

BPI Investor Presentation

3Q and 9M 2024

Performance Highlights



Profitability

- Record YTD Sept income of P47.99 Bn, up 24.3% YoY, driven by strong revenue growth
- Record quarter income of P17.42 Bn, up 13.8% QoQ
- Improved profitability with 9M ROE at 15.88% and ROA at 2.07%

Balance Sheet

- Accelerated loan and deposit growth at 18.9% and 14.5% YoY; 2.5% and 1.4% QoQ, ahead of industry trend
- Liquidity ratios are well above regulatory requirement; indicative LCR at 195.05%; NSFR at 144.35%
- Further strengthened capital position: indicative CET1 at 14.83%; CAR at 15.54%

Asset Quality

- NPL ratio at 2.30%; NPL cover at 111.17%
- Uptick in NPL ratio attributed to institutional and consumer segments
- Benign asset quality with sufficient cover

Shareholder Returns

- Sustained share value creation
- EPS of P9.10, up 16.5% YoY
- On track to sustain payment of improved cash dividends

Profitability – 9M



<i>In P bn</i>	9M 2023	9M 2024	YoY
Net Interest Income	76.78	93.85	22.2%
Non-Interest Income	24.10	31.91	32.4%
Trading Income	1.08	2.98	175.3%
Forex Income	2.41	2.56	6.1%
Fee Income	20.61	26.38	28.0%
Net Revenues	100.87	125.76	24.7%
Opex	48.62	59.36	22.1%
PPOP	52.25	66.40	27.1%
Provisions	3.00	4.80	60.0%
NIBT	49.25	61.60	25.1%
Income Taxes	10.48	13.39	27.7%
Net Income	38.62	47.99	24.3%

Strong profitability driven by:

- Record net income of P47.99 billion, up 24.3% YoY, largely due to revenue growth, which more than offset the increase in operating expenses
- Record revenues at P125.76 billion, up 24.7% YoY, supported by net interest income of P93.85 billion, up 22.2% YoY, on sustained loan growth and NIM expansion
- Non-interest income of P31.91 billion, up 32.4%, largely due to strong fee income, and boosted by strong gains from securities trading

Profitability – QoQ



In P bn

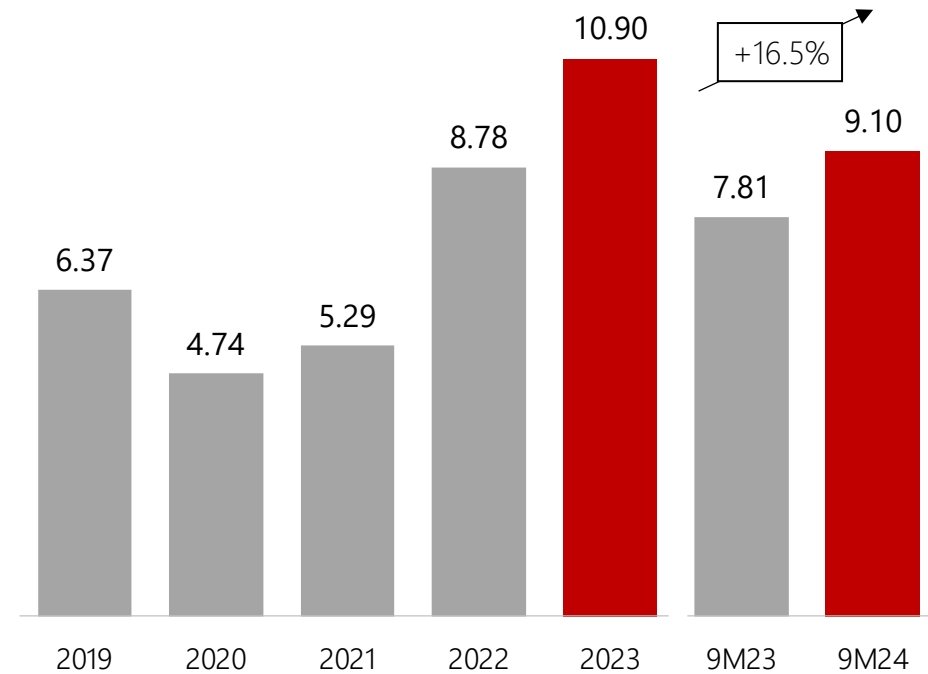
	2Q 2024	3Q 2024	QoQ
Net Interest Income	31.41	32.59	3.8%
Non-Interest Income	10.24	11.99	17.0%
Trading Income	0.11	2.23	1897.6%
Forex Income	1.15	0.37	-68.1%
Fee Income	8.99	9.39	4.5%
Net Revenues	41.65	44.58	7.0%
Opex	20.26	21.08	4.1%
PPOP	21.39	23.50	9.8%
Provisions	1.50	1.80	20.0%
NIBT	19.89	21.70	9.1%
Income Taxes	4.53	4.20	-7.3%
Net Income	15.30	17.42	13.8%

- Record quarterly net income of P17.42 Bn, up 13.8% QoQ
- Revenue-led performance intact:
 - record quarter for net interest income
 - record quarter for fee income
 - trading income up 19x vs previous quarter
- Opex at P21.08 Bn, up 4.1%
- PPOP at P23.50 Bn, up 9.8%
- Provisions at P1.80 Bn, up 20%

Shareholder Returns

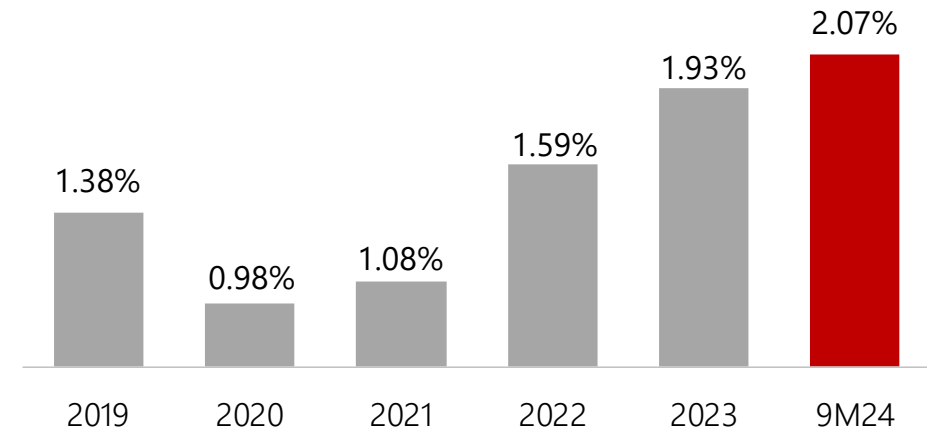


Earnings per Share

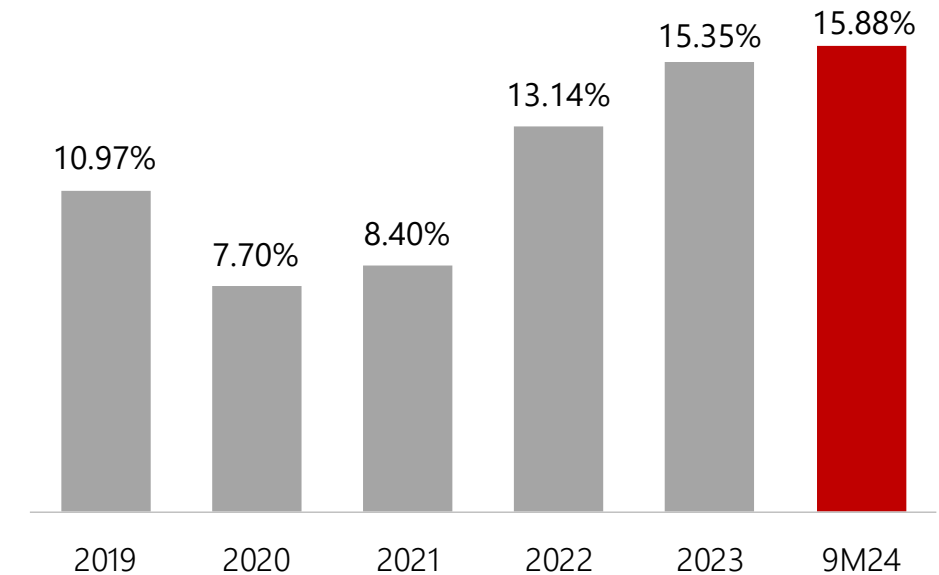


Note: 9M24 EPS computed using net income of P48.0bn and OS shares of 5,272 mn

Return on Assets



Return on Equity

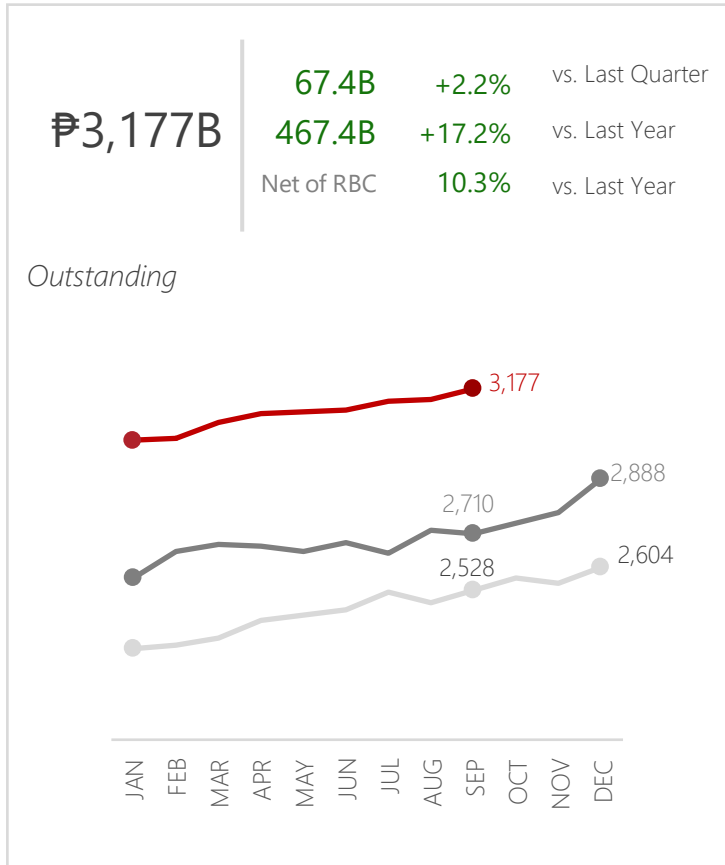


Balance Sheet



- Deposit and Loan growth remained ahead of industry averages
- Solid deposit base with retail contributing 70% of total deposits
- Slight dip in CASA ratio while LDR continued to increase on strong loan growth and managed deposit growth

