

# COVER SHEET

P W - 1 2 1

S.E.C. Registration Number

B A N K O F T H E P H I L I P P I N E I S L A N D S

(Company's Full Name)

A Y A L A T R I A N G L E G A R D E N S T O W E R 2

P A S E O D E R O X A S C O R N E R M A K A T I

A V E N U E , B E L - A I R , M A K A T I C I T Y

Atty. Maria Lourdes P. Gatmaytan

Contact Person

(632) 8663-6525

Company Telephone Number

0 6 3 0

Month Day

Fiscal Year

1 7 - Q

FORM TYPE

0 4 2 3 <sup>2</sup>/<sub>4</sub>

Month Day

Annual Meeting

N/A

Secondary License Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

11,673

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

**STANDARD DOCUMENT COVER SHEET  
FOR SEC FILINGS**

All documents should be submitted under a cover page which clearly identifies the company and the specific document form as follows:

**SEC Number PW-121**

File Number

**BANK OF THE PHILIPPINE ISLANDS  
22/F – 28/F AYALA TRIANGLE GARDENS TOWER 2  
PASEO DE ROXAS CORNER MAKATI AVENUE,  
BEL-AIR, MAKATI CITY  
POSTAL CODE 1226  
(632) 8663-6525**

**FISCAL YEAR ENDING DECEMBER 31**

(indicate if anything above is new and the date it was changed)

**SEC FORM 17–Q QUARTERLY REPORT  
AMENDMENT DESIGNATION (if applicable)**

**PERIOD-ENDED JUNE 30, 2024**

(if a report, financial statement, GIS, or related amendment or show-cause filing)

**NONE**

**EACH ACTIVE SECONDARY LICENSE TYPE AND FILE NUMBER**

(state "NONE" if that is the case)



12. Indicate by check mark whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such reports) Yes  No

(b) Has been subject to such filing requirements for the last 90 days Yes  No

**BANK OF THE PHILIPPINE ISLANDS**  
**CONSOLIDATED STATEMENT OF CONDITION**  
**JUNE 30, 2024 AND DECEMBER 31, 2023**  
(in Thousands of Pesos)

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>JUNE 30, 2024</b>	<b>DECEMBER 31, 2023</b>
<b><u>RESOURCES</u></b>		
Cash and Other Cash Items	35,674,496	34,842,725
Due from Bangko Sentral ng Pilipinas	210,737,299	199,619,139
Due from Other Banks	49,941,575	36,291,808
Interbank Loans Receivable and Securities		
Purchased under Agreements to Resell	7,484,089	20,643,125
Financial Assets at Fair Value through Profit or Loss	65,995,933	23,653,877
Financial Assets at Fair Value through OCI	230,565,392	218,654,129
Financial Assets at Amortized Cost	366,840,307	382,710,546
Loans and Advances, net	2,029,477,428	1,882,006,940
Assets Held for Sale, net	8,257,440	4,743,292
Bank Premises, Furniture, Fixtures and Equipment, net	20,228,577	19,750,646
Investments in Subsidiaries and Associates, net	9,250,798	8,286,713
Assets Attributable to Insurance Operations	18,104,207	19,067,211
Deferred Income Tax Assets, net	18,523,567	18,184,693
Goodwill	9,354,900	-
Other Resources, net	29,547,871	19,916,686
<b>TOTAL RESOURCES</b>	<b>3,109,983,878</b>	<b>2,888,371,529</b>
<b><u>LIABILITIES AND CAPITAL FUNDS</u></b>		
Deposit Liabilities		
Demand	404,107,706	379,076,296
Savings	1,182,606,541	1,158,547,312
Time	865,065,502	757,482,246
Sub-total	<b>2,451,779,749</b>	<b>2,295,105,855</b>
Derivative Financial Liabilities	5,387,243	2,820,985
Other Borrowed Funds	150,900,953	137,103,801
Due to Bangko Sentral ng Pilipinas and Other Banks	3,774,818	1,881,648
Manager's Checks and Demand Drafts Outstanding	9,835,084	8,462,651
Accrued Taxes, Interest and Other Expenses	16,641,884	14,972,737
Liabilities Attributable to Insurance Operations	14,019,782	15,202,372
Deferred Credits and Other Liabilities	48,963,482	53,451,409
<b>TOTAL LIABILITIES</b>	<b>2,701,302,995</b>	<b>2,529,001,459</b>
<b>CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI</b>		
Share Capital	52,555,314	49,307,247
Share Premium	142,994,075	113,413,765
Reserves	2,752,141	643,633
Surplus	223,398,187	204,966,735
Accumulated Other Comprehensive Income/ (Loss)	(15,168,439)	(11,127,367)
	<b>406,531,277</b>	<b>357,204,012</b>
NON-CONTROLLING INTERESTS	2,149,606	2,166,058
<b>TOTAL CAPITAL FUNDS</b>	<b>408,680,883</b>	<b>359,370,070</b>
<b>TOTAL LIABILITIES AND CAPITAL FUNDS</b>	<b>3,109,983,878</b>	<b>2,888,371,529</b>

**BANK OF THE PHILIPPINE ISLANDS**  
**CONSOLIDATED STATEMENTS OF INCOME**  
For the Quarter Ended June 30, 2024 and 2023  
(In Thousands of Pesos)

	<u>2024</u>	<u>2023</u>
<b>INTEREST INCOME</b>		
On loans and advances	38,847,719	29,694,978
On FA at amortized cost	3,625,671	3,688,397
On FA at FV through OCI	2,973,119	1,304,428
On deposits with BSP and other banks	795,025	697,688
On FA at FV through profit or loss	323,981	259,940
	<u><b>46,565,515</b></u>	<u><b>35,645,432</b></u>
<b>INTEREST EXPENSE</b>		
On Deposits	12,854,961	8,550,474
On Bills Payable and other borrowings	2,305,122	1,146,235
	<u>15,160,083</u>	<u>9,696,710</u>
<b>NET INTEREST INCOME</b>	<u><b>31,405,432</b></u>	<u><b>25,948,722</b></u>
<b>IMPAIRMENT LOSSES</b>	<u><b>1,500,000</b></u>	<u><b>1,000,000</b></u>
<b>NET INTEREST INCOME AFTER IMPAIRMENT LOSSES</b>	<u><b>29,905,432</b></u>	<u><b>24,948,722</b></u>
<b>OTHER INCOME</b>		
Fees and commissions	3,874,370	3,086,548
Income from foreign exchange trading	1,128,275	825,395
Trading gain (loss) on securities	111,831	185,216
Income attributable to insurance operations	701,004	273,491
Other operating income	4,429,482	3,554,185
	<u><b>10,244,962</b></u>	<u><b>7,924,835</b></u>
<b>OTHER EXPENSES</b>		
Compensation and fringe benefits	7,701,730	5,636,417
Occupancy and equipment-related expenses	6,096,548	4,842,101
Other operating expenses	6,462,468	5,848,877
	<u><b>20,260,745</b></u>	<u><b>16,327,395</b></u>
<b>INCOME BEFORE INCOME TAX</b>	<u><b>19,889,650</b></u>	<u><b>16,546,162</b></u>
<b>PROVISION FOR INCOME TAX</b>		
Current	4,567,931	3,786,262
Deferred	(39,342)	(289,071)
	<u><b>4,528,589</b></u>	<u><b>3,497,191</b></u>
<b>NET INCOME FOR THE QUARTER</b>	<u><b>15,361,061</b></u>	<u><b>13,048,971</b></u>
Attributable to:		
Equity holders of BPI	15,301,721	13,020,406
Non-controlling interest	59,340	28,564
	<u><b>15,361,061</b></u>	<u><b>13,048,971</b></u>

