

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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Atty. Maria Lourdes P. Gatmaytan

Contact Person

(632) 8246-5902

Company Telephone Number

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Month Day
Fiscal Year

1	7	-	Q	
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FORM TYPE

0	4	2	8
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Month Day
Annual Meeting

N/A

Secondary License Type, If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

11,971

Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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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
AYALA NORTH EXCHANGE TOWER 1, AYALA AVE. CORNER SALCEDO ST.,
LEGASPI VILLAGE, MAKATI CITY, METRO MANILA
(632) 8246-5902**

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, 2022

(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)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE
AND SRC RULE 17 (2) (b) THEREUNDER

1. For the quarterly period ended **JUNE 30, 2022**
2. Commission identification number **PW-121**
3. BIR Tax Identification No. - **TIN: 000-438-366-000**
4. **BANK OF THE PHILIPPINE ISLANDS**
Exact name of registrant as specified in its chart
5. **Manila, Philippines**
Province, country or other jurisdiction of incorporation
6. Industry Classification Code: (SEC Use Only)
7. **AYALA NORTH EXCHANGE TOWER 1**
Ayala Avenue corner Salcedo St., Legaspi Village
Makati City (current business address) **ZIP Code 1229**
Address of principal office Postal Code
8. **(632) 8246-5902**
Registrant's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code

Title of each class	Number of shares of common stock outstanding and amount of debt outstanding
Common	4,513,128,255
11. Are any or all of the securities listed on the Philippine Stock Exchange? Yes [x] No []
If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange	Common
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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, 2022 AND DECEMBER 31, 2021
(in Thousands of Pesos)

	UNAUDITED	AUDITED
	JUNE 30, 2022	DECEMBER 31, 2021
<u>RESOURCES</u>		
Cash and Other Cash Items	27,029,566	35,143,098
Due from Bangko Sentral ng Pilipinas	181,690,558	268,827,080
Due from Other Banks	48,038,335	34,572,351
Interbank Loans Receivable and Securities		
Purchased under Agreements to Resell	34,487,378	30,851,558
Financial Assets at Fair Value through Profit or Loss	32,027,044	21,334,390
Financial Assets at Fair Value through OCI	84,718,009	134,740,715
Financial Assets at Amortized Cost	426,445,038	338,672,092
Loans and Advances, net	1,557,015,991	1,476,526,967
Assets Held for Sale, net	3,572,366	3,282,263
Bank Premises, Furniture, Fixtures and Equipment, net	16,219,978	17,524,600
Investments in Subsidiaries and Associates, net	6,217,056	7,164,726
Assets Attributable to Insurance Operations	18,126,039	17,562,625
Deferred Income Tax Assets, net	16,466,571	15,818,857
Other Resources, net	12,292,987	19,893,548
TOTAL RESOURCES	2,464,346,915	2,421,914,869
<u>LIABILITIES AND CAPITAL FUNDS</u>		
Deposit Liabilities		
Demand	396,590,273	369,079,125
Savings	1,182,359,660	1,137,123,846
Time	413,987,296	448,944,029
Sub-total	1,992,937,230	1,955,146,999
Derivative Financial Liabilities	6,619,275	3,631,616
Other Borrowed Funds	80,177,967	95,039,051
Due to Bangko Sentral ng Pilipinas and Other Banks	2,904,615	953,437
Manager's Checks and Demand Drafts Outstanding	7,836,629	6,931,060
Accrued Taxes, Interest and Other Expenses	10,744,227	8,413,478
Liabilities Attributable to Insurance Operations	13,742,151	13,241,507
Deferred Credits and Other Liabilities	43,138,975	43,401,908
TOTAL LIABILITIES	2,158,101,070	2,126,759,057
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI		
Share Capital	49,193,075	45,131,283
Share Premium	104,020,864	74,934,116
Reserves	584,297	564,120
Surplus	196,729,924	181,100,635
Accumulated Other Comprehensive Income/ (Loss)	(13,410,453)	(8,670,465)
Treasury Shares	(33,042,684)	-
	304,075,023	293,059,688
NON-CONTROLLING INTERESTS	2,170,823	2,096,124
TOTAL CAPITAL FUNDS	306,245,846	295,155,812
TOTAL LIABILITIES AND CAPITAL FUNDS	2,464,346,915	2,421,914,869

