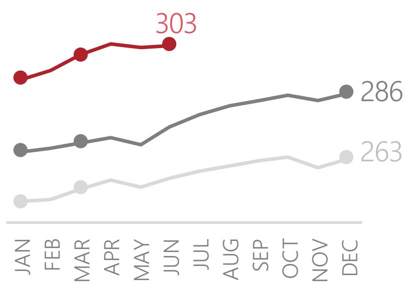
Capital Position

2021 2022 2023

CET1 Level (in ₱ bn)

₱303B

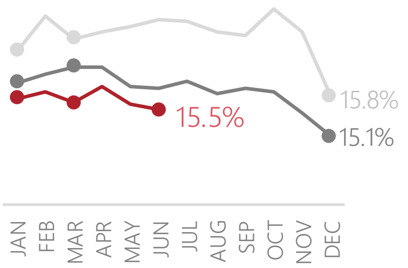
3B	+1.1%	vs. Last Quarter
29B	+10.6%	vs. Last Year



CET1 Ratio

15.55%

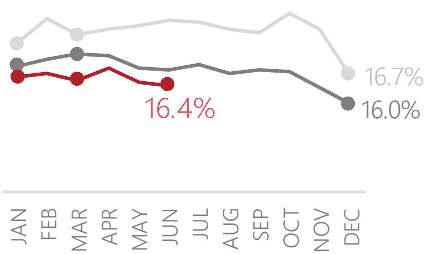
-12bps	vs. Last Quarter
-36bps	vs. Last Year



CAR Ratio

16.43%

-12bps	vs. Last Quarter
-37bps	vs. Last Year



Indicative – June 2023 CET1 and CAR

- QoQ CET1 capital increased on net income accretion, paid-in capital from distribution of common shares as property dividend and OCI gains, partially offset by cash dividend distribution
- QoQ capital burn of 12 bps from faster RWA accumulation
- Ratios comfortably above internal and regulatory thresholds

Summary

1 **Profitability :** Strong 2Q operating performance; improved profitability and shareholder returns

2 **Balance Sheet :** Robust loan growth; healthy liquidity and capital position

3 **Asset Quality :** Resilient asset quality with ample allowance

4 **Digital and Sustainability :** Further strengthened our leadership on digitalization and sustainability

BPI

ELEVATING FINANCIAL INCLUSION

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