**BANK OF THE PHILIPPINE ISLANDS**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Quarter Ended June 30, 2024 and 2023  
(In Thousands of Pesos)

	<u>2024</u>	<u>2023</u>
<b>NET INCOME BEFORE MINORITY INTEREST</b>	<b>15,361,061</b>	<b>13,048,971</b>
<b>Other Comprehensive Income:</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Net change in fair value reserve on FVOCI securities, net of tax effect	(2,280,612)	(886,998)
Fair value reserve on investments of insurance subsidiaries, net of tax effect	(14,369)	(30,915)
Share in other comprehensive income of associates	(181,978)	(12,851)
Currency translation differences	353,138	126,969
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gains (losses) on defined benefit plan, net of tax effect	1,555	601
Share in other comprehensive gain (loss) of associates	66,874	(13,468)
<b>Total Other Comprehensive Income (Loss), net of tax effect</b>	<b>(2,055,391)</b>	<b>(816,661)</b>
<b>Total Comprehensive Income for the Year</b>	<b>13,305,670</b>	<b>12,232,309</b>
<b>Attributable to:</b>		
Equity holders of BPI	13,250,565	12,217,582
Non-Controlling Interest	55,105	14,727
	<b>13,305,670</b>	<b>12,232,309</b>

**BANK OF THE PHILIPPINE ISLANDS**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**For the Six Months Ended June 30, 2024 and 2023**  
(In Thousands of Pesos)

	<u>Unaudited 2024</u>	<u>Unaudited 2023</u>
<b>INTEREST INCOME</b>		
On loans and advances	76,171,353	56,298,926
On FA at amortized cost	7,329,607	7,469,500
On FA at FV through OCI	5,435,467	2,425,905
On deposits with BSP and other banks	1,654,545	1,462,226
On FA at FV through profit or loss	546,935	417,681
	<u><b>91,137,906</b></u>	<u><b>68,074,238</b></u>
<b>INTEREST EXPENSE</b>		
On Deposits	25,516,794	15,651,074
On Bills Payable and other borrowings	4,367,732	2,315,118
	<u>29,884,526</u>	<u>17,966,191</u>
<b>NET INTEREST INCOME</b>	<u><b>61,253,380</b></u>	<u><b>50,108,047</b></u>
<b>IMPAIRMENT LOSSES</b>	<u><b>3,000,000</b></u>	<u><b>2,000,000</b></u>
<b>NET INTEREST INCOME AFTER IMPAIRMENT LOSSES</b>	<u><b>58,253,380</b></u>	<u><b>48,108,047</b></u>
<b>OTHER INCOME</b>		
Fees and commissions	7,266,565	6,163,672
Income from foreign exchange trading	2,129,899	1,344,300
Trading gain (loss) on securities	744,094	910,701
Income attributable to insurance operations	1,503,197	453,841
Other operating income	8,278,006	6,607,208
	<u><b>19,921,761</b></u>	<u><b>15,479,723</b></u>
<b>OTHER EXPENSES</b>		
Compensation and fringe benefits	14,319,351	11,098,467
Occupancy and equipment-related expenses	11,081,262	9,666,725
Other operating expenses	12,871,663	10,626,492
	<u><b>38,272,276</b></u>	<u><b>31,391,684</b></u>
<b>INCOME BEFORE INCOME TAX</b>	<u><b>39,902,866</b></u>	<u><b>32,196,086</b></u>
<b>PROVISION FOR INCOME TAX</b>		
Current	8,634,050	7,073,844
Deferred	560,652	(131,133)
	<u><b>9,194,702</b></u>	<u><b>6,942,711</b></u>
<b>NET INCOME FOR THE PERIOD</b>	<u><b>30,708,163</b></u>	<u><b>25,253,375</b></u>
Attributable to:		
Equity holders of BPI	<u><b>30,564,776</b></u>	<u><b>25,154,221</b></u>
Non-controlling interest	<u><b>143,387</b></u>	<u><b>99,154</b></u>
	<u><b>30,708,163</b></u>	<u><b>25,253,375</b></u>
Earnings per share:		
Based on 5,272,095,143 shares as of June 30, 2024 and 4,945,197,291 shares in 2023	<b>P 5.80</b>	<b>P 5.09</b>



**BANK OF THE PHILIPPINE ISLANDS**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Six Months Ended June 30, 2024 and 2023  
(In Thousands of Pesos)

	<b>Unaudited 2024</b>	<b>Unaudited 2023</b>
<b>NET INCOME BEFORE MINORITY INTEREST</b>	<b>30,708,163</b>	<b>25,253,375</b>
<b>Other Comprehensive Income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Net change in fair value reserve on FVOCI securities, net of tax effect	(4,246,366)	539,011
Fair value reserve on investments of insurance subsidiaries, net of tax effect	(27,306)	32,869
Share in other comprehensive income of associates	(263,773)	266,421
Currency translation differences	479,692	(85,805)
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gains (losses) on defined benefit plan, net of tax effect	16,784	31,865
Share in other comprehensive gain (loss) of associates	(3,055)	136,811
<b>Total Other Comprehensive Income (Loss), net of tax effect</b>	<b>(4,044,023)</b>	<b>921,172</b>
<b>Total Comprehensive Income for the Year</b>	<b>26,664,141</b>	<b>26,174,547</b>
<b>Attributable to:</b>		
Equity holders of BPI	26,523,704	26,052,317
Non-Controlling Interest	140,437	122,230
	<b>26,664,141</b>	<b>26,174,547</b>

**BANK OF THE PHILIPPINE ISLANDS-UNIBANK**  
**STATEMENT OF CHANGES IN CAPITAL FUNDS**  
**FOR THE PERIOD ENDED JUNE 30, 2024 & JUNE 30, 2023**  
(In Thousand Pesos)

<b>Consolidated</b>										
Attributable to equity holders of BPI										
	Share Capital	Share Premium	Treasury Shares Dividends Distributable -	Reserves	Surplus	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total	Non-controlling Interest	Total
<b>Balance, December 31, 2023</b>	<b>49,307,247</b>	<b>113,413,765</b>	-	<b>643,633</b>	<b>204,966,735</b>	<b>(11,127,367)</b>	-	<b>357,204,012</b>	<b>2,166,058</b>	<b>359,370,070</b>
<b>Comprehensive Income</b>										
Net Income for the year	-	-	-	-	30,564,776	-	-	30,564,776	143,387	30,708,163
Other Comprehensive Income for the year	-	-	-	-	-	(4,041,072)	-	(4,041,072)	(2,950)	(4,044,023)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>30,564,776</b>	<b>(4,041,072)</b>	-	<b>26,523,704</b>	<b>140,437</b>	<b>26,664,141</b>
<b>Transactions with owners</b>										
Issuance of Share - BPI & RBC Merger	3,140,040	29,453,574	-	-	-	-	-	32,593,614	-	32,593,614
Executive Stock Plan amortization	108,027	126,736	-	(58,687)	-	-	-	176,076	-	176,076
Dividends Declared	-	-	-	-	(10,438,748)	-	-	(10,438,748)	(156,888)	(10,595,637)
<b>Total transactions with owners</b>	<b>3,248,067</b>	<b>29,580,311</b>	-	<b>(58,687)</b>	<b>(10,438,748)</b>	-	-	<b>22,330,942</b>	<b>(156,888)</b>	<b>22,174,054</b>
<b>Other movements</b>										
Transfer from Reserve to Surplus	-	-	-	2,163,114	-	-	-	2,163,114	-	2,163,114
Transfer from Surplus to Reserves	-	-	-	-	(2,163,114)	-	-	(2,163,114)	-	(2,163,114)
Others	-	-	-	4,081	468,537	-	-	472,619	(0)	472,619
<b>Total other movements</b>	-	-	-	<b>2,167,195</b>	<b>(1,694,576)</b>	-	-	<b>472,619</b>	<b>(0)</b>	<b>472,619</b>
<b>Balance, JUNE 30, 2024</b>	<b>52,555,314</b>	<b>142,994,075</b>	-	<b>2,752,141</b>	<b>223,398,187</b>	<b>(15,168,439)</b>	-	<b>406,531,277</b>	<b>2,149,606</b>	<b>408,680,883</b>

