

October 19, 2023

BPI sets record 9M and 3Q 2023 net income

MAKATI CITY, Philippines --- Bank of the Philippine Islands hit a historical high for nine-month net income, ending the period with earnings of P38.6 billion, up 26.4% vs the prior year, delivering a Return on Equity of 15.6%. Sustained loan and margin growth, as well as tempered provisions, were the main drivers of the strong financial performance.

Total revenues ramped up 15.3% to P100.9 billion year-to-date, attributable to the 24.5% increase in net interest income to P76.8 billion, as average asset base expanded 8.1% and net interest margin widened 54 basis points to 4.07%. This was partly offset by the 6.6% decline in non-interest income to P24.1 billion due to the property sale gain recognized in the prior year. Removing the impact of this one-off transaction, non-interest income would be higher by P3.3 billion or 15.7%, on higher fees from credit cards, bancassurance, various service charges, and trading gains.

Operating expenses for the nine-month period increased 21.3% to P48.6 billion, due to larger spending for manpower, technology, and marketing, resulting in a Cost-to-Income ratio of 48.2%.

Asset quality slightly weakened from last year and the previous quarter, with NPL Ratio of 1.97%. Meanwhile, coverage remains adequate, with a 158.95% NPL Coverage Ratio. Year-to-date, the Bank booked provisions of P3.0 billion, 60.0% lower than the P7.5 billion recognized over the same period last year.

For the third quarter of the year, the Bank recorded net income of P13.5 billion, soaring 33.3% year-on-year, also the highest quarterly net income achieved in the past decade, boosted by the 18.3% jump in revenues to P35.3 billion, on the back of higher net interest income and non-interest income.

Total assets rose 7.2% to P2.7 trillion year-on-year, with Return on Assets at 1.95%. Total loans of P1.7 trillion was 8.8% higher year-on-year, driven by the loan growth in the corporate, credit card, and auto portfolios of 5.3%, 37.7%, and 22.3%, respectively. Total deposits of P2.2 trillion also climbed 6.7% year-on-year, bringing the Loan-to-Deposit Ratio to 80.2%. Total equity stood at P349.6 billion, with an indicative Common Equity Tier 1 Ratio of 16.1% and a Capital Adequacy Ratio of 17.0%, both well above regulatory requirements.

As of September 30, 2023, all three major international Credit Rating Agencies have reaffirmed the Bank's Credit Ratings: S&P at BBB+ (same as the Philippine Sovereign), Moody's at Baa2, and Fitch at BBB-. All three also have a Stable Outlook for the Bank.

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).

Contact Us: Media: corporateaffairs@bpi.com.ph | Investor Relations: investorrelations@bpi.com.ph Bank of the Philippine Islands | 22/F - 28/F Ayala Triangle Gardens Tower 2, Paseo De Roxas Cor. Makati Ave., Bel-Air, Makati City 1226 PH | +632 8663 6733