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BPI posts 2023 net income of P51.7 billion, up 31%

MAKATI CITY, Philippines --- Bank of the Philippine Islands delivered its highest full year net income of P51.7 billion, up 30.5% from the previous year's P39.6 billion, driven by record revenues and lower provisions which offset the increase in operating expenses. Excluding the impact of the one-off gain from the 2022 property sale, net income would be up 44.1%. Fourth-quarter net income was P13.1 billion, up 44.3% year-on-year, also on higher revenue growth and lower provisions recognized. The Bank's solid financial performance is a reflection of its strengthened customer franchise and deeper customer engagement which led to record volumes and market share gains in several businesses. For full year 2023, Return on Equity was 15.35% and Return on Assets was 1.93%.

Total revenues soared 16.7% to P138.3 billion year-on-year, attributable to the 22.7% increase in net interest income to P104.4 billion, as average asset base expanded 7.7% and net interest margin widened 50 basis points to 4.09%. Non-interest income grew 1.5% to P34.0 billion, on the back of record trading income gains of P5.2 billion, up 37.0% year-on-year, tempered by the 3.0% decline in fee income to P28.8 billion. Removing the impact of the 2022 one-off transaction, fee income would be higher by P4.1 billion or 16.6%, on higher fees from credit cards, various service charges, and bancassurance.

Operating expenses increased 19.2% to P69.1 billion, led by higher manpower, technology, and marketing costs, resulting in a Cost-to-Income ratio of 50.0%.

The Bank booked provisions of P4.0 billion, a 56.4% reduction from last year. Asset quality remains strong with NPL ratio at 1.84%, with sufficient NPL coverage at 156.1% as of the end of the year.

Total loans stood at P1.9 trillion, a 10.5% increase over the previous year, due to the strong growth across all portfolios. Total deposits stood at P2.3 trillion, up 9.5% year-on-year, mainly from the growth in time deposits which tempered the decline in CASA. The CASA Ratio stood at 67.0% and the Loan-to-Deposit Ratio at 82.0%.

Total assets reached P2.9 trillion, reflecting a 10.9% growth year-on-year. Total equity stood at P357.2 billion, with an indicative Common Equity Tier 1 Ratio of 15.3% and a Capital Adequacy Ratio of 16.2%, both well above regulatory requirements.

On January 1, 2024, the merger of BPI and Robinsons Bank Corporation, officially took effect, with BPI as the surviving entity. This merger will expand reach and enrich the overall banking experience of its customers by unlocking synergies within the BPI Group and Gokongwei ecosystems.

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).