<b>Consolidated</b>										
Attributable to equity holders of BPI										
	Share Capital	Share Premium	Treasury Shares Dividends Distributable -	Reserves	Surplus	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total	Non-controlling Interest	Total
<b>Balance, December 31, 2022</b>	<b>49,193,075</b>	<b>104,122,939</b>	-	<b>643,848</b>	<b>211,060,930</b>	<b>(14,256,290)</b>	<b>(33,042,684)</b>	<b>317,721,818</b>	<b>2,081,952</b>	<b>319,803,770</b>
<b>Comprehensive Income</b>										
Net Income for the year	-	-	-	-	25,154,221	-	-	25,154,221	99,154	25,253,375
Other Comprehensive Income for the year	-	-	-	-	-	898,096	-	898,096	23,076	921,172
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>25,154,221</b>	<b>898,096</b>	-	<b>26,052,317</b>	<b>122,230</b>	<b>26,174,547</b>
<b>Transactions with owners</b>										
Executive Stock Plan amortization	109,548	68,133	-	(17,931)	-	-	-	159,749	-	159,749
Dividends Declared	-	8,949,242	-	-	(49,990,049)	-	33,042,684	(7,998,122)	(191,242)	(8,189,364)
<b>Total transactions with owners</b>	<b>109,548</b>	<b>9,017,375</b>	-	<b>(17,931)</b>	<b>(49,990,049)</b>	-	<b>33,042,684</b>	<b>(7,838,373)</b>	<b>(191,242)</b>	<b>(8,029,615)</b>
<b>Other movements</b>										
Transfer from Reserve to Surplus	-	-	-	-	(13,251)	-	-	(13,251)	-	(13,251)
Transfer from Surplus to Reserves	-	-	-	13,251	-	-	-	13,251	-	13,251
Others	-	-	-	53.33	117,529	-	-	117,582	0	117,582
<b>Total other movements</b>	-	-	-	<b>13,304</b>	<b>104,278</b>	-	-	<b>117,582</b>	<b>0</b>	<b>117,582</b>
<b>Balance, JUNE 30, 2023</b>	<b>49,302,623</b>	<b>113,140,314</b>	-	<b>639,221</b>	<b>186,329,380</b>	<b>(13,358,194)</b>	-	<b>336,053,344</b>	<b>2,012,939</b>	<b>338,066,283</b>

**Bank of the Philippine Islands**  
**Consolidated Cash Flows Statement**  
**For the Quarter Ended June 30, 2024 And June 30, 2023**  
In Millions of PHP

	June 2024	June 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Income before income tax	19,890	16,546
Adjustments for:		
Impairment losses	1,500	1,000
Depreciation and amortization	1,384	1,396
Share in net income of associates	(611)	(313)
Dividend and other Income	(32)	(40)
Share based compensation	(5)	-
Profit from asset sold	(19)	(45)
Realized gain or sale on investment securities	(50)	(199)
Interest income	(46,566)	(35,645)
Interest received	45,155	34,914
Interest expense	15,247	9,764
Interest paid	(15,255)	(8,896)
(Increase) decrease in:		
Interbank loans receivable and securities purchased under agreements to resell	(1,280)	402
Financial Assets at FVTPL	(20,713)	(22,435)
Loans and advances, net	(48,271)	(60,128)
Assets held for sale	1,672	(291)
Assets attributable to Insurance operations	437	(18)
Other assets	2,906	7,927
Increase (decrease) in:		
Deposit liabilities	24,850	(4,622)
Due to Bangko Sentral ng Pilipinas and other banks	747	1,169
Manager's checks demand drafts outstanding	777	601
Accrued taxes, interest and other expenses	1,433	825
Liabilities attributable to insurance operations	(386)	(93)
Derivative financial instruments	2,297	404
Deferred credits and other liabilities	(783)	1,048
Net cash from (used in) operations	(15,676)	(56,728)
Income taxes paid	(6,569)	(4,196)
Net cash from (used in) operating activities	(22,245)	(60,924)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
Investment Securities, net	(7,860)	(1,178)
Bank premises, furniture, fixtures and equipment	(1,136)	(1,458)
Proceeds from:		
Disposal of investment securities	10,162	26,787
Disposal of bank premises, furniture, fixtures and equipment	150	955
Disposal of investment properties	-	-
(Increase) decrease in:		
Investment in subsidiaries and associates, net	131	41
Assets attributable to insurance operations	(30)	(393)
Impact of merger	1,500	-
Dividends received	32	40
Net cash used in investing activities	2,949	24,793
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash dividends and dividends issuance cost paid	(10,439)	(7,998)
Proceeds from issuance	189	70
(Decrease) Increase in bills payable and other borrowed funds	8,849	6,856
Payments for principal portion of lease liabilities	(479)	(577)
Net cash used in financing activities	(1,879)	(1,650)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(21,175)	(37,780)
<b>CASH AND CASH EQUIVALENTS</b>		
April 1	321,276	332,160
June 30	300,101	294,380

**Bank of the Philippine Islands**  
**Consolidated Cash Flows Statement**  
**For The Six Months Ended June 30, 2024 and December 31, 2023**  
In Millions of PHP

	June 2024	December 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Income before income tax	39,903	65,211
Adjustments for:		
Impairment losses	3,000	4,000
Depreciation and amortization	2,632	6,615
Share in net income of associates	(1,203)	(1,372)
Dividend and other Income	(45)	(100)
Share based compensation	(59)	(84)
Profit from asset sold	(43)	(139)
Realized gain or sale on investment securities	(590)	(948)
Interest income	(91,138)	(145,572)
Interest received	86,561	142,013
Interest expense	30,047	41,543
Interest paid	(29,511)	(38,683)
(Increase) decrease in:		
Interbank loans receivable and securities purchased under agreements to resell	4,983	4,116
Financial Assets at FVTPL	(42,113)	(1,454)
Loans and advances, net	(34,586)	(181,412)
Assets held for sale	(799)	(761)
Assets attributable to Insurance operations	1,153	254
Other assets	1,925	(5,754)
Increase (decrease) in:		
Deposit liabilities	10,532	199,096
Due to Bangko Sentral ng Pilipinas and other banks	1,521	(1,150)
Manager's checks demand drafts outstanding	252	1,707
Accrued taxes, interest and other expenses	(1,871)	798
Liabilities attributable to insurance operations	(1,175)	306
Derivative financial instruments	2,409	(1,476)
Deferred credits and other liabilities	(6,833)	214
Net cash from (used in) operations	(25,045)	86,966
Income taxes paid	(7,133)	(14,004)
Net cash from (used in) operating activities	(32,178)	72,962
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
Investment Securities, net	(77,998)	(248,565)
Bank premises, furniture, fixtures and equipment	(1,425)	(4,776)
Disposals of:		
Investment Securities, net	113,293	171,331
Bank premises, furniture, fixtures and equipment	205	2,144
Investment properties, net	-	-
(Increase) decrease in:		
Investment in subsidiaries and associates, net	130	769
Assets attributable to insurance operations	(274)	(270)
Impact of merger	22,071	-
Dividends received	45	100
Net cash used in investing activities	56,047	(79,267)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash dividends and dividends issuance cost paid	(10,439)	(16,497)
Proceeds from issuance	235	456
(Decrease) Increase in bills payable and other borrowed funds	(1,155)	39,601
Payments for principal portion of lease liabilities	(890)	(1,892)
Net cash used in financing activities	(12,249)	21,667
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>11,620</b>	<b>15,362</b>
<b>CASH AND CASH EQUIVALENTS</b>		
January 1	288,481	273,119
June 30	300,101	288,481

