

PRESS RELEASE | April 25, 2019

BPI posts 7.6% increase in 1Q 2019 net income

MAKATI CITY, Philippines --- Bank of the Philippine Islands (BPI) posted P6.72 billion in net income in the first quarter of 2019, up 7.6% from P6.25 billion in the same period last year, and up 10.8% versus the fourth quarter of 2018. Comprehensive income was at P8.51 billion.

Total revenues for the first quarter increased by 23.5% to P22.78 billion, driven by 28.8% year-on-year growth in net interest income, which reached P16.05 billion. The increase in net interest income was a result of an 8.8% increase in average asset base, and a 50-basis point expansion in net interest margin (NIM) to 3.39%. Yield on interest-earning assets improved by 109 basis points, partially offset by the increase in cost of funds, owing to higher time deposit rates, and an increase in other borrowings.

Total loans as of March 31, 2019 stood at P1.35 trillion, reflecting a growth of 11.5% year-on-year, boosted by strong growth in corporate loans, credit card loans, and housing loans at 11.8%, 20.3% and 9.9%, respectively. Total deposits reached P1.61 trillion, up 1.3%. The Bank's CASA ratio stood at 70.3% while the loan-to-deposit ratio (LDR) was at 83.9%.

Non-interest income registered a 12.4% increase versus the same period last year to P6.73 billion, attributed to increases in transaction-based service charges, credit card and rental businesses, and income from assets sold.

Operating expenses totaled P12.07 billion in the first quarter of 2019, an increase of 23.8% year-on-year, across all major categories, and primarily in technology and premises, reflecting the impact of the Bank's continued investments in technology, digitalization, and its microfinance branch network. Cost-to-Income ratio was 53.0%, slightly up from 52.8% in the first quarter of 2018. Provision for losses of P1.80 billion was 13.2% lower than the fourth quarter of 2018. NPL ratio stood at 1.85%. The Bank's total loss coverage, including allowances for contingent exposures, stood at 95.7%.

The Bank's securities holdings as of March 31, 2019 totaled P354.66 billion, up 14.4% year-on-year. About 84% of the securities portfolio was in Hold-to-Collect, and thus less exposed to market volatility.

At the end of March 2019, the Bank's total assets stood at P2.08 trillion, up 8.9%, and Return on Assets (ROA) was 1.34%. Total capital reached P257.11 billion, up 35.6% on account of the stock rights offering (SRO) in May 2018. Return on Equity (ROE) was 10.7%, lower by 2.9 percentage points, reflecting the impact of the dilution from the SRO. Indicative Capital Adequacy and Common Equity Tier 1 ratios were at 16.57% and 15.68%, respectively.

ABOUT BPI

The 167-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, asset management, bancassurance, investment banking, securities brokerage, and foreign exchange and capital markets. BPI has significant financial strength, with robust Tier 1 capital adequacy ratios and profitability, underpinned by a stringent compliance and risk management regimes. BPI has investment-grade ratings of BBB- (Fitch), Baa2 (Moody's), and BBB (Capital Intelligence).

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