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Quarter Ended June 30, 2022 and 2021
(In Thousands of Pesos)

	2022	2021
INTEREST INCOME		
On loans and advances	19,593,167	17,881,739
On FA at amortized cost	3,582,339	1,762,036
On FA at FV through OCI	482,841	629,265
On deposits with BSP and other banks	265,551	368,448
On FA at FV through profit or loss	77,178	74,007
	24,001,076	20,715,496
INTEREST EXPENSE		
On Deposits	2,782,464	2,397,934
On Bills Payable and other borrowings	869,771	1,308,424
	3,652,235	3,706,358
NET INTEREST INCOME	20,348,841	17,009,137
IMPAIRMENT LOSSES	2,500,000	2,901,462
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	17,848,841	14,107,675
OTHER INCOME		
Fees and commissions	3,269,775	2,677,158
Income from foreign exchange trading	570,955	601,055
Trading gain (loss) on securities	84,539	179,627
Income attributable to insurance operations	114,939	604,638
Other operating income	7,892,382	2,739,825
	11,932,590	6,802,303
OTHER EXPENSES		
Compensation and fringe benefits	4,800,839	4,713,335
Occupancy and equipment-related expenses	4,186,763	3,901,892
Other operating expenses	4,275,634	3,661,681
	13,263,236	12,276,907
INCOME BEFORE INCOME TAX	16,518,194	8,633,071
PROVISION FOR INCOME TAX		
Current	4,511,481	1,998,339
Deferred	-499,358	-265,561
	4,012,123	1,732,778
NET INCOME FOR THE QUARTER	12,506,071	6,900,293
Attributable to:		
Equity holders of BPI	12,463,468	6,816,130
Non-controlling interest	42,603	84,163
	12,506,071	6,900,293

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Quarter Ended June 30, 2022 and 2021
(In Thousands of Pesos)

	<u>2022</u>	<u>2021</u>
NET INCOME BEFORE MINORITY INTEREST	12,506,071	6,900,293
Other Comprehensive Income:		
Items that may be reclassified subsequently to profit or loss		
Net change in fair value reserve on FVOCI securities, net of tax effect	-2,418,367	1,784,787
Fair value reserve on investments of insurance subsidiaries, net of tax effect	-86,272	42,881
Share in other comprehensive income of associates	-533,164	244,507
Currency translation differences	-45,134	37,092
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	-717,260	8,828
Share in other comprehensive income gain (loss) of associates	148,776	138,349
Total Other Comprehensive Income (Loss), net of tax effect	-3,651,421	2,256,443
Total Comprehensive Income for the Year	8,854,650	9,156,736
Attributable to:		
Equity holders of BPI	8,837,059	9,057,863
Non-Controlling Interest	17,591	98,874
	8,854,650	9,156,736

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF INCOME
For the Six Months Ended June 30, 2022 and 2021
(In Thousands of Pesos)