**BANK OF THE PHILIPPINE ISLANDS**  
**Financial Indicators**  
**As at June 30, 2024 and 2023**

Ratio	Formula	Current Year	Prior Year
		in percentage	
Liquidity ratio	Total current assets divided by total current liabilities	47.94	48.35
Debt-to-equity ratio	Total liabilities (Bills payable and Bonds payable) divided by total equity	37.12	31.70
Asset-to-equity ratio	Total assets divided by total equity	765.00	798.88
Interest rate coverage ratio	Earning before interest expense, income taxes, depreciation, and amortization	242.33	295.03
Return on equity	Net income divided by average equity	15.52	15.53
Return on assets	Net income divided by average assets	2.00	1.92
Net interest margin (NIM)	Net interest income (return on investment less interest expense) divided by average net interest bearing assets	4.26	4.03
Average assets to average equity	Average assets divided by average equity	774.61	808.37
Net interest to average assets (NRFF)	Net interest income divided by average assets	4.02	3.83
Cost to income ratio	Total operating expense divided by total income (revenues)	47.15	47.86
Cost to asset ratio	Total operating expense divided by average asset	2.51	2.40
Capital to assets ratio	Total equity divided by total assets	13.07	12.52

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> <li>Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles</li> </ul>	<ul style="list-style-type: none"> <li>The Bank's interim financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) which includes applicable PFRS, Philippine Accounting Standards (PAS), and interpretations approved by the Financial Reporting Standards Council (FRSC).</li> </ul>
<ul style="list-style-type: none"> <li>The following information, as a minimum, should be disclosed in the notes to financial statements, if material and if not disclosed elsewhere in the interim financial report:</li> </ul>	
<ul style="list-style-type: none"> <li>A statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change.</li> </ul>	<ul style="list-style-type: none"> <li>The Bank's interim financial statements have been prepared consistent with its most recent annual financial statements as of December 31, 2023 which was in accordance with the PFRS adopted by the SEC.</li> </ul>
<ul style="list-style-type: none"> <li>Explanatory comments about the seasonality or cyclicity of interim operations</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report</li> </ul>
<ul style="list-style-type: none"> <li>The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report</li> </ul>
<ul style="list-style-type: none"> <li>The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period.</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report</li> </ul>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> <li>• Issuances, repurchases, and repayments of debt and equity securities</li> </ul>	<ul style="list-style-type: none"> <li>• Nothing to report</li> </ul>
<ul style="list-style-type: none"> <li>• Dividends paid (aggregate per share) separately for ordinary shares and other shares</li> </ul>	<ul style="list-style-type: none"> <li>• At the regular meeting of the Board of Directors (“Board”) held on 15 May 2024, the Board approved the declaration of a cash dividend of One Peso and Ninety-Eight Centavos (Php 1.98) per common share for all stockholders of record as of 07 June 2024. Payment date is on 28 June 2024.</li> </ul>
<ul style="list-style-type: none"> <li>• Segment revenue and segment result for business segments or geographical segments, whichever is the issuer’s primary basis of segment reporting. (This shall be provided only if the issuer is required to disclose segment information in its annual financial statements).</li> </ul>	<ul style="list-style-type: none"> <li>• Attached</li> </ul>
<ul style="list-style-type: none"> <li>• Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period</li> </ul>	<ul style="list-style-type: none"> <li>• On April 17, 2024, the Board approved the 2024 employee stock purchase program pursuant to the Employee Stock Purchase Plan (the “Plan”) under Article Seventh of the Bank’s Article of Incorporation. The 2024 program authorizes the grant to qualified participants with a total allocation of up to 20,112,000 shares at a subscription price to be determined on or prior to grant date based on 15% discount to Volume Weighted Average Price (VWAP).</li> <li>• On June 20, 2024, the change in issued and outstanding shares of BPI to 5,272,095,013 or an equivalent of 12,893,860 additional shares representing issuance of BPI common shares pursuant to the 2024 Executive Stock Purchase Plan (ESPP) of BPI, was disclosed.</li> </ul>
<ul style="list-style-type: none"> <li>• The effect of changes in the composition of the issuer during the</li> </ul>	<ul style="list-style-type: none"> <li>• On April 1, 2024, Deeds of Absolute Sale of Shares covering BPI’s shareholdings in GoTyme</li> </ul>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
<p>interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.</p>	<p>Bank Corporation (GoTyme Bank) in favor of GoTyme Financial Pte Ltd. And Giga Investment Holdings Pte. Ltd. were signed by the authorized representatives of BPI.</p>
<ul style="list-style-type: none"> <li>• Changes in contingent liabilities or contingent assets since the last annual balance sheet date</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in contingent liabilities and contingent assets are in the normal course of business and are not anticipated to cause any material losses from those commitments/contingent liabilities.</li> </ul>
<ul style="list-style-type: none"> <li>• Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.</li> </ul>	<ul style="list-style-type: none"> <li>• Nothing to report</li> </ul>
<ul style="list-style-type: none"> <li>• Assess the financial risk exposures of the company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks. If any change thereof would materially affect the financial condition and results of operation of the company, provide a discussion in the report on the qualitative and quantitative impact of such risks and include a description of any enhancement in the company's risk management policies to address the same;</li> </ul>	<ul style="list-style-type: none"> <li>• The Bank manages risk exposures according to three major classifications: credit, market and liquidity, and operational risks. The Bank is exposed to these financial risks primarily through corporate and consumer lending activities, trading and investment in securities, currencies, financial derivatives, and structured investment products, and engaging in operating activities, infrastructure, and technology to support the Bank's day-to-day businesses. The risks associated with these activities are closely monitored through the various key risk indicators (KRIs), risk appetite, limits, and metrics defined and set by the Board through its Risk Management Committee (RMCom). The Chief Risk Officer of the BPI Group leads the Bank's Risk Management Office to support the RMCom in identifying, measuring, controlling, monitoring, and reporting the Bank's financial and non-financial risk exposures. The Bank has established risk management policies and standards ensuring that controls are generally in place and working effectively. These allow the Bank and its key subsidiaries to manage credit, market and liquidity, operational risks, as well</li> </ul>