ASSETS

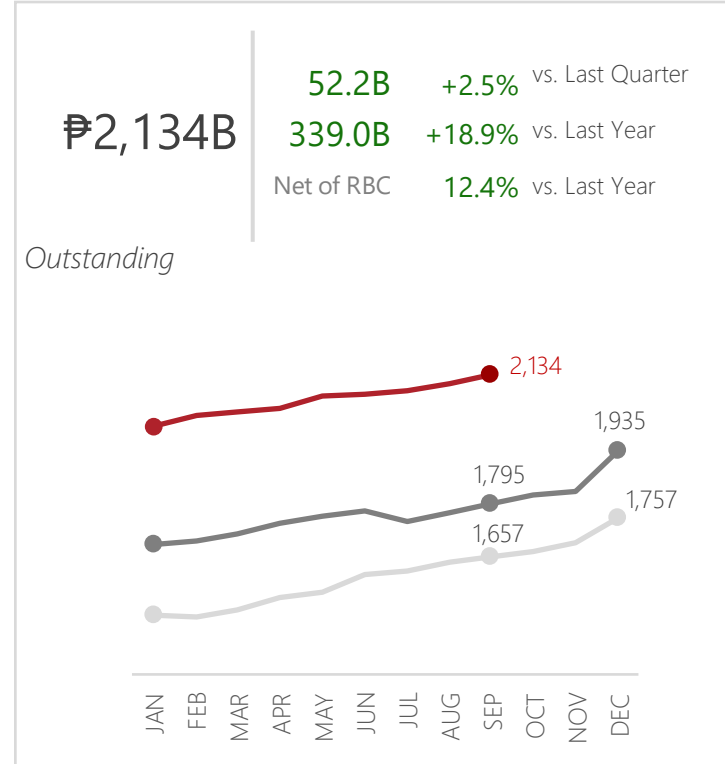


2022

2023

2024

GROSS LOANS



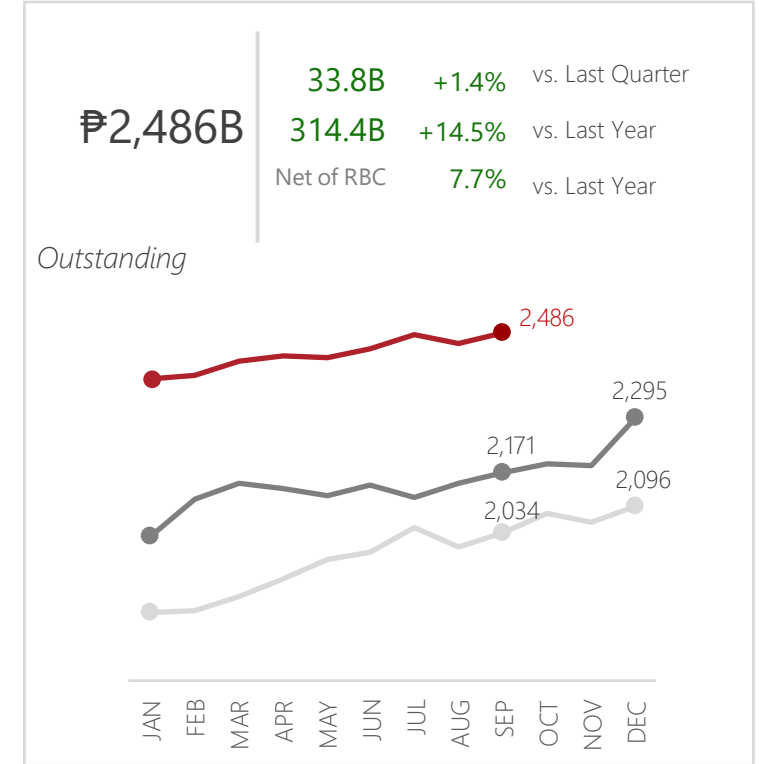
LOANS TO DEPOSIT

85.86%

95bps vs. Last Quarter

318bps vs. Last Year

DEPOSITS



CASA RATIO

62.96%

-176bps vs. Last Quarter

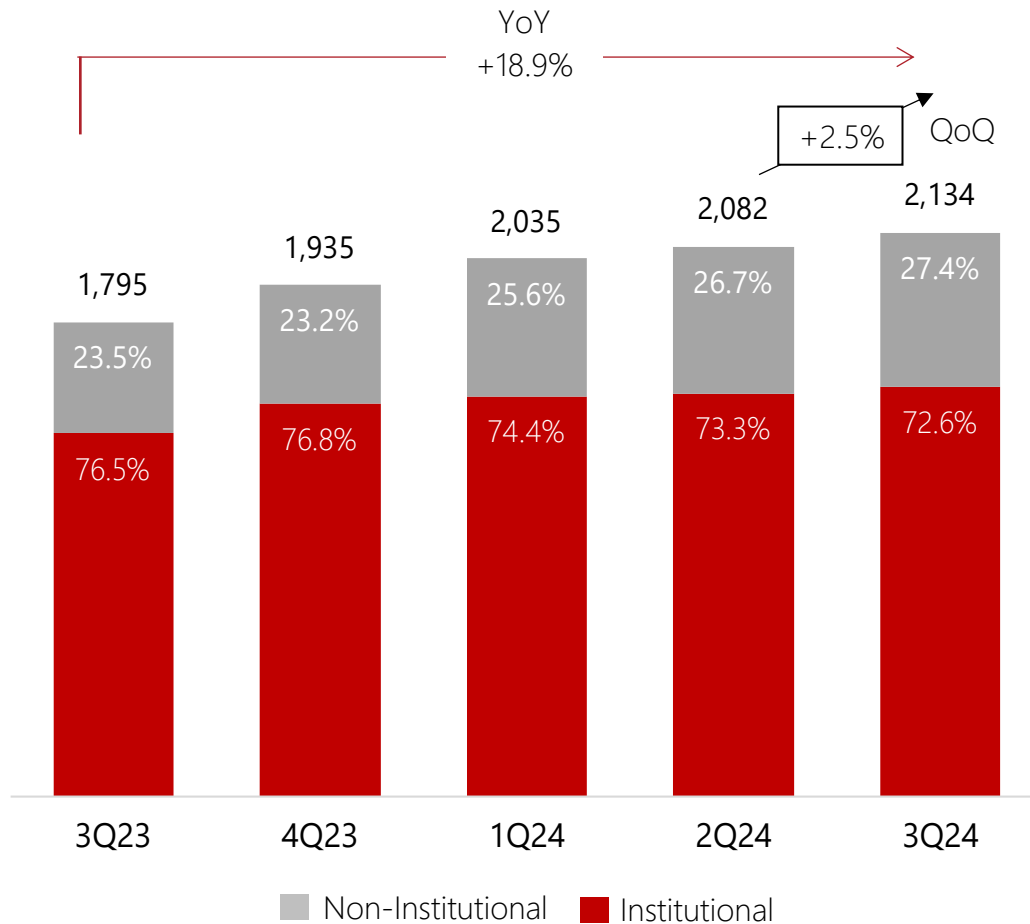
-635bps vs. Last Year

Loans



- Strong CAGR since 2021 across all segments, led by Credit Cards and Personal Loans
- Steady gains in market share
- Sustained shift to non-institutional segment

Gross Loans (in P bn)