	Unaudited 2022	Unaudited 2021
INTEREST INCOME		
On loans and advances	38,075,081	35,599,333
On FA at amortized cost	6,632,153	3,673,626
On FA at FV through OCI	977,197	1,280,529
On deposits with BSP and other banks	597,763	789,193
On FA at FV through profit or loss	129,440	131,077
	46,411,635	41,473,758
INTEREST EXPENSE		
On Deposits	5,262,010	4,965,958
On Bills Payable and other borrowings	1,809,919	2,641,273
	7,071,929	7,607,230
NET INTEREST INCOME	39,339,705	33,866,527
IMPAIRMENT LOSSES	5,000,000	6,501,489
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	34,339,705	27,365,039
OTHER INCOME		
Fees and commissions	5,680,038	5,717,000
Income from foreign exchange trading	1,273,010	917,216
Trading gain (loss) on securities	280,645	1,601,051
Income attributable to insurance operations	561,644	897,856
Other operating income	10,506,242	5,117,392
	18,301,580	14,250,515
OTHER EXPENSES		
Compensation and fringe benefits	9,520,680	9,116,415
Occupancy and equipment-related expenses	7,991,623	7,506,525
Other operating expenses	8,336,414	7,473,764
	25,848,717	24,096,704
INCOME BEFORE INCOME TAX	26,792,569	17,518,849
PROVISION FOR INCOME TAX		
Current	6,873,860	3,890,762
Deferred	(643,899)	1,704,813
	6,229,961	5,595,575
NET INCOME FOR THE PERIOD	20,562,608	11,923,274
Attributable to:		
Equity holders of BPI	20,447,052	11,817,084
Non-controlling interest	115,557	106,190
	20,562,608	11,923,274

Earnings per share:

Based on 4,513,128,255 shares as of June 30, 2022
and June 30, 2021

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BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Six Months Ended June 30, 2022 and 2021
(In Thousands of Pesos)

	Unaudited 2022	Unaudited 2021
NET INCOME BEFORE MINORITY INTEREST	20,562,608	11,923,274
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss		
Net change in fair value reserve on FVOCI securities, net of tax effect	(3,822,918)	(1,295,643)
Fair value reserve on investments of insurance subsidiaries, net of tax effect	(162,207)	(69,568)
Share in other comprehensive income of associates	(963,504)	(473,733)
Currency translation differences	(124,267)	266,366
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	44,510	(423,216)
Share in other comprehensive income gain (loss) of associates	247,541	77,443
Total Other Comprehensive Income (Loss), net of tax effect	(4,780,845)	(1,918,352)
Total Comprehensive Income for the Year	15,781,763	10,004,922
Attributable to:		
Equity holders of BPI	15,707,064	9,923,105
Non-Controlling Interest	74,699	81,818
	15,781,763	10,004,922

BANK OF THE PHILIPPINE ISLANDS
STATEMENT OF CHANGES IN CAPITAL FUNDS
FOR THE PERIOD ENDED JUNE 30, 2022 & JUNE 30, 2021
(In Thousands of Pesos)

	Consolidated								
	Attributable to equity holders of BPI					Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reserves	Surplus	Accumulated Other Comprehensive Income (Loss)				
Balance, December 31, 2021	45,131,283	74,934,116	564,120	181,100,635	(8,670,465)	-	293,059,688	2,096,124	295,155,812
Comprehensive Income									
Net Income for the year	-	-	-	20,447,052	-	-	20,447,052	115,557	20,562,608
Other Comprehensive Income for the year	-	-	-	-	(4,739,987)	-	(4,739,987)	(40,858)	(4,780,845)
Total Comprehensive Income for the year	-	-	-	20,447,052	(4,739,987)	-	15,707,064	74,699	15,781,763
Transactions with owners									
Issuance of Shares - BPI & BFB Merger	4,061,793	28,980,891	-	-	-	(33,042,684)	-	-	-
Executive Stock Plan amortization	-	105,857	4,540	-	-	-	110,398	-	110,398
Cash Dividends	-	-	-	(4,783,916)	-	-	(4,783,916)	-	(4,783,916)
Total transactions with owners	4,061,793	29,086,748	4,540	(4,783,916)	-	(33,042,684)	(4,673,518)	-	(4,673,518)
Other movements									
Transfer from Reserve to Surplus	-	-	(2,175)	2,175	-	-	-	-	-
Transfer from Surplus to Reserves	-	-	17,810	(35,621)	-	-	(17,810)	-	(17,810)
Others	-	-	-	(401)	-	-	(401)	(0)	(401)
Total other movements	-	-	15,636	(33,847)	-	-	(18,211)	(0)	(18,211)
Balance, June 30, 2022	49,193,075	104,020,864	584,297	196,729,924	(13,410,453)	(33,042,684)	304,075,023	2,170,823	306,245,846