**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
	<p>as emerging risks such as environmental and social risks, within the RMCom-approved risk appetite (BPI subsidiary Board-level RMComs in the case of key BPI subsidiaries). Dedicated and skilled risk managers, including business risk and subsidiary risk officers, fully support the Bank's three lines-of-defense (3LoD) risk organization.</p> <ul style="list-style-type: none"> <li>• The ongoing uncertainties observed in the global and local financial markets resulted in more active risk management strategies in the Bank. Sensitivity analyses, forward-looking simulations and stress testing, regular risk monitoring and escalation procedures, risk MIS reporting and in-depth discussions involving business units, Senior Management, and the Board of Directors, are measures to strengthen the effectiveness of the Bank's enterprise risk management (ERM) framework. The Bank continues to implement a formal integrated risk and capital stress testing framework, with forward-looking assessment of risks to facilitate development of contingency plans and risk strategies, under given stressed scenarios crafted by the Bank's experts. Under the baseline projections, incorporating forward-looking macroeconomic assumptions and scenarios on economic landscape, particularly rising interest and inflation rates, peso depreciation, geopolitical events, borrowers' exposure to climate (hydrometeorological) and other natural risks (seismic and volcanic risks) based on location, operational loss scenarios, possible losses on rate-sensitive assets and liabilities, and scenario on unexpected deposit withdrawals, the Bank's capital position on both consolidated and solo bases will remain strong and well within the regulatory minimum CAR</li> </ul>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
	<p>and CET1 ratios. The levels of risk limits and exposures are regularly reviewed to reflect the Board's overall risk appetite and strategy.</p> <ul style="list-style-type: none"> <li>• The Bank is able to manage overall credit risks and maintain asset quality for the period with sufficient NPL cover at 128% as of June 2024. The increase in non-performing loan (NPL) ratio is primarily driven by consumer loans (credit cards and housing loans) and borrower-specific credit risks that affected the corporate loan portfolio. Nonetheless, the slight increase is generally acceptable relative to the industry's NPL ratio, as published by BSP, and relative to the Bank's total loan portfolio, which is diversified across key industries, with adequate loan loss provisioning, and in general compliance to BSP guidelines and regulatory ceilings on credit risks (including single borrower's limit and related party transactions). The Bank's credit risk management system is governed by stringent credit underwriting policies and risk rating parameters (e.g., internal credit risk rating systems and credit scorecards), as well as lending procedures and standards which are regularly reviewed and updated given regulatory requirements and market developments. The Bank's NPL ratio was at 2.20% as of June 2024. Review of credit portfolios, products and programs, internal and regulatory credit stress tests, and risk reporting to Senior Management and the RMCom are regularly conducted to ensure that the Bank adheres to sound credit risk management best practices. Since January 2018, the Bank adopted the accounting standards on classification and measurement under PFRS 9 guidelines. The Bank began recognizing credit losses upon initial recognition of its assets through the Expected</li> </ul>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
	<p>Credit Loss (ECL) models. The Bank also complies with BSP's requirement of maintaining 1% general loan loss provisions for Stage 1 loans as prescribed by BSP 1011. In view of the continuing volatility in the macroeconomic environment, the Bank regularly updates its macroeconomic forecasts and uses these forecasts to update the forward-looking, point-in-time probability of default and loss rate models used in ECL calculation. Industry risk assessments, proactive collection and loan restructuring measures, and disciplined loan loss provisioning are being strictly observed to mitigate credit vulnerabilities due to recent macroeconomic developments (e.g., depreciating Peso and rising inflation and interest rates), and industry risks on the Bank's borrowing accounts.</p> <ul style="list-style-type: none"> <li>• The Bank closely monitors the risk exposures of both trading and non-trading portfolios. Assets in both on- and off-balance sheet trading portfolios are marked-to-market and the resulting gains and losses are recognized through profit or loss. Market risk exposures are measured using the historical simulation Value-at-Risk (VaR) model complemented by several risk metrics such as Stop Loss and DV01. For the second quarter of 2024, the Philippine Government Securities (GS)/PHP BVAL rates and US treasury rates were higher by an average of around 50 bps and 40 bps across the curve year-to-date with interest rates seemingly staying higher for longer than previously anticipated by the market. Amongst other factors, the continued geopolitical risks, mixed global economic data, and sticky inflation may give rise to market uncertainty and volatility which could potentially have an impact on the</li> </ul>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
	<p>Bank's trading and securities/investment portfolios. Despite the challenges, the Bank prudently manages its trading positions and ensures that its activities are within its set risk appetite, with its trading VaR levels well within the RMCom-approved limits as of end of the second quarter of 2024.</p> <ul style="list-style-type: none"> <li>• The Bank also conducts regular price stress tests that measure the potential impact of adverse movements in interest rates and other risk factors on the Bank's trading and banking books, and the corresponding impact to the Bank's CAR and CET1 ratios. The stress-testing activities are useful to help better assess how extreme, yet plausible conditions and external events may potentially affect the Bank's resilience and financial condition. The results of the second quarter 2024 price stress test on both the trading and banking books showed that the Bank's post-shock CAR and CET1 levels are well above the minimum regulatory requirement given adverse movements in risk factors.</li> <li>• Interest rate risk exposures arising from core banking activities are measured through (a) Earnings-at-Risk (EaR), or the potential deterioration in net interest income over the short- to medium- term horizon (i.e., those occurring in the next one to three years) due to adverse movements in interest rates, and (b) Balance Sheet Value-at-Risk (BSVaR), or the impact on the economic value of future cash flows in the banking book due to changes in interest rates. As of the second quarter of 2024, BPI Group's BSVaR and EaR levels are well within the RMCom-approved limits.</li> </ul>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
	<ul style="list-style-type: none"> <li>• The Bank’s liquidity profile is measured and monitored through its internal metric, the Minimum Cumulative Liquidity Gap (MCLG) supplemented by liquidity risk monitoring tools, as well as through regulatory metrics, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). MCLG measures the smallest net cumulative cash inflow (if positively gapped) or the largest net cumulative cash outflow (if negatively gapped) over the next three months. LCR promotes the short-term resilience of the Bank’s liquidity risk profile and requires the Bank to hold an adequate level of high-quality liquid assets (HQLA) to cover net cash outflows in the next 30 days. NSFR, on the other hand, requires the Bank to maintain a stable funding profile to cover its assets over a horizon of one year. Both LCR and NSFR are designed to strengthen the resilience of the Bank against liquidity shocks. As of the second quarter of 2024, BPI Group’s MCLG is well above the RCom-approved minimum while its LCR and NSFR figures exceed the prescribed minimum requirement set by the BSP.</li> <li>• The Bank regularly reviews its risk models and assumptions to assess performance, accuracy and/or effectiveness, from which recalibration or update is conducted, as necessary. Model validation is performed by a team independent of development, guided by an established framework and standards. Independent validation reports are presented to the Bank’s RCom and action items are subject to monitoring and review. Enterprise risk systems are continuously enhanced and/or upgraded considering increasing regulatory expectations and the Bank’s risk data aggregation initiatives towards the completeness, accuracy, timeliness</li> </ul>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
	<p>and quality of risk data, dashboards, and reporting.</p> <ul style="list-style-type: none"> <li>• The Bank has maintained the operational-related risk losses to less than 1% of gross income as of June 2024. These losses are well within the Senior Management and Board/RMCom's conservative and prudent risk appetite and are generally attributed to inherent risks in executing the Bank's day-to-day business operations. The RMCom is regularly apprised of operational risks through comprehensive reporting and discussions during monthly meetings, and is continually briefed on current cybercrime landscapes, emerging risks, and industry trends, as well as mitigating measures implemented by the Bank.</li> <li>• The acceleration of digitalization, use of cloud-based services, remote work, and the ever-evolving cyber threat landscape expose the Bank to increased risk of cyber-attacks (e.g., ransomware, supply chain attacks). Investment in technology-based defenses thus remains to be a core cyber security strategy. The 24/7 Cyber Security Operations Center enables the Bank to detect and respond to threats when these happen. Technical tools continue to be deployed and upgraded to protect against email, network, and cloud attacks. The Bank also relies on robust threat intelligence feeds that provide visibility into ongoing threats and emerging cyber-attacks and inform its defense posture accordingly. A Third-party and Vendor Risk Management Program addresses supply chain risk through a stringent vetting process of service providers and IT suppliers.</li> </ul>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE
	<ul style="list-style-type: none"> <li>• To build and maintain a cyber-aware organization, the Bank has invested in an Information Security Awareness Program to ensure that employees are adequately trained and equipped in protecting information. To validate the effectiveness of the Awareness Program, a quarterly simulation of phishing attacks on employees is conducted with the results reported to Senior Management and the Board.</li> <li>• Similarly, awareness campaigns are conducted for clients to combat rising fraud due to the increased adoption of online services by the public. These have been intensified with sustained engagements in social media, BPI websites, press releases, e-mail bulletins, and media outings.</li> <li>• Considering the Bank's operational risk-related losses, both actual and hypothetical losses from the scenario analysis exercise, the Bank is sufficiently capitalized to cover both the expected and unexpected operational-related losses.</li> </ul>
<ul style="list-style-type: none"> <li>• The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.</li> </ul>	<ul style="list-style-type: none"> <li>• The assumptions/judgments made in the Bank's interim financial statements are consistent with the most recent annual financial statements as of December 31, 2023.</li> </ul>
<ul style="list-style-type: none"> <li>• A comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods</li> </ul>	<p>The BPI Group classifies its financial assets in the following measurement categories: at Fair Value through Profit and Loss (FVTPL), Fair Value through Other Comprehensive Income (FVOCI), and at amortized cost. The recognition of each category's fair values and gain(s)/loss(es) for the relevant periods are detailed below.</p>