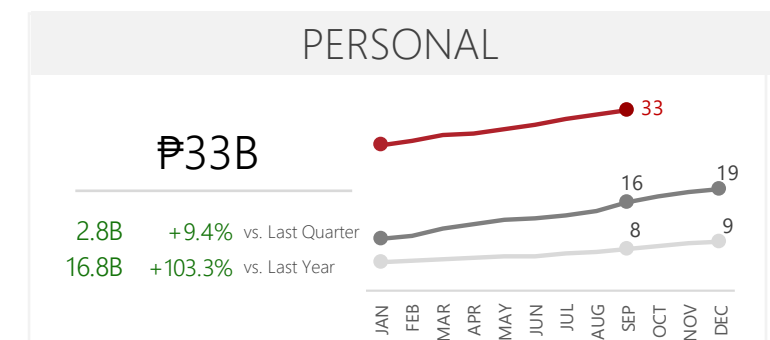
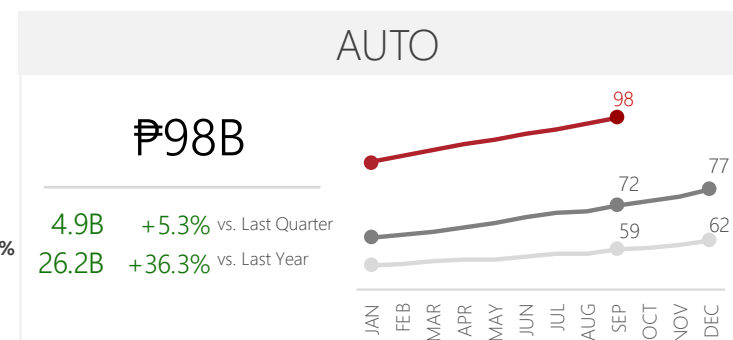
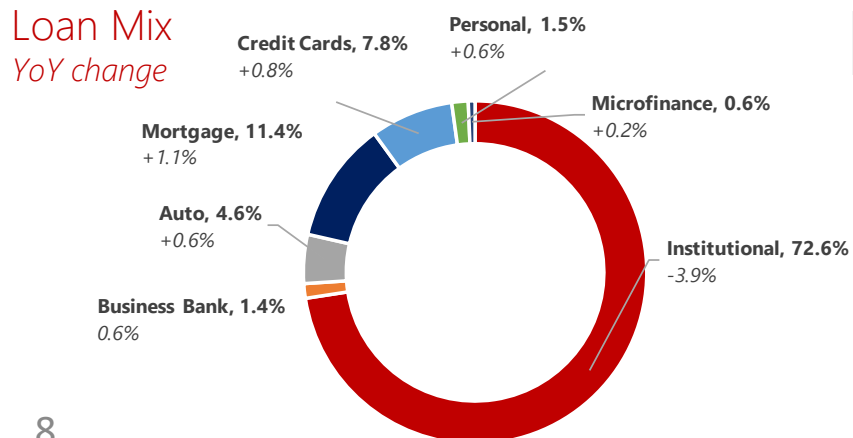
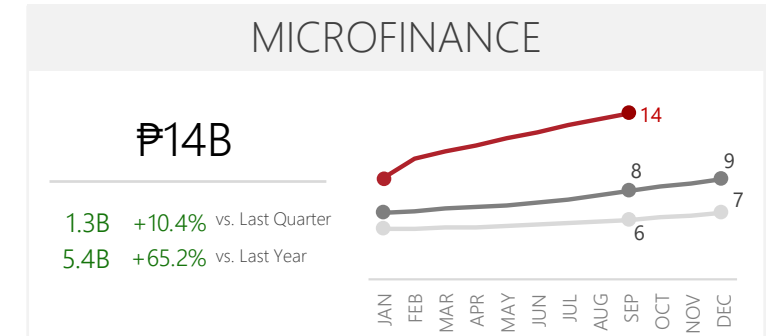
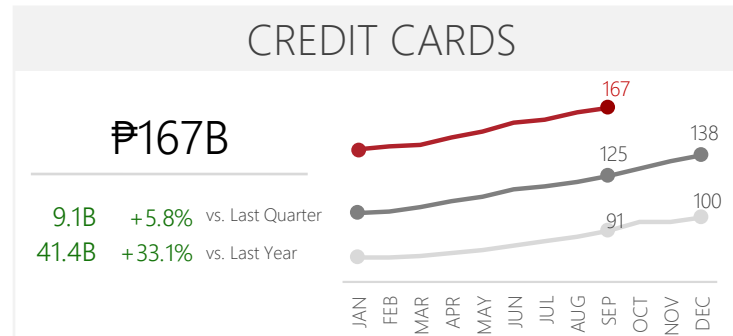
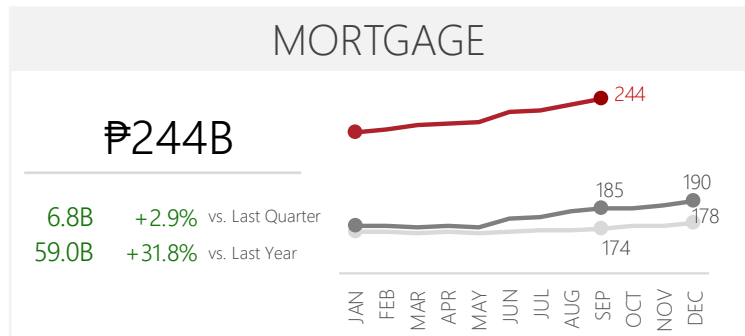
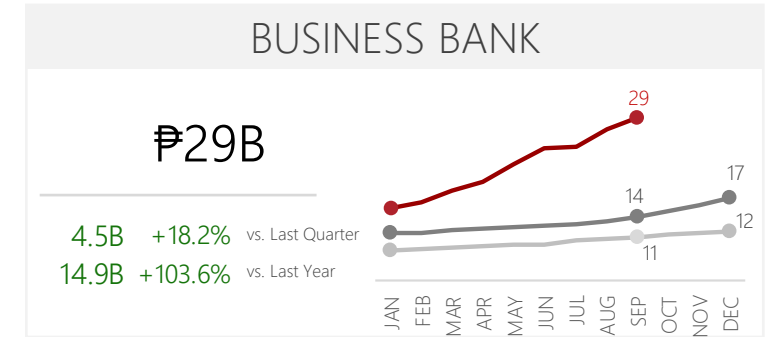
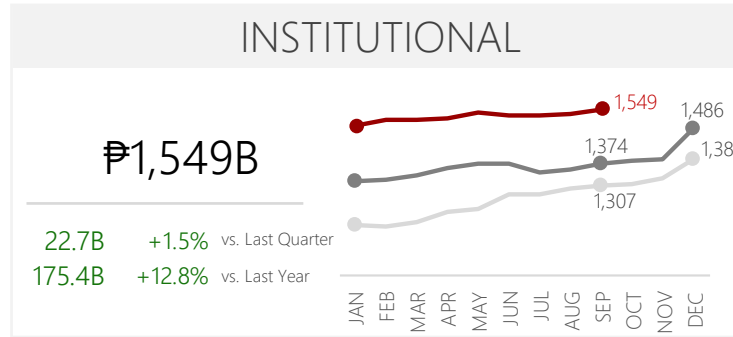
In P bn	Full Year				Growth Rate	
	2021	2022	2023	3Q 2024	2yr CAGR (2021-2023)	YTD
Institutional	1,205.0	1,388.9	1,486.0	1,548.9	11.0%	4.2%
Non-Institutional	322.9	367.1	449.2	585.2	17.9%	30.3%
Business Bank	8.7	12.3	17.4	29.4	41.7%	68.6%
Consumer/Retail	308.7	348.1	422.8	542.2	17.0%	28.2%
Mortgage	173.1	177.6	189.5	244.3	4.6%	28.9%
Auto	54.2	61.7	76.8	98.4	19.0%	28.2%
Credit Cards	76.0	99.7	137.9	166.6	34.7%	20.8%
Personal	5.4	9.0	18.6	33.0	85.6%	76.9%
Microfinance	5.5	6.7	9.0	13.6	27.4%	51.6%
Gross Loans	1,527.9	1,756.0	1,935.2	2,134.1	12.5%	10.3%

	Loan Mix				Change in bps	
	2021	2022	2023	3Q 2024	2021 vs 2023	YTD
Institutional	78.9%	79.1%	76.8%	72.6%	-208	-421
Non-Institutional	21.1%	20.9%	23.2%	27.4%	208	421
Business Bank	0.6%	0.7%	0.9%	1.4%	33	48
Consumer/Retail	20.2%	19.8%	21.8%	25.4%	164	356
Mortgage	11.3%	10.1%	9.8%	11.4%	-154	165
Auto	3.5%	3.5%	4.0%	4.6%	42	65
Credit Cards	5.0%	5.7%	7.1%	7.8%	215	68
Personal	0.4%	0.5%	1.0%	1.5%	61	58
Microfinance	0.4%	0.4%	0.5%	0.6%	10	17
Gross Loans	100.0%	100.0%	100.0%	100.0%		

Loans by Segment



- Sharp increases in all segments year-on-year, led by non-institutional portfolios which were up 39%
- Strong momentum intact, with non-institutional segment up 6% QoQ; accounts for 27.4% of the loan mix, up 394 bps from last year