	Consolidated								
	Attributable to equity holders of BPI					Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reserves	Surplus	Accumulated Other Comprehensive Income (Loss)				
Balance, December 31, 2020	45,045,403	74,764,236	415,532	165,508,813	(5,899,181)	-	279,834,802	2,121,738	281,956,540
Comprehensive Income									
Net Income for the year	-	-	-	11,817,084	-	-	11,817,084	106,190	11,923,274
Other Comprehensive Income for the year	-	-	-	-	(1,893,980)	-	(1,893,980)	(24,372)	(1,918,352)
Total Comprehensive Income for the year	-	-	-	11,817,084	(1,893,980)	-	9,923,105	81,818	10,004,922
Transactions with owners									
Executive Stock Plan amortization	85,879	43,563	21,726	-	-	-	151,169	-	151,169
Cash Dividends	-	-	-	(4,061,793)	-	-	(4,061,793)	-	(4,061,793)
Total Transactions with owners	85,879	43,563	21,726	(4,061,793)	-	-	(3,910,624)	-	(3,910,624)
Other movements									
Transfer from Surplus to Reserves	-	-	84,172	(84,172)	-	-	-	-	-
Others	-	-	-	646	-	-	646	(0)	646
Total other movements	-	-	84,172	(83,527)	-	-	646	(0)	646
Balance, June 30, 2021	45,131,283	74,807,800	521,430	173,180,577	(7,793,161)	-	285,847,929	2,203,555	288,051,484

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED JUNE 30, 2022 AND JUNE 30, 2021
(In Millions of Pesos)

	June 2022	June 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	16,518	8,633
Discontinued Operations	-	-
Adjustments for:		
Impairment losses	2,500	2,901
Depreciation and amortization	1,172	1,506
Share in net income of associates	(209)	(342)
Dividend and other Income	(18)	(10)
Share based compensation	4	10
Interest income	(24,001)	(20,715)
Interest received	23,432	20,465
Interest expense	3,583	3,782
Interest paid	(2,942)	(3,183)
(Increase) decrease in:		
Interbank loans receivable and securities purchased under agreements to resell	577	434
Financial Assets at FVTPL	(182)	(12,830)
Loans and advances, net	(96,866)	1,254
Assets held for sale	(130)	(101)
Assets attributable to Insurance operations	556	1,658
Other assets	1,879	1,627
Increase (decrease) in:		
Deposit liabilities	101,841	12,287
Due to Bangko Sentral ng Pilipinas and other banks	1,141	(65)
Manager's checks demand drafts outstanding	248	698
Accrued taxes, interest and other expenses	594	134
Liabilities attributable to insurance operations	(941)	(881)
Derivative financial instruments	3,404	(256)
Deferred credits and other liabilities	1,664	(1,620)
Net cash from (used in) operations	33,828	15,387
Income taxes paid	(3,824)	(3,225)
Net cash from (used in) operating activities	30,004	12,162
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Investment Securities, net	3,497	24,419
Bank premises, furniture, fixtures and equipment	(445)	(760)
Investment properties, net	90	1
Investment in subsidiaries and associates, net	2,220	(434)
Assets attributable to insurance operations	351	(50)
Dividends received	18	10
Net cash used in investing activities	5,730	23,187
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(4,784)	(4,062)
Proceeds from issuance	53	65
(Decrease) Increase in bills payable and other borrowed funds	(28,118)	136
Payments for principal portion of lease liabilities	(405)	(394)
Net cash used in financing activities	(33,255)	(4,255)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,479	31,094
CASH AND CASH EQUIVALENTS		
April 1	288,045	288,233
June 30	290,524	319,327

BANK OF THE PHILIPPINE ISLANDS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND JUNE 30, 2021
(In Millions of Pesos)