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

SEC REQUIREMENT	DISCLOSURE									
	<ul style="list-style-type: none"> <li>• <b>FVTPL:</b> A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statements of income within “Securities trading gain” in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately.</li> <li>• <b>FVOCI:</b> Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument’s amortized cost which are recognized in the statements of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.</li> <li>• <b>Amortized Cost:</b> carrying amount and fair value are summarized in the following table. <table border="1" data-bbox="821 1255 1487 1486"> <thead> <tr> <th data-bbox="821 1255 1081 1331">In P Million</th> <th data-bbox="1081 1255 1308 1331">Carrying Amount</th> <th data-bbox="1308 1255 1487 1331">Fair Value</th> </tr> </thead> <tbody> <tr> <td data-bbox="821 1331 1081 1407">June 30, 2024 (unaudited)</td> <td data-bbox="1081 1331 1308 1407">366,840</td> <td data-bbox="1308 1331 1487 1407">357,686</td> </tr> <tr> <td data-bbox="821 1407 1081 1486">Dec 31, 2023 (audited)</td> <td data-bbox="1081 1407 1308 1486">382,711</td> <td data-bbox="1308 1407 1487 1486">364,286</td> </tr> </tbody> </table> <p data-bbox="834 1497 1468 1602">The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured.</p> </li> </ul>	In P Million	Carrying Amount	Fair Value	June 30, 2024 (unaudited)	366,840	357,686	Dec 31, 2023 (audited)	382,711	364,286
In P Million	Carrying Amount	Fair Value								
June 30, 2024 (unaudited)	366,840	357,686								
Dec 31, 2023 (audited)	382,711	364,286								



BANK OF THE PHILIPPINE ISLANDS SEGMENT REPORT For the Quarter Ended June 30, 2024					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	22,064	8,221	2,504	(1,383)	31,405
Impairment charge	3,356	(1,786)	(43)	(27)	1,500
Net interest income after impairment charge	18,708	10,007	2,547	(1,356)	29,905
Fees and commission	3,387	498	328	(49)	4,164
Other income	3,204	371	2,081	907	6,564
GRT	(442)	(58)	56	(39)	(482)
Other Income, net	6,150	811	2,464	820	10,245
Compensation and fringe benefits	5,637	976	533	555	7,701
Occupancy and equipment- related expenses	2,222	146	185	3,544	6,097
Other operating expenses	6,592	924	526	(1,579)	6,463
Total operating expenses	14,450	2,046	1,244	2,520	20,261
Operating Profit	10,408	8,772	3,767	(3,057)	19,890
Provision for Income Tax					4,529
Share in net income of associates					611
Total Assets	762,223	1,572,210	725,418	50,132	3,109,984
Total Liabilities	1,802,416	707,410	162,568	28,908	2,701,303

BANK OF THE PHILIPPINE ISLANDS SEGMENT REPORT For the Six Months Ended June 30, 2024					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	39,573	16,536	7,857	(2,712)	61,253
Impairment charge	6,321	(3,247)	(47)	(27)	3,000
Net interest income after impairment charge	33,252	19,782	7,904	(2,685)	58,253
Fees and commission	6,400	986	546	(123)	7,809
Other income	6,076	769	4,427	1,926	13,199
GRT	(841)	(111)	(74)	(60)	(1,086)
Other Income, net	11,635	1,644	4,900	1,743	19,922
Compensation and fringe benefits	9,983	1,758	1,044	1,534	14,319
Occupancy and equipment- related expenses	4,056	240	354	6,432	11,081
Other operating expenses	14,013	2,000	979	(4,121)	12,872
Total operating expenses	28,052	3,998	2,377	3,845	38,272
Operating Profit	16,835	17,428	10,427	(4,788)	39,903
Provision for Income Tax					9,195
Share in net income of associates					1,203
Total Assets	762,223	1,572,210	725,418	50,132	3,109,984
Total Liabilities	1,802,416	707,410	162,568	28,908	2,701,303

## Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

### Financial Condition as of June 30, 2024 versus as of December 31, 2023

**Total resources** at P3.11 trillion, up P221.61 billion, or 7.7%, led by the increase in **loans and advances, net** by P147.47 billion, or 7.8%, ending at P2.03 trillion, with growth across all segments.

Other material increases are as follows:

- **Financial assets at Fair Value through Profit or Loss** at P66.00 billion, up P42.34 billion, or 179.0% on purchase of government securities.
- **Due from Other Banks** at P49.94 billion, up P13.65 billion, or 37.6%, on higher balances maintained with foreign correspondent banks
- **Financial assets at Fair Value through OCI** at P230.57 billion, up P11.91 billion, or 5.4% on higher foreign currency denominated debt securities purchased
- **Due from Bangko Sentral ng Pilipinas** at P210.74 billion, up P11.12 billion, or 5.6%, due to higher placement in BSP.
- **Other resources, net** at P29.55 billion, up P9.63 billion or 48.4%, on higher other intangible assets
- **Goodwill** at P9.35 billion, is the difference between the fair value of the net assets acquired including intangible assets, and the purchase consideration from the merger with RBC.
- **Assets held for sale, net** at P8.26 billion, up P3.51 billion, or 74.1%, due to the increase in foreclosed properties
- **Investments in subsidiaries and associates, net** at P9.25 billion, up P964.08 million, or 11.6%, mostly from higher equity income from the Bank's life insurance associate.

The above increases were tempered by decline in the following accounts:

- **Financial assets at fair value at amortized cost** at P366.84 billion, down P15.87 billion, or 4.1%, due to maturities.
- **Interbank Loans Receivable and Securities Purchased under Agreements to Resell** at P7.48 billion, down P13.16 billion or 63.7%, due to lower volume of reverse repurchase agreements.
- **Assets attributable to insurance operations**, at P18.10 billion, down P963.00 million, or 5.1%, due to lower insurance balances receivables of the Bank's non-life insurance associate.

**Total liabilities** at P2.70 trillion, increased P172.30 billion, or 6.8%, primarily from the P156.67 billion or 6.8% increase in **total deposits**, ending at P2.45 trillion, on account of increases in all deposit products, with highest increase coming from Time deposits.

Other material increases are as follows:

- **Other borrowed funds** at P150.90 billion, up P13.80 billion or 10.1%, on higher bills payable.
- **Derivative financial liabilities** at P5.39 billion, up P2.57 billion or 91.0% owing to the increase in certain derivative positions and movement in underlying market.

- **Due to Bangko Sentral ng Pilipinas (BSP) and other banks** at P3.77 billion, up P1.89 billion or 100.6%, due to higher cash received from counterparties as collateral for certain transactions, and higher outstanding balance collected for the Bureau of Internal Revenue.
- **Accrued taxes, interest and other expenses** at P16.64 billion, up P1.67 billion or 11.1%, on higher interest payable accruals on time certificate of deposits and income taxes.
- **Manager's Checks and Demand Drafts Outstanding** at P9.84 billion, up P1.37 billion or 16.2%, on account of higher volume of manager's checks issued.