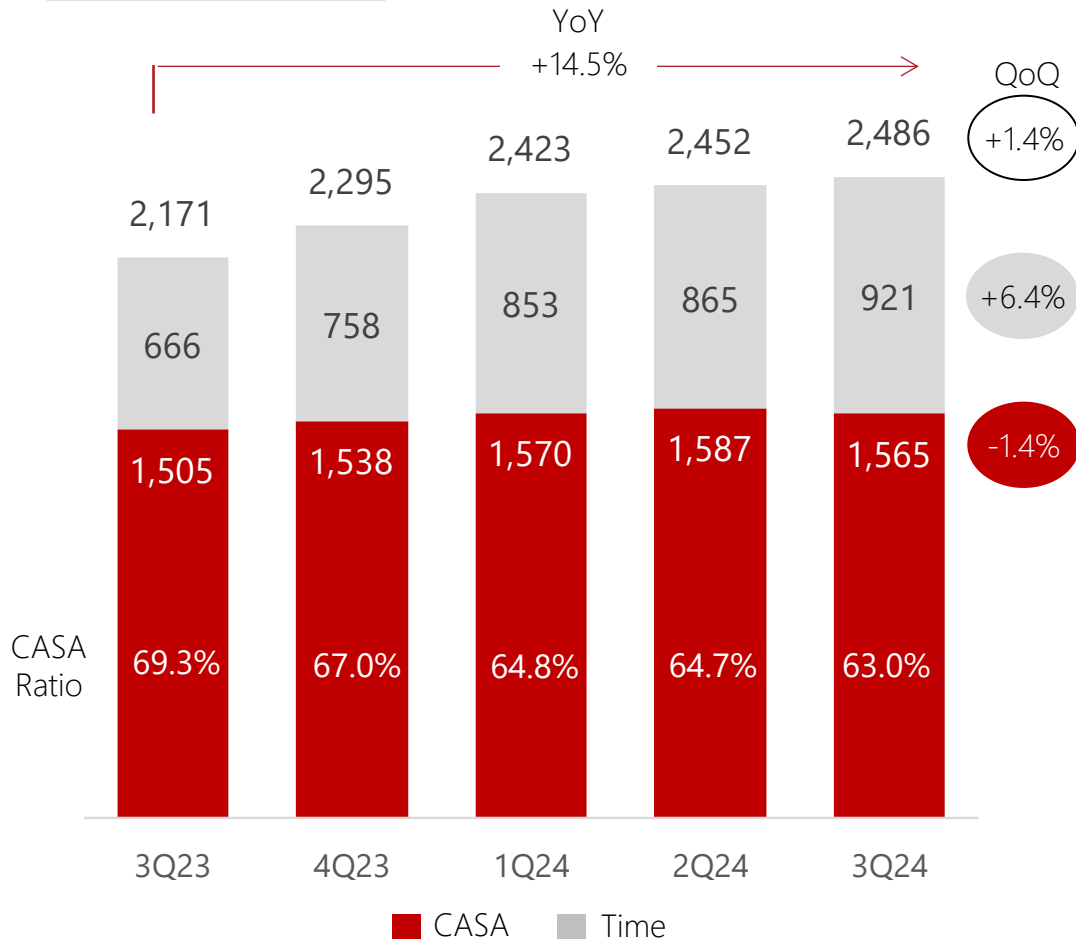
2022 2023 2024

Deposits

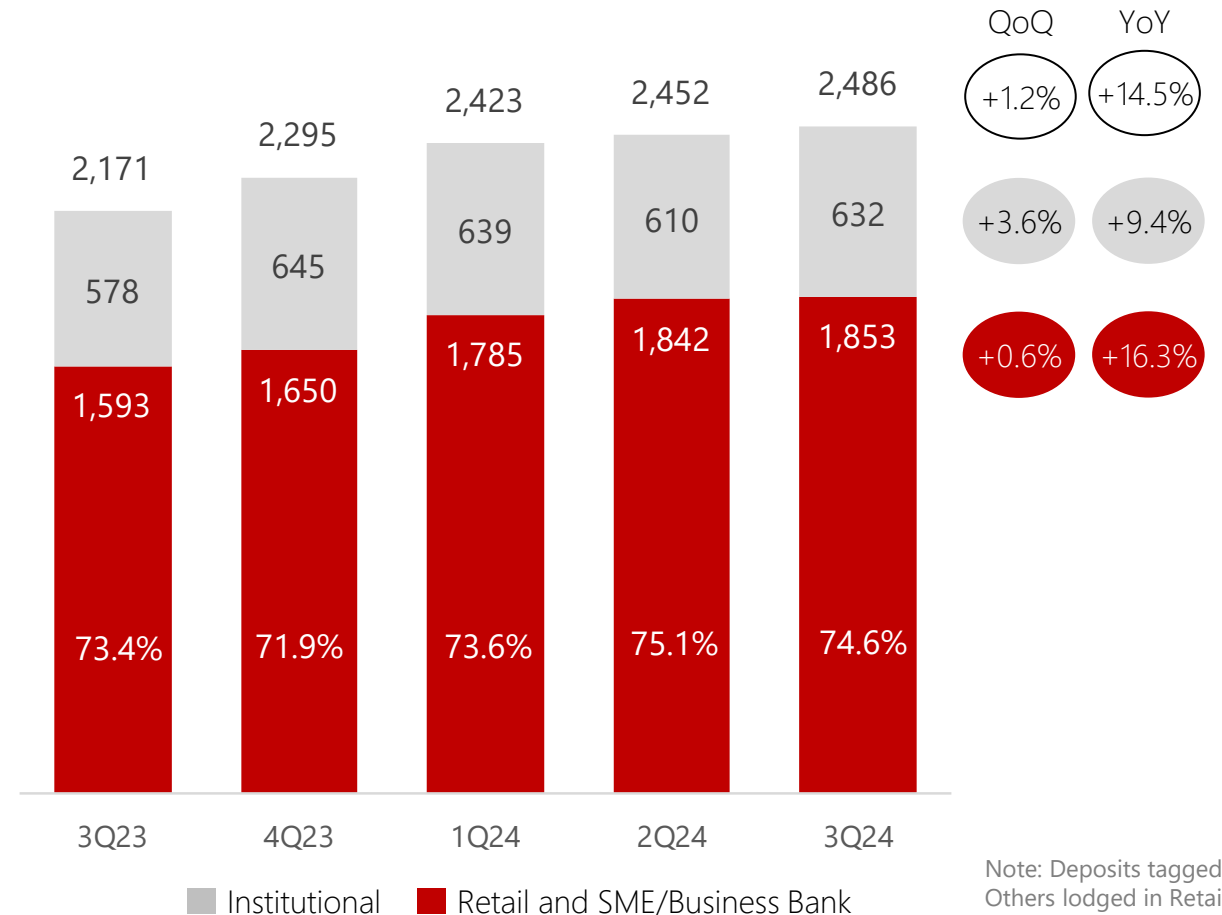


- Deposit growth was consistently ahead of industry trend
- Retail and SME/Business Bank account for 75% of total deposits
- CASA ratio slightly declined as system liquidity remained tight; the RRR cut is expected to infuse liquidity

Deposits (in P bn)



Deposit Base (Amounts in P bn)



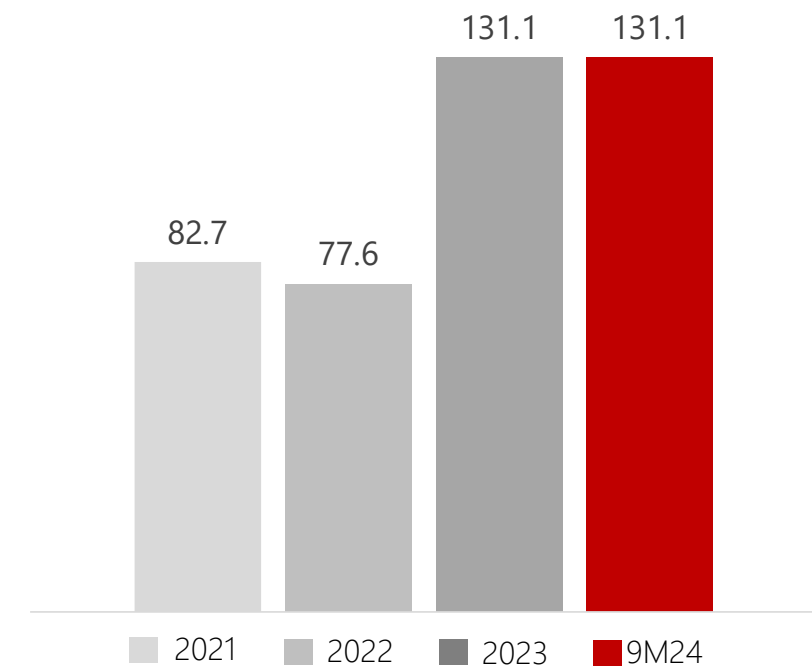
Note: Deposits tagged as Others lodged in Retail/BB

Funding



- Pivoted to other sources of funding sources as Time Deposit rates remained elevated
- Average tenor kept relatively short for flexibility in refinancing
- Oversubscription and spread of recent bond issuances reflective of BPI's capacity to tap other source of funding

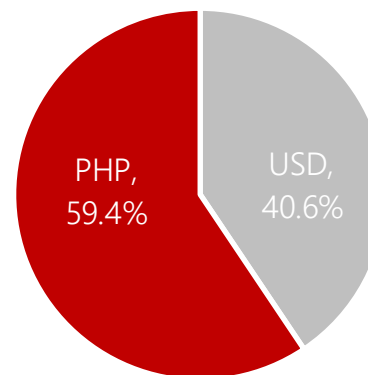
Borrowings (in P bn)



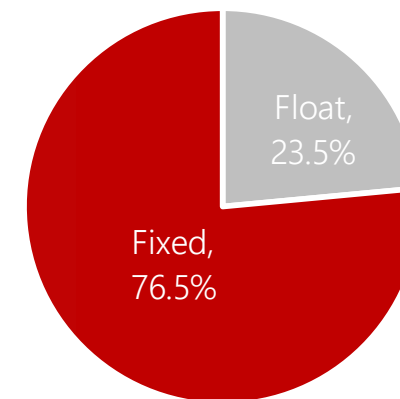
WART*	1.22	1.04	1.19	1.83
WAR*	3.60%	3.37%	5.06%	6.01%

*WART – weighted average remaining term (in years); WAR – weighted average rate
 Note: Borrowings include bond issuances, syndicated loans, and promissory notes