	June 2022	June 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	26,793	17,519
Discontinued Operations	-	-
Adjustments for:		
Impairment losses	5,000	6,501
Depreciation and amortization	2,365	3,045
Share in net income of associates	(439)	(462)
Dividend and other Income	(30)	(19)
Share based compensation	5	22
Interest income	(46,412)	(41,474)
Interest received	45,018	43,408
Interest expense	7,072	7,764
Interest paid	(7,026)	(7,675)
(Increase) decrease in:		
Interbank loans receivable and securities purchased under agreements to resell	3,058	1,456
Financial Assets at FVTPL	(10,686)	(23,473)
Loans and advances, net	(84,294)	39,322
Assets held for sale	(319)	(208)
Assets attributable to Insurance operations	(841)	2,108
Other assets	6,876	1,144
Increase (decrease) in:		
Deposit liabilities	37,790	(31,770)
Due to Bangko Sentral ng Pilipinas and other banks	1,862	(165)
Manager's checks demand drafts outstanding	906	(324)
Accrued taxes, interest and other expenses	159	1,711
Liabilities attributable to insurance operations	501	(1,349)
Derivative financial instruments	2,988	(1,885)
Deferred credits and other liabilities	(317)	(4,049)
Net cash from (used in) operations	(9,972)	11,145
Income taxes paid	(4,752)	(5,966)
Net cash from (used in) operating activities	(14,724)	5,179
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Investment Securities, net	(41,060)	9,510
Bank premises, furniture, fixtures and equipment	(1,023)	(1,575)
Investment properties, net	91	2
Investment in subsidiaries and associates, net	1,386	923
Assets attributable to insurance operations	183	38
Dividends received	30	19
Net cash used in investing activities	(40,392)	8,917
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(4,784)	(4,062)
Proceeds from issuance	106	129
(Decrease) Increase in bills payable and other borrowed funds	(14,861)	(20,570)
Payments for principal portion of lease liabilities	(774)	(854)
Net cash used in financing activities	(20,313)	(25,357)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(75,429)	(11,261)
CASH AND CASH EQUIVALENTS		
January 1	365,953	330,588
June 30	290,524	319,327

BANK OF THE PHILIPPINE ISLANDS
Financial Indicators
As at June 30, 2022 and 2021

Ratio	Formula	Current Year	Prior Year
		in percentage	
Liquidity ratio	Total current assets divided by total current liabilities	47.50	53.23
Debt-to-equity ratio	Total liabilities (Bills payable and Bonds payable) divided by total equity	26.37	45.96
Asset-to-equity ratio	Total assets divided by total equity	810.44	762.17
Interest rate coverage ratio	Earning before interest expense, income taxes, depreciation, and amortization	512.31	370.32
Return on equity	Net income divided by average equity	13.98	8.44
Return on assets	Net income divided by average assets	1.71	1.10
Net interest margin (NIM)	Net interest income (return on investment less interest expense) divided by average net interest bearing assets	3.46	3.32
Average assets to average equity	Average assets divided by average equity	819.28	770.05
Net interest to average assets (NRFF)	Net interest income divided by average assets	3.28	3.14
Cost to income ratio	Total operating expense divided by total income (revenues)	44.84	50.08
Cost to asset ratio	Total operating expense divided by average asset	2.16	2.24
Capital to assets ratio	Total equity divided by total assets	12.34	13.12

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles	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).
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:	
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.	The Bank's interim financial statements have been prepared consistent with its most recent annual financial statements as of December 31, 2021 which was in accordance with the PFRS adopted by the SEC.
Explanatory comments about the seasonality or cyclicity of interim operations	Nothing to report
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	Nothing to report
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.	Nothing to report