The above increases were partly tempered by declines in

- **Deferred Credits and Other Liabilities** at P48.96 billion, down P4.49 billion or 8.4%, on lower acceptances outstanding.
- **Liabilities attributable to insurance operations** at P14.02 billion, down P1.18 billion or 7.8%, owing to lower reserves and other balances of the Bank's insurance subsidiary.

**Total capital** at P406.53 billion, increased P49.33 billion, or 13.8%.

- **Share premium** at P142.99 billion was up P29.58 billion or 26.1% due to the issuance of new shares to owners of Robinsons Bank.
- **Surplus** of P223.40 billion was up P18.43 billion or 9.0% on cumulative net income for six months tempered by the payment of cash dividends.
- **Share capital** at P52.56 billion was up P3.25 billion or 6.6% due to issuance of new shares to owners of Robinsons Bank.
- **Reserves** of P2.75 billion was up P2.11 billion or 327.6% due to appropriation of general loan loss provision.
- **Accumulated Other Comprehensive Loss** at P15.17 billion was P4.04 billion higher than last year's loss of P11.13 billion on cumulative losses from net changes in fair value of FVOCI securities.

## RESULTS OF OPERATIONS

### For the Quarters ended June 30, 2024 and June 30, 2023

**Net income** of P15.30 billion for the second quarter of 2024 was up P2.28 billion or 17.5%, mainly on the back of double-digit growth from **net interest income** and **non-interest income**.

**Net interest income** at P31.41 billion, was up P5.46 billion or 21.0%, as net interest margin (NIM) expanded 21 basis points (bps), driven by higher asset yields, partly offset by higher cost of funds.

**Interest income, net of GRT** stood at P46.57 billion, up P10.92 billion, or 30.6%, on the back of the following increases in interest income on:

- **Loans and advances** at P38.85 billion, up P9.15 billion or 30.8%, on higher average volume coupled with higher yields;
- **FA at FV through OCI** at P2.97 billion, up P1.67 billion or 127.9%, on higher average asset volume with higher yield;

- **Deposits with BSP and other banks** at P795.02 million, up P97.34 million or 14.0%, on higher average asset volume with higher yield;
- **FA at FV through profit or loss** at P323.98 million, up P64.04 million or 24.6%, on account of higher yield.

**Interest expense** at P15.16 billion, up P5.46 billion or 56.3%, due to the increase in interest expense **on deposits** at P12.85 billion, up P4.30 billion or 50.3%, due to higher average volume with higher cost. Interest expense **on bills payable and other borrowings** at P2.31 billion, was also up by P1.16 billion or 101.1%, due to higher average volume with higher cost, mostly on new bond issuance and promissory notes from RBC merger.

**Other income, net of GRT** at P10.24 billion, up by P2.32 billion or 29.3%, on movements in the following:

- **Other operating income** at P4.43 billion, up P875.30 million or 24.6%, on higher credit card, trust fee and miscellaneous income.
- **Fees and commissions** at P3.87 billion, up P787.82 million, or 25.5%, on higher income from service charges, bank commissions, underwriting and stockbrokerage fees.
- **Income attributable to insurance operations**, at P701.00 million, up by P427.51 million, or 156.3%, on higher equity income of the Bank's insurance affiliates.
- **Income from foreign exchange trading** at P1.13 billion, up P302.88 million or 36.7%, on higher trading volume.
- **Trading gain on securities** at P111.83 million, down P73.38 million or 39.6%, due to higher gains from last year's sale of securities.

**Other expenses** at P20.26 billion, up P3.93 billion, or 24.1%, due to increases in the following:

- **Compensation and fringe benefits** at P7.70 billion, up P2.07 billion, or 36.6%, attributable to higher headcount, CBA cost, annual salary increases and performance bonuses.
- **Occupancy and equipment-related expenses** at P6.10 billion, up P1.25 billion, or 25.9%, due to increase in technology spend, premises depreciation and contractual services.
- **Other operating expenses** at P6.46 billion, up P613.59 million, or 10.5%, on account of higher transaction servicing cost and amortization expenses.

**Impairment losses** at P1.50 billion, up by P500.00 million, or 50.0%, coming from the P1.00 billion level in 2023.

**Provision for income tax** at P4.53 billion, up by P1.03 billion, or 29.5%, due to higher **current income tax** at P4.57 billion, up P781.67 million or 20.6%. **Deferred income tax** at negative P39.34 million was higher by P249.73 million or 86.4%, from last year's negative P289.07 million due to the higher write-off for the second quarter this year versus same period last year.

**Income attributable to non-controlling interest** at P59.34 million, up P30.78 million or 107.7%, attributable to higher income contribution from the Bank's non-life insurance associate.

**Total comprehensive income** at P13.31 billion, up P1.07 billion or 8.8%, mainly on higher **net income before minority interest**. **Total other comprehensive loss, net of tax effect** at P2.06 billion, was higher by P1.24 billion or 151.7%, compared to same quarter last year's P816.66 million loss. Material movements as follows:

**For items that may be reclassified subsequently to profit and loss:**

- **Net change in fair value reserve on FVOCI securities, net of tax effect** at P2.28 billion loss, further deteriorated by P1.39 billion or 157.1% from last year's P887.00 million loss on account of lower market valuation of the Bank's investment securities.
- **Share in other comprehensive loss of associates** at P181.98 million, also deteriorated by P169.13 million, from last year's P12.85 million loss, on account of the lower valuation of the Bank's life insurance associate's investment securities compared to same quarter last year.
- **Currency translation differences** at P353.14 million, higher by P226.17 million from last year's P126.97 million, due to the strengthening of the US dollar.
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P14.37 million loss, improved by P16.55 million, or 53.5%, from last year P30.92 million loss, as a result of higher market valuation of investment of the Bank's insurance subsidiary.

**For items that will not be reclassified to profit and loss:**

- **Share in other comprehensive gain of associates** at P66.87 million, up P80.34 million from same period last year's loss of P13.47 million, on higher valuation of the life insurance associate's investments compared to last year's movement.
- **Actuarial gains on defined benefit plan, net of tax effect** at P1.56 million, up P953 thousand, on higher (actuarial) gains on retirement plan of the Bank's subsidiaries.

**Income attributable to non-controlling interest** at P55.11 million, up P40.38 million, on higher fair value reserve on investments of the Bank's non-life insurance associate.

**For the Six Months ended June 30, 2024 and June 30, 2023**

**Net income** of P30.56 billion for the first semester of 2024 was up 21.5%, driven by strong **revenue**.

**Net interest income** at P61.25 billion, was up P11.15 billion, or 22.2%, with the average earning asset base growing 15.3% and net interest margin (NIM) expanding by 23 basis points (bps).

**Interest income, net of GRT** stood at P91.14 billion, up P23.06 billion or 33.9%, on the back of the following movements in interest income on:

- **Loans and advances** at P76.17 billion, up P19.87 billion or 35.3%, on higher average asset volume coupled with higher yields;
- **FA at FV through OCI** at P5.44 billion, up P3.01 billion or 124.1%, on higher average asset volume and higher yield;

- **Deposits with BSP and other banks** at P1.65 billion, up P192.32 million or 13.2%, on higher average asset volume and higher yields;
- **FA at FV through profit or loss** at P546.93 million, up P129.25 million or 30.9%, on higher yields despite lower average asset volume;
- **FA at FV at amortized cost** at P7.33 billion, down P139.89 million or 1.9%, on lower average asset volume despite higher yields;

**Interest expense** at P29.88 billion, up P11.92 billion, or 66.3%, due to the increase in interest expense **on deposits** at P25.52 billion, up P9.87 billion or 63.0%, due to higher average volume and higher cost. Interest expense **on bills payable and other borrowings** at P4.37 billion, was up by P2.05 billion or 88.7%, also due to higher cost and average volume, mostly on new bond issuance and promissory notes from RBC merger.