Currency Profile

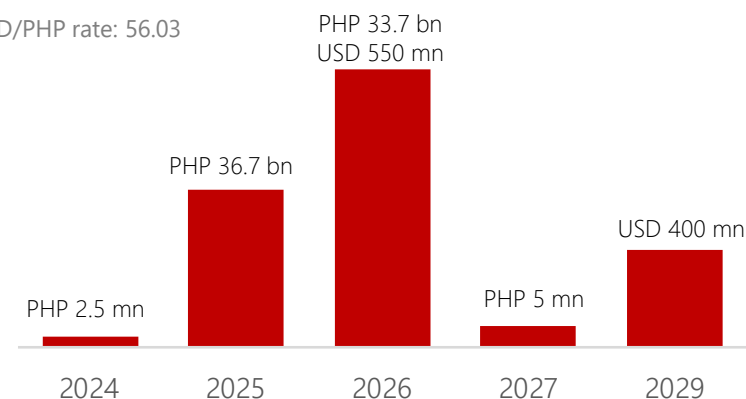


Fixed and Float



Debt Maturity Profile

SEP 2024 USD/PHP rate: 56.03

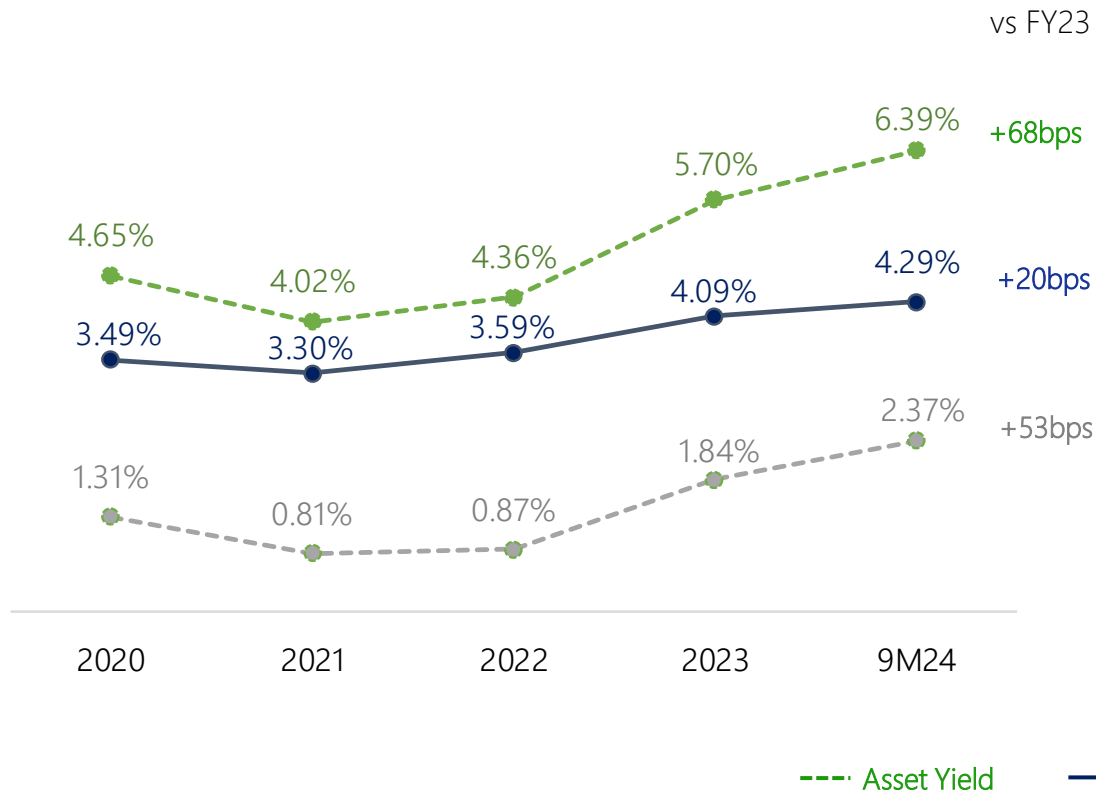


NIM

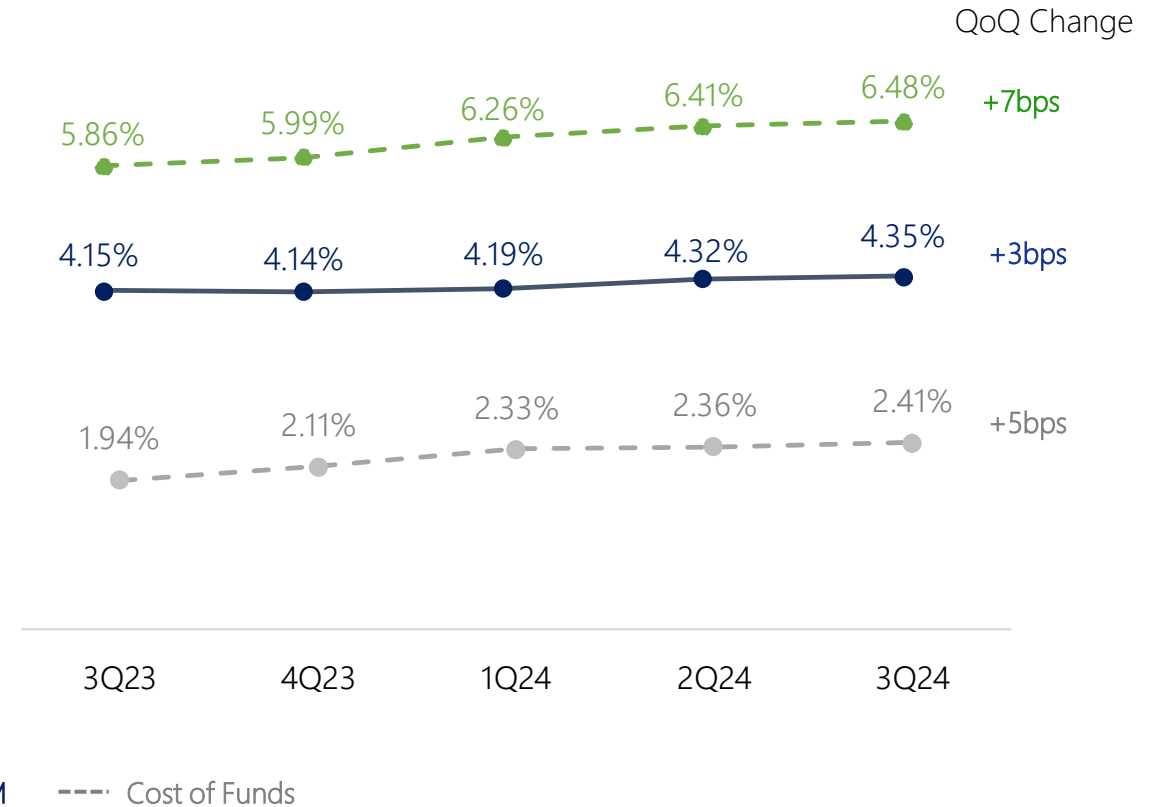


- Sustained improvement in quarterly NIM, up 3bps QoQ and 20bps YoY
- NIM driven by higher LDR and continued shift to consumer loans
- RRR cut in October is positive for NIM; further cuts supportive of structurally higher ROE

Annual NIM



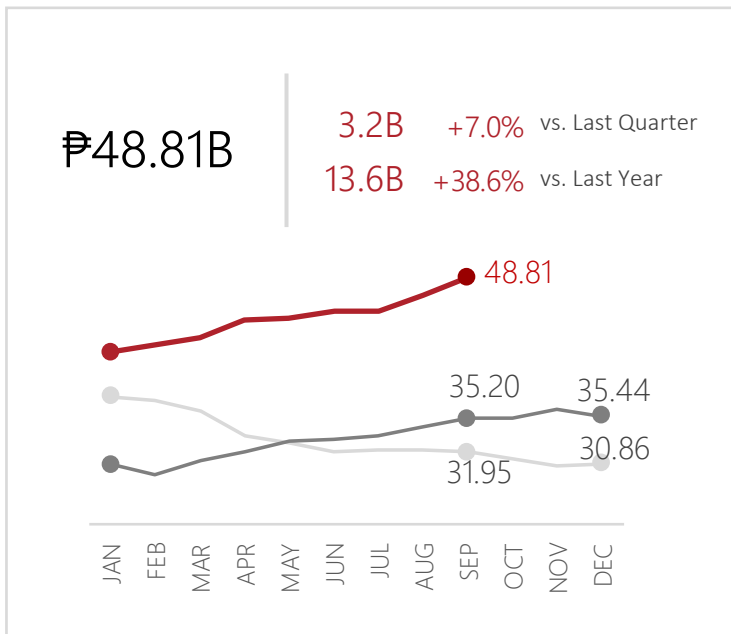
Quarter NIM



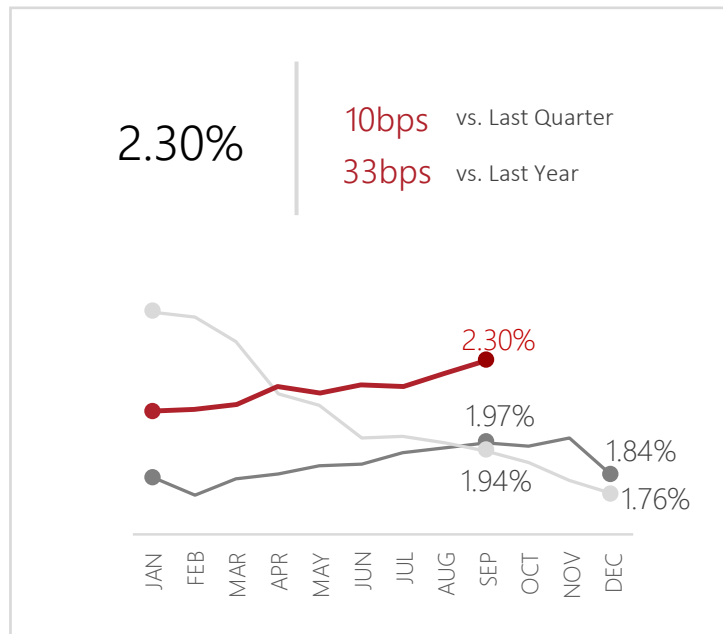
NPL and Credit Coverage Ratios



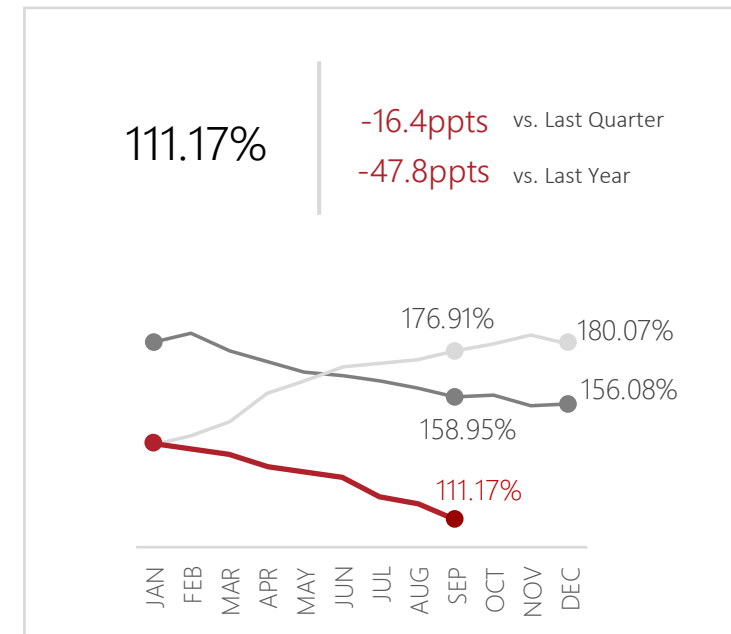
NPL LEVEL (in ₱ Bn)