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
• Issuances, repurchases, and repayments of debt and equity securities	• On 18 May 2022, the Board of Directors (“Board”) of BPI approved the issuance of up to Php100 Bn in peso-denominated bank bonds and commercial papers under a new PHP Bond and Commercial Paper Program following full utilization of the Bank’s Bank Bond program previously established in 2019. Actual issuance of bonds and commercial papers under the Program shall be subject to market conditions and shall be determined by requirements of the Bank’s business. The objective of the Program is to diversify the Bank’s funding sources and support, when possible, the Bank’s sustainability strategy.
• Dividends paid (aggregate per share) separately for ordinary shares and other shares	• At the regular meeting of the Board of Directors of BPI held on 18 May 2022, the Board approved a dividend policy based on a dividend payout ratio of 35% to 50% of previous year’s earnings. • At the regular meeting of the Board of Directors held on 18 May 2022, said Board declared cash dividend of one peso and six centavos (Php 1.06) per share for the first semester of 2022.
• 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).	• Attached
• Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period	• Nothing to report
• The effect of changes in the composition of the issuer during the interim period, including business	• Nothing to report

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.	
• Changes in contingent liabilities or contingent assets since the last annual balance sheet date	• 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.
• Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.	• Nothing to report
• 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;	• The Bank manages risk exposures according to three major classifications: credit, market and liquidity, and operational and IT risks. The Bank is exposed to these financial risks primarily through 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 business. The risks associated with these activities are closely monitored through the various key risk indicators (KRIs) and metrics, risk appetite and limits, and management triggers 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 risks 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 and information

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
	technology (IT) risks, as well 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. • The persistent challenges observed in the global and local financial markets have 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 has also implemented 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 COVID-19 impact, the Bank's capital position on both consolidated and solo bases will remain strong and well within the regulatory minimum CAR and CET1 ratios. The levels of risk limits and exposures are regularly reviewed to reflect the Board's overall risk appetite and strategy. • The Bank is able to manage overall credit risks and maintain asset quality for the period, evidenced by generally acceptable NPL ratios

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
	relative to the Bank's total loan portfolio, diversified portfolio across key industries, adequate loan loss provisioning, and general compliance to BSP guidelines and regulatory ceilings on credit risk (including single borrower's limit and related party transactions). The Bank's NPL ratio was at 1.99% as of June 2022. Credit portfolio reviews, internal and regulatory credit stress tests, and risk reporting to Senior Management and the RMCom are regularly conducted to ensure that the Bank practices sound credit risk management. 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 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 lingering COVID-19 pandemic, 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 the effects of the COVID-19 pandemic and industry risks on the Bank's borrowing accounts. • 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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
	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 2022, the Philippine Government Securities (GS)/PHP BVAL rates and US treasury yields have gone up by an average of around 140 bps and 160 bps across the curve year-to-date, driven by historically high levels of inflation, aggressive hikes and hawkish expectations in foreign and domestic policy rates, and the continued heightened geopolitical tensions and confrontations which have a negative impact on the Bank's trading and securities/investment portfolios. Given the uncertainties, 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 2022. • 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 2022 price stress test on both the trading and banking books showed that the Bank's post-shock CAR and CET1 levels are expected to be well above the minimum regulatory requirement given adverse movements in risk factors. • Interest rate risk exposures arising from core banking activities are measured through (a)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
	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 the future cash flows in the banking book due to changes in interest rates. As of the second quarter of 2022, BPI Group's BSVaR and EaR levels are well within the RMCom-approved limits. • 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 so as 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 2022, BPI Group's MCLG is well above the RMCom-approved minimum while actual LCR and NSFR figures exceed the prescribed minimum requirement set by the BSP. • The Bank regularly reviews its risk models and assumptions to assess performance, accuracy

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
	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 in light of increasing regulatory expectations and the Bank's risk data aggregation initiatives towards the completeness, accuracy, timeliness and quality of risk data, dashboards, and reporting. • On the Bank's management of operational and IT risks, for the second quarter of 2022, the Bank has maintained estimated operational and IT losses related to the Bank's operating activities to less than 1% of gross income. Such minimal losses are well within the Senior Management and Board/RCom's conservative and prudent risk appetite, and are generally attributed to inherent risks in executing the Bank's day-to-day business operations. The Bank is conscientiously aware of new and emerging industry-wide risks, and duly considers these in regular risk assessments and in updating the Bank's risk strategies. • With the increased vulnerability to cyber-attacks as a result of the increasing amount of employees working remotely and evolving threat landscape, investments in technology-based defenses remain to be a core cyber security strategy of the Bank. The 24/7 Cyber Security Operations Center enables the Bank to detect and respond to attacks when these happen. The Bank continues to deploy new