**Other income, net of GRT** at P19.92 billion, up P4.44 billion or 28.7% versus same period last year due to the following movements:

- **Other operating income**, at P8.28 billion, up P1.67 billion or 25.3%, on higher credit card, trust fee and miscellaneous income.
- **Fees and commissions**, at P7.27 billion, up P1.10 billion or 17.9%, on higher service charges and bank commissions.
- **Income attributable to insurance operations**, at P1.50 billion, up P1.05 billion, or 231.2%, on higher income of the Bank's insurance affiliate and subsidiaries.
- **Income from foreign exchange trading**, at P2.13 billion, up P785.60 million or 58.4% on higher foreign exchange transaction.
- **Trading gain on securities** at P744.09 million, down P166.61 million or 18.3%, on higher gains last year.

**Other expenses** at P38.27 billion, up P6.88 billion or 21.9%, due to increases in the following:

- **Compensation and fringe benefits** at P14.32 billion, up P3.22 billion or 29.0% attributable to increase in headcount from the merger with Robinsons Banks, annual salary increases, performance bonuses and CBA cost;
- **Other operating expenses** at P12.87 billion, up P2.25 billion or 21.1% on account of higher transaction servicing cost and other expenses;
- **Occupancy and equipment-related expenses** at P11.08 billion, up P1.41 billion or 14.6% due to increase in technology spend, premises depreciation, and contractual services.

**Impairment losses** at P3.00 billion, up P1.00 billion, or 50.0%, coming from the P2.00 billion level in 2023.

**Provision for income tax** at P9.19 billion, up P2.25 billion, or 32.4%, due to higher **current income tax** at P8.63 billion, up P1.56 billion or 22.1%, on higher taxable revenue. **Deferred income tax** at P560.65 million was also higher by P691.78 million, due to higher write-offs this year.

**Income attributable to non-controlling interest** at P143.39 million, up P44.23 million, attributable to higher income contribution from the Bank's non-life insurance subsidiary.

**Total comprehensive income** at P26.66 billion, up P489.59 million or 1.9%, due to higher **net income before minority interest** at P30.71 billion, up P5.45 billion, or 21.6%. **Total other comprehensive loss, net of tax effect** at P4.04 billion, deteriorated by P4.97 billion, compared to previous year's P921.17 million income. Material movements as follows:

**For items that may be reclassified subsequently to profit and loss:**

- **Net change in fair value reserve on FVOCI securities, net of tax effect** at P4.25 billion loss, deteriorated by P4.79 billion from last year's income of P539.01 million, on account of lower market valuation of the Bank's investment securities;
- **Share in other comprehensive loss of associates** at P263.77 million, deteriorated by P530.19 million, from last year's income, on account of the lower valuation of the Bank's life insurance associate's investment securities compared to last year;
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P27.31 million loss, deteriorated by P60.17 million, from last year's income, as a result of lower market valuation of investment funds of the Bank's insurance subsidiaries;
- **Currency translation differences** at P479.69 million, improved by P565.50 million from last year's P85.80 million loss, due to the strengthening of the US Dollar.

**For items that will not be reclassified to profit and loss:**

- **Share in other comprehensive loss of associates** at P3.06 million, deteriorated by P139.87 million, from last year's gain, on higher losses of the Bank's life insurance associate.
- **Actuarial gains on defined benefit plan, net of tax effect** at P16.78 million, down P15.08 million, on account of lower gains from the Bank's insurance subsidiaries' retirement plan.

**Income attributable to non-controlling interest** at P140.44 million, up P18.21 million, on higher fair value reserve on investments of the Bank's non-life insurance associate.

**Key Performance Indicators**

The following ratios, applied on a consolidated basis, are used to assess the performance of the Bank and its majority owned subsidiaries:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Return on Equity (%)	15.52	15.53
Return on Assets (%)	2.00	1.92
Net Interest Margin (%)	4.26	4.03
Operating Efficiency Ratio (%)	47.15	47.86
Capital Adequacy Ratio (%) - Basel III	15.01	16.46



**Return on equity (ROE)**, the ratio of net income to average equity at 15.52%, was only 1 bp lower compared to last year's 15.53%, as the growth in net income is almost the same pace as the expansion in average equity.

**Return on assets (ROA)**, the ratio of net income to average assets, was higher at 2.00%, compared to last year's 1.92%, as the growth in net income outpaced the expansion of average assets.

**Net interest margin (NIM)**, net interest income divided by average interest-bearing assets, higher at 4.26%, as the growth in net interest income outpaced the expansion in average earning assets.

**Operating efficiency (cost to income) ratio**, the ratio of operating expenses to income, lower at 47.15%, as the growth in revenues outpaced the growth in operating expenses.

**Capital adequacy ratio (CAR)**, the ratio of total qualifying capital to total risk-weighted assets, was at 15.01%, lower versus prior year's 16.46%. The CET 1 ratio at 14.24%, was also lower than the 15.58% from the same period last year. The decline in capital ratios is due to the growth in risk-weighted assets which outpaced the growth in qualifying capital, and the increase in dividends paid. Both of the Bank's capital ratios are above the BSP's minimum requirement.

**Subsequent Events**

1. On July 4, the Bank announced its intention to offer and issue P5 Billion Peso-denominated fixed-rate ASEAN Sustainable Bonds due 2026 (the “Sustainable Bonds”), with an option to upsize, as the third tranche of its P100 Billion Bond Program, with a tenor of 1.5 years.
2. On July 19, 2024, the Bank’s has priced its 1.5 year Peso-denominated Fixed-Rate Bonds called BPI Sustainable, Environmental, and Equitable Development Bonds (“BPI SEED Bonds”). The BPI SEED Bonds will be issued at par value, bearing an interest rate of 6.20% per annum, paid quarterly. Net proceeds of the offer will be used to finance Eligible Green and/or Social Projects consistent with BPI’s Sustainable Funding Framework. Offer period will begin on July 19, 2024 and end on August 2, 2024. The BPI SEED Bonds are expected to be issued and listed with the Philippine Dealing and Exchange Corp. on August 9, 2024.
3. On July 31, 2024, the Bank announced its decision to shorten the public offer period for its 1.5 year Peso-denominated fixed-rate BPI Sustainable, Environmental, and Equitable Development Bonds. The Offer, which was originally set to run from July 19, 2024 to August 2, 2024, will now close early on August 1, 2024.

**Material Events and Uncertainties**

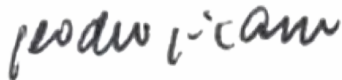
Other than the disclosures enumerated above, the Bank has nothing to report on the following:

1. Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
2. Any events that will trigger direct or contingent financial obligation that is material to the Bank, including any default or acceleration of an obligation.
3. Other material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Bank with unconsolidated entities or other persons created during the reporting period.
4. Any material commitments for capital expenditures.
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
6. Any significant elements of income or loss that did not arise from the Bank’s continuing operations.
7. Any seasonal aspects that had a material effect on the financial condition or results of operations.

## SIGNATURES


Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**BANK OF THE PHILIPPINE ISLANDS**  
Issuer



**JOSE TEODORO K. LIMCAOCO**  
President &  
Chief Executive Officer

Date: August 9, 2024



**ERIC ROBERTO M. LUCHANGCO**  
Senior Vice President &  
Chief Finance Officer

Date: August 9, 2024

**BPI UNIBANK**  
**CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE**  
**JUNE 30, 2024**

<b>No. of Days Outstanding</b>		<b>Amount (In Thousands)</b>
0-90	P	1,638,141
91-180		274,632
181-360		208,447
Over 360		703,741
<b>Total</b>		<b>2,824,961</b>
<b>Less : Allow. For Probable Losses</b>		<b>1,057,340</b>
<b>Net of Allowance</b>	P	<b>1,767,621</b>