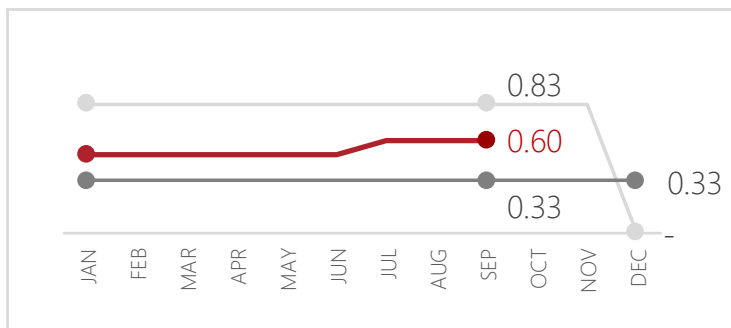
NPL RATIO



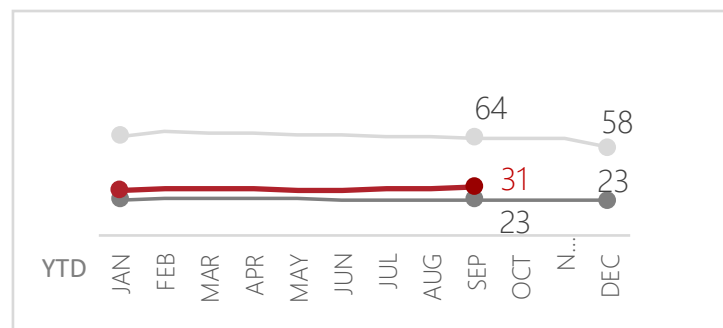
NPL COVER



PROVISIONS (in ₱ bn)



CREDIT COST (in bps)



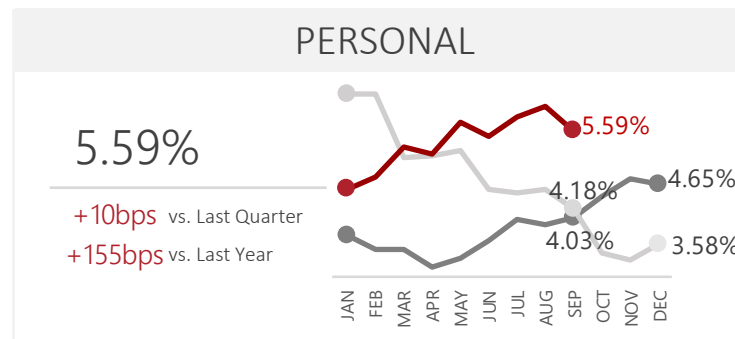
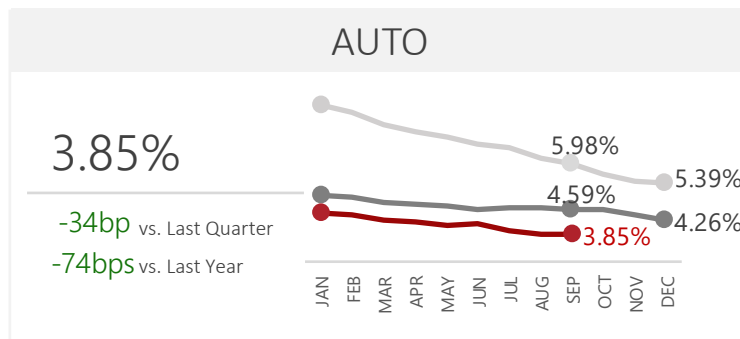
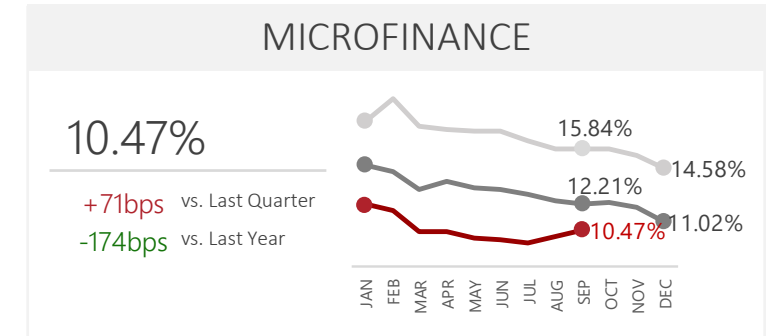
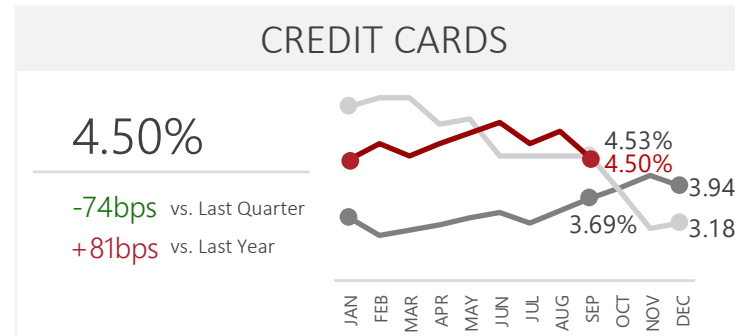
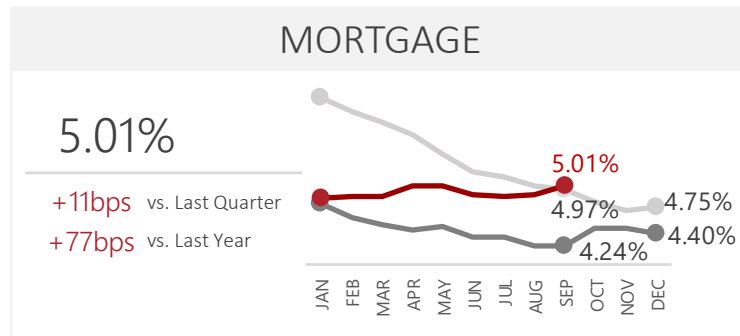
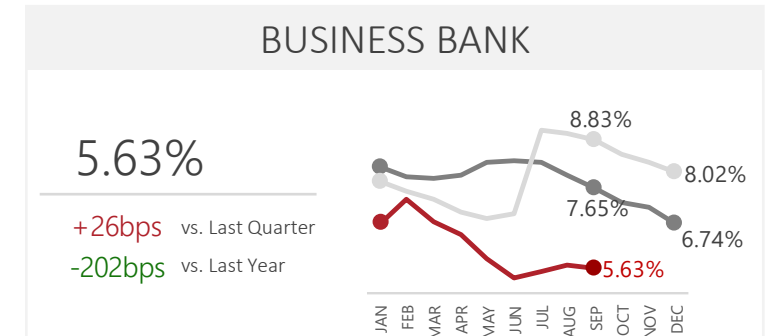
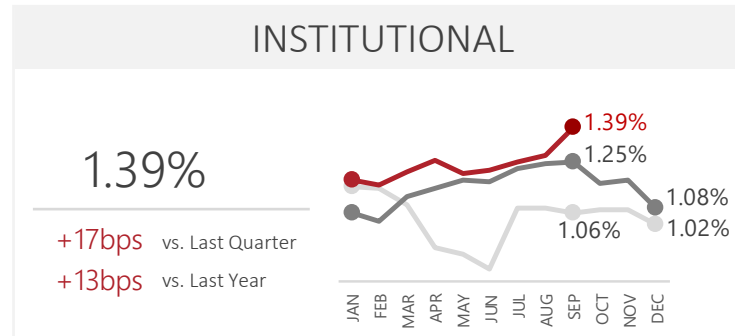
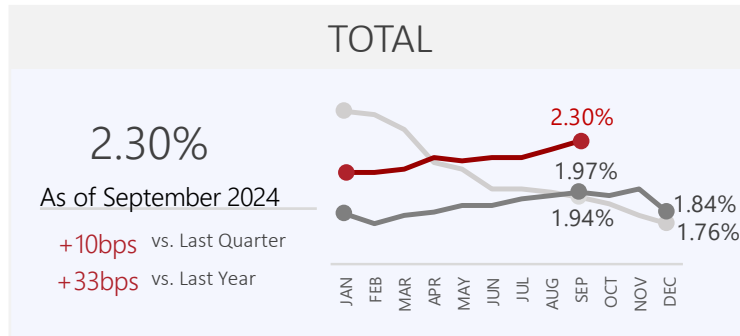
- Asset quality slightly weakened with the NPL ratio up 10bps QoQ largely from one institutional account; with the 33bps YoY jump driven by the consumer segment
- NPL cover slightly declined but remained sufficient

2022 2023 2024

NPL Ratio per Segment



- Increase in NPL ratio for the quarter was largely due to institutional segment rather than consumer loans
- Decline in NPL ratio for Credit Cards QoQ due to write-offs
- YoY, declines in NPL ratio were observed in Business Banking, Microfinance, and Auto