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
	technical tools to protect against email- and network-based attacks as well as expanding the coverage and depth of threat intelligence, with specific focus on combating phishing attacks. • The Bank continues to also puts premium on building and maintaining a cyber-aware organization and has invested accordingly in an Information Security Awareness Program to ensure that employees are aware of the importance of protecting information. Awareness campaigns are also conducted for clients to combat fraud, which has risen with the increased adoption of online services by the public, and these have been intensified with sustained engagement in social media, BPI websites, press releases, e-mail bulletins and media outings. • For personnel safety and welfare given the COVID-19 pandemic, the Bank continues to fully comply with health and medical guidelines from the DOH and DOLE. Vaccines and booster shots are continuously provided to its employees and dependents, and lesser density in the corporate offices is maintained complying with the social distancing rules through work from home arrangement and split operations using the BCP sites, newly established alternate work sites, and/or mobility areas. • Considering the Bank's operational-related risk 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.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE
The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.	The assumptions/judgments made in the Bank's interim financial statements are consistent with the most recent annual financial statements as of December 31, 2021.
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	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. FVTPL: 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. FVOCI: 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.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

SEC REQUIREMENT	DISCLOSURE									
	• Amortized Cost: carrying amount and fair value are summarized in the following table. <table><tr><th>In P Million</th><th>Carrying Amount</th><th>Fair Value</th></tr><tr><td>June 30, 2022 (unaudited)</td><td>426,445</td><td>415,095</td></tr><tr><td>Dec 31, 2021 (audited)</td><td>338,672</td><td>339,189</td></tr></table> The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured.	In P Million	Carrying Amount	Fair Value	June 30, 2022 (unaudited)	426,445	415,095	Dec 31, 2021 (audited)	338,672	339,189
In P Million	Carrying Amount	Fair Value								
June 30, 2022 (unaudited)	426,445	415,095								
Dec 31, 2021 (audited)	338,672	339,189								

BANK OF THE PHILIPPINE ISLANDS SEGMENT REPORT For the Quarter Ended June 30, 2022					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	11,196	7,005	2,968	(820)	20,349
Impairment charge	(1,073)	3,573	1	-	2,500
Net interest income after impairment charge	12,269	3,432	2,968	(820)	17,849
Fees and commission income	2,273	450	813	(40)	3,496
Other income	2,079	348	1,349	5,611	9,387
GRT	(277)	(45)	(230)	(399)	(951)
Other Income, net	4,075	754	1,931	5,172	11,933
Compensation and fringe benefits	3,458	656	298	389	4,801
Occupancy and equipment- related expenses	1,341	28	135	2,683	4,187
Other operating expenses	6,330	42	426	(2,522)	4,276
Total operating expenses	11,129	726	859	550	13,263
Operating Profit	5,216	3,460	4,040	3,803	16,518
Provision for Income Tax					4,012
Share in net income of associates					209
Total Assets	515,211	1,274,628	683,795	(9,288)	2,464,347
Total Liabilities	1,433,197	609,113	109,656	6,135	2,158,101

BANK OF THE PHILIPPINE ISLANDS SEGMENT REPORT For the Six Months Ended June 30, 2022					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	21,357	13,696	5,740	(1,453)	39,340
Impairment charge	(752)	5,755	(4)	1	5,000
Net interest income after impairment charge	22,109	7,941	5,744	(1,454)	34,340
Fees and commission income	4,305	818	1,028	(74)	6,077
Other income	3,905	617	2,848	6,175	13,545
GRT	(526)	(87)	(262)	(446)	(1,321)
Other Income, net	7,685	1,348	3,614	5,655	18,302
Compensation and fringe benefits	7,104	1,200	566	650	9,521
Occupancy and equipment- related expenses	2,669	46	187	5,090	7,992
Other operating expenses	10,141	1,421	736	(3,961)	8,336
Total operating expenses	19,914	2,668	1,488	1,778	25,849
Operating Profit	9,879	6,621	7,870	2,422	26,793
Provision for Income Tax					6,230
Share in net income of associates					439
Total Assets	515,211	1,274,628	683,795	(9,288)	2,464,347
Total Liabilities	1,433,197	609,113	109,656	6,135	2,158,101