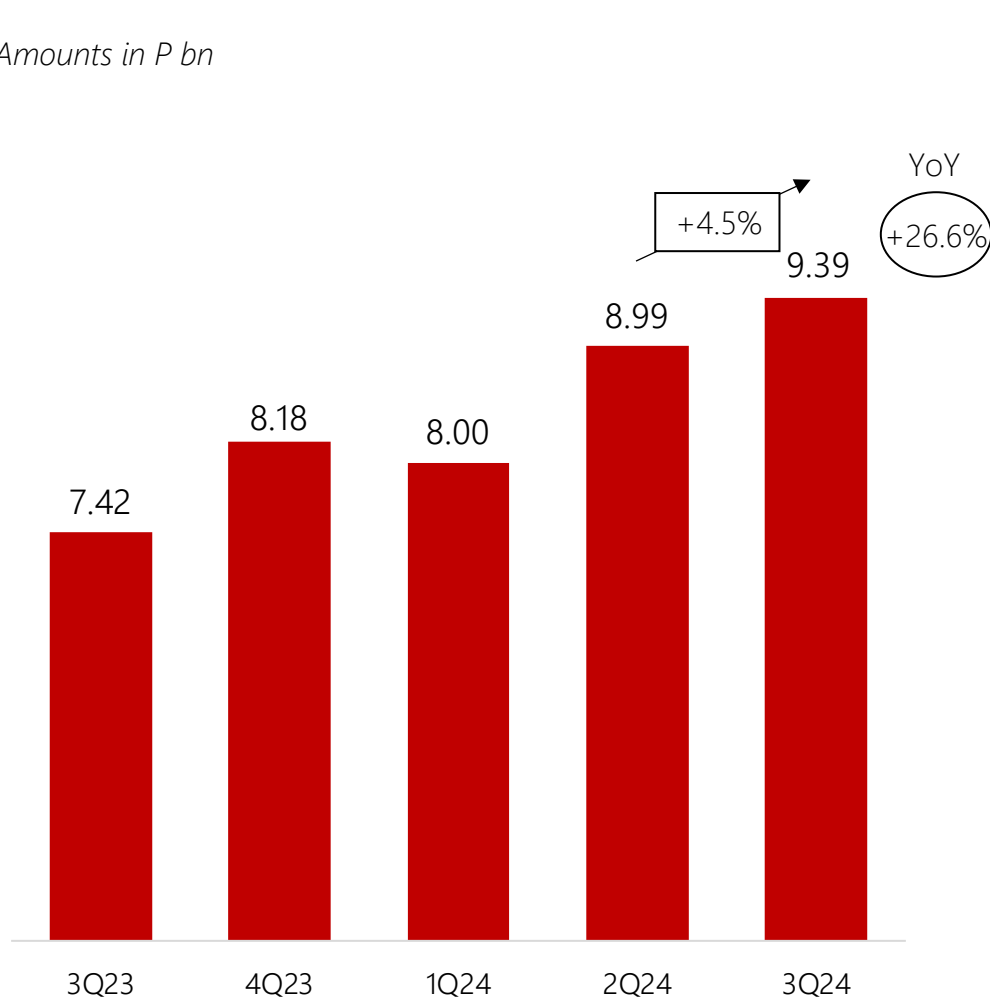


Fee Income



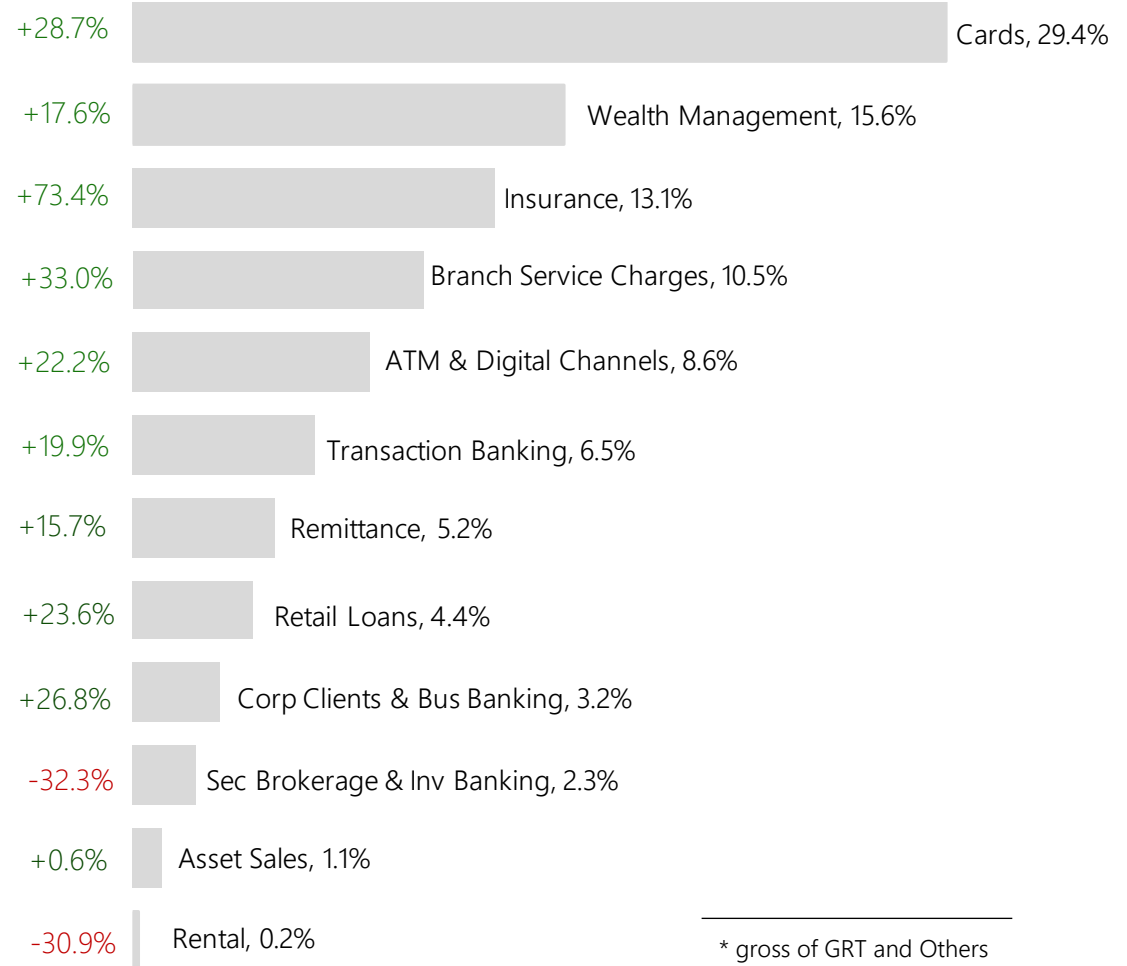
- Sustained strong broad-based growth across fee income segments
- Strong fee income performance was led by our biggest businesses: cards, wealth management, and insurance

Amounts in P bn



YoY Growth

Ranked by Contribution to 9M 2024 Fee Income*

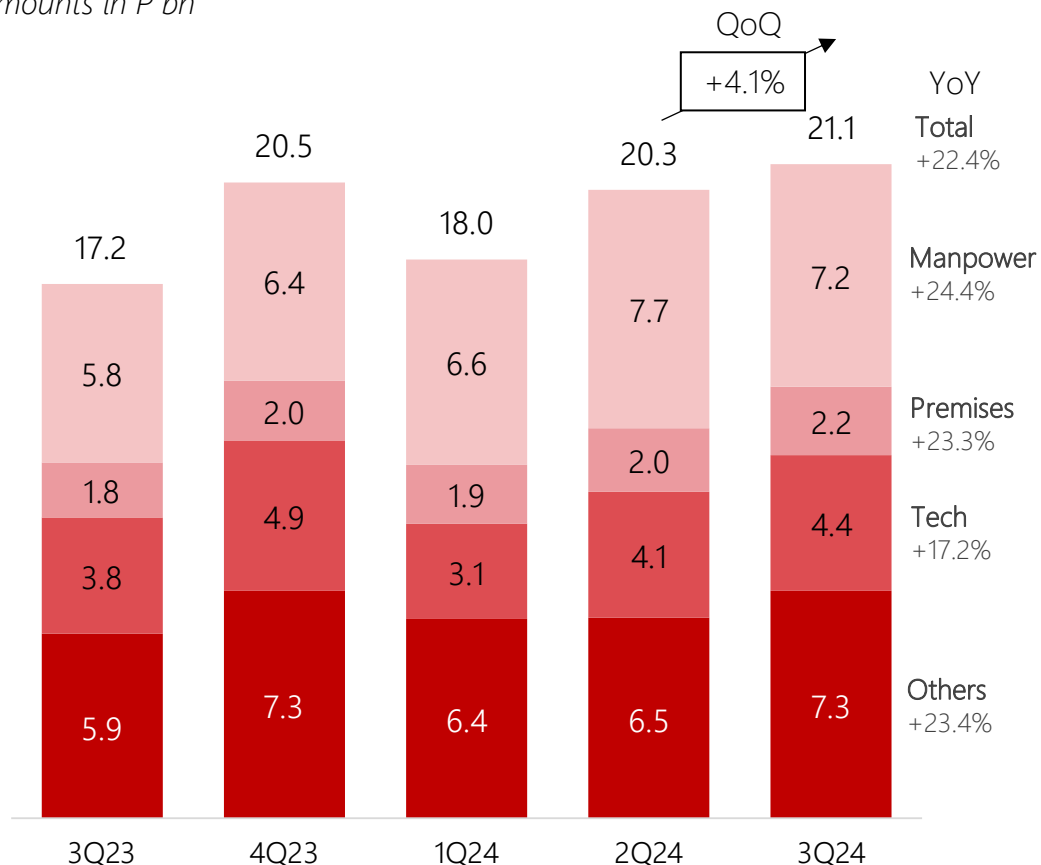


* gross of GRT and Others

Operating Expenses



Amounts in P bn



	2019	2020	2021	2022	2023	9M 2024
Cost-to-Income	52.4%	47.3%	52.1%	48.9% ¹	50.0%	47.2%
Customer Count (in mn)	8.66	8.57	8.46	9.31	11.58	14.52
Headcount	21,429	19,952	19,181	18,201	19,522	22,325
Distribution Channels						
Total Branches	1167	1,170	1,120	1,069	1,057	1,252
BPI ²	867	866	813	752	709	867
BanKo	300	304	307	317	348	358
LSB						27
Agency Banking Partner Doors					5,344	6,369

Note: 9M 2023 CIR at 48.2%

¹ CIR including impact of sale of property; 51.08% excluding revenue from sale of property

² 2020 and 2021 include BFB branches; 9M 2024 include RBC branches

DRIVERS:

Manpower: higher headcount from the merger and HR initiatives that resulted in lower attrition, better employee engagement, enhanced employee development and positive culture change

Technology: volume-related expenses; continued investments in platforms and infrastructure

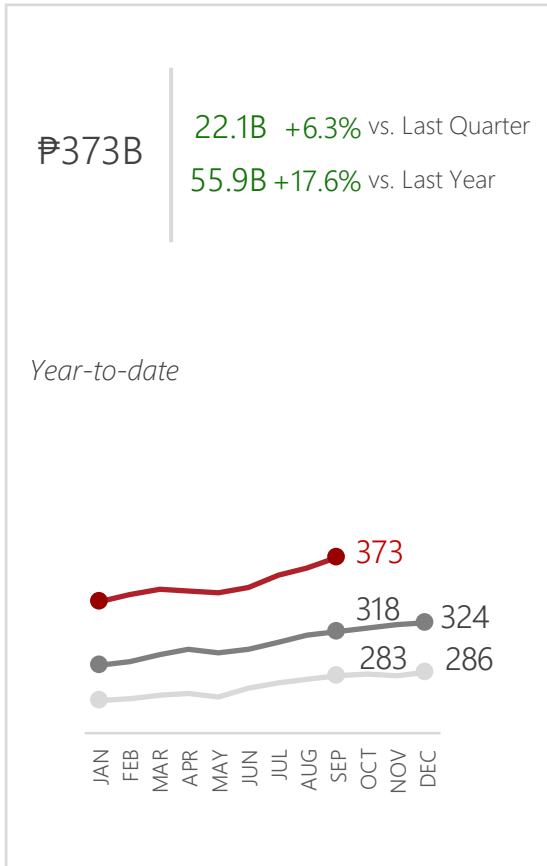
Others: marketing campaigns, rewards program, and volume-related card transaction charges

Capital

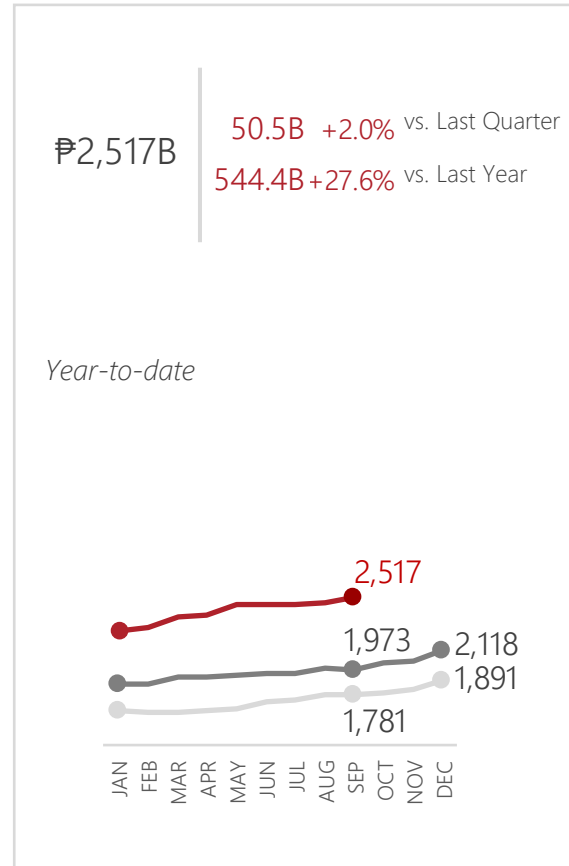


- CET1 capital increased on income accretion and additional shares issued for the merger
- Capital ratios remained robust notwithstanding increase in RWA and capital distribution
- Ratios comfortably well-above internal and regulatory thresholds

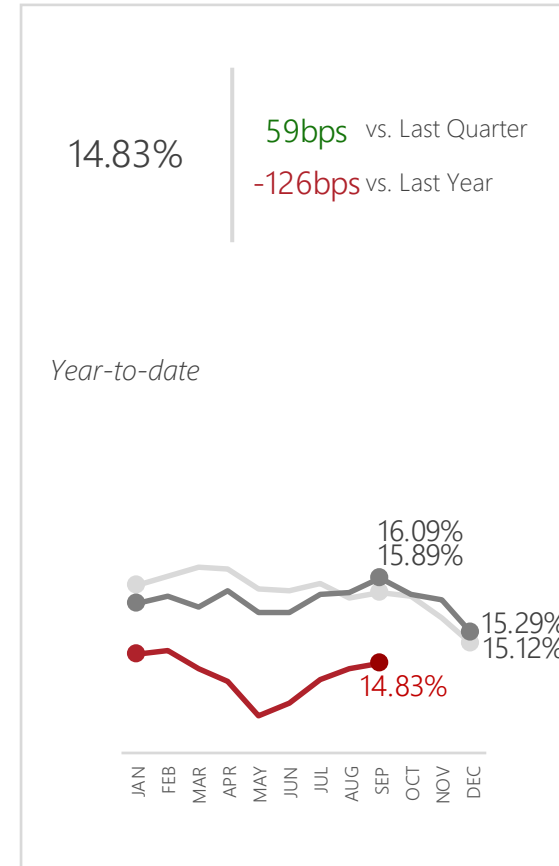
CET1



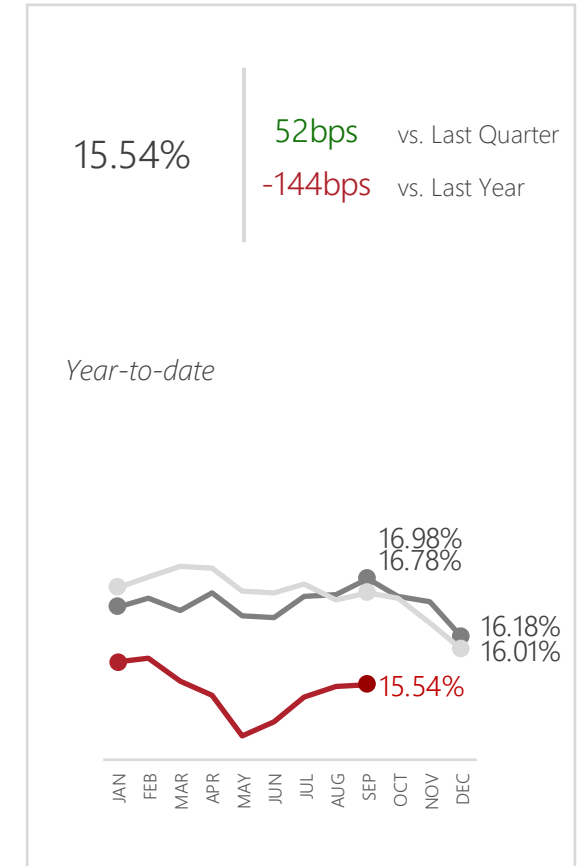
RWA



CET1 RATIO



CAR



2022

2023

2024

Note: Effective January 1, 2022, minimum regulatory CET1 requirement for BPI is lower at 10.125%

Indicative – September 2024 CET1 and CAR

3Q 2024



Sustainability Achievements

BPI SEED Bonds	<ul style="list-style-type: none">• Php 33.7Bn Sustainable, Environmental, and Equitable Development (SEED) Bonds• Proceeds allocated to projects with clear environmental and social benefits• BPI Capital as Joint Lead Arranger and Sole Selling Agent
Sustainable Development Finance (SDF)	<ul style="list-style-type: none">• New project types included: Pollution Control and Sustainable Water• Free technical evaluation from IFC-trained and accredited consultants
Salary-on-Demand	<ul style="list-style-type: none">• Allows employees to access their earned wages instantly, providing financial support when they need it most, ahead of payday
ALI Sustainability-Linked Bond	<ul style="list-style-type: none">• BPI Capital among the Joint Lead Underwriters & Bookrunners of ALI's Sustainability-Linked Bond• Key Performance Indicators (KPIs) related to carbon emissions reduction
Maynilad Blue Bond	<ul style="list-style-type: none">• BPI Capital as Sole Issue Manager, Joint Lead Underwriter, and Joint Bookrunner of Maynilad's Blue Bond• Proceeds support sustainable water and wastewater management
EDC Green Bond	<ul style="list-style-type: none">• BPI Capital as Joint Issue Manager, Joint Lead Underwriter, and Joint Bookrunner of EDC's Php 10Bn Green Bonds• Proceeds used for geo, wind, solar, hydropower, bioenergy, and energy storage projects
Alternergy Tanay Wind Corp. Term Loan	<ul style="list-style-type: none">• BPI funding Php 4Bn out of Alternergy Tanay Wind Corp.'s Php 8Bn Term Loan Facility• BPI Capital among the Mandated Lead Arrangers• Proceeds for the construction & development of a wind farm in Tanay, Rizal (up to 112MW)
IFC EDGE-Certified Green Bank Branches	<ul style="list-style-type: none">• 7 new IFC EDGE-certified bank branches year-to-date for a total of 18, all achieving at least 20% savings in electricity, water, and embodied energy in materials

ESG ACCOLADES

Record high of 15 ESG-focused awards and recognitions received YTD in 2024

FINANCE-RELATED AWARDS



MEDIA-RELATED AWARDS



* In 2023, BPI received a record high of 14 ESG-focused awards

** New awards

Summary

- 1 Profitability** : Improved profitability with record quarterly income led by revenue
- 2 Balance Sheet** : Sustained strong loan growth across all segments; liquidity and capital positions remain above regulatory threshold
- 3 Asset Quality** : Slight uptick in NPL ratio; benign asset quality with sufficient allowance
- 4 Shareholder Returns** : Improved ROE, EPS and on track to sustain higher dividends



For your comments and queries
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