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

Financial Condition as of June 30, 2022 versus as of December 31, 2021

Total resources stood at P2.46 trillion, up P42.43 billion, or 1.8%, mainly from the increases in **Financial assets at fair value at amortized cost** of P87.77 billion, or 25.9%, and **Loans and advances, net** of P80.49 billion, or 5.5%, ending at P1.56 trillion. These were attributable to the increase in investments in securities at higher yields and notable growth across all loan portfolios. Other material movements are as follows:

- **Due from other banks** at P48.04 billion, up P13.47 billion, or 39.0%, due to the net increase in account balances with various banks;
- **Financial Assets at Fair Value through Profit or Loss** at P32.03 billion, up P10.69 billion, 50.1%, due to increase in holdings of securities intended for trading;
- **Interbank loans receivable and securities purchased under agreements to resell** at P34.49 billion, up P3.64 billion, or 11.8%, due to higher volume of short term loans booked;
- **Assets held for sale, net** at P3.57 billion, up P290.10 million, or 8.8%, due to the increase in foreclosed properties.

The above increases were tempered by downward movements of the following accounts:

- **Due from Banko Sentral ng Pilipinas** at P181.69 billion, down P87.14 billion, or 32.4%, due to the decline in term deposit placements in BSP;
- **Financial Assets at Fair Value through OCI** at P84.72 billion, down P50.02 billion, 37.1%, due to the decline in securities available for sale;
- **Cash and other cash items** at P27.03 billion, decreased P8.11 billion, or 23.1%, on account of lower cash placements as compared to year-end 2021;
- **Other Resources, net** at P12.29 billion, decreased P7.60 billion, or 38.2%, mainly from the decline in miscellaneous assets;
- **Bank premises, furniture, fixtures and equipment, net** at P16.22 billion, down P1.30 billion, or 7.4%, due to the lower booking of right-of-use assets under PFRS 16;
- **Investments in subsidiaries and associates, net** at P6.22 billion, down P947.67 million, or 13.2%, as a result of lower equity income brought by the BPI-BFB merger.

Total liabilities at P2.16 trillion, increased P31.34 billion, or 1.5%, primarily from the P37.79 billion, or 1.9%, increase in **total deposits**, ending at P1.99 trillion, attributable to higher CASA deposits of P72.75 billion. Other major increases as follows:

- **Derivative financial liabilities** at P6.62 billion, increased P2.99 billion, or 82.3%, owing to the increase in certain derivative positions;
- **Accrued taxes, interest and other expenses** at P10.74 billion, rose P2.33 billion, or 27.7%, on higher accruals on income taxes payable;
- **Due to Bangko Sentral ng Pilipinas (BSP) and other banks** at P2.90 billion, higher by P1.95 billion, or 204.6%, due to higher outstanding balance collected for other banks;

- **Manager's checks and demand drafts outstanding** at P7.84 billion, up P905.57 million, or 13.1%, on account of higher volume of manager's checks issued;

Notably, **other borrowed funds** at P80.18 billion, declined P14.86 billion, or 15.6%, mainly due to bond maturities.

Total capital at P306.24 billion, increased P11.09 billion, or 3.8%, due to the P29.09 billion increase in **share premium**, ending at P104.02 billion, and higher **surplus** at P196.73 billion, up 8.6%. These increases are tempered by the additional issuance of common shares and was recognized as **treasury shares** at P33.04 billion, pursuant to the Bank's merger with BPI Family Savings Bank, Inc., effective as of January 1, 2022. **Share capital** stood at P49.19 billion, up 9.0%, tempered by the increase in **accumulated other comprehensive loss** at P13.41 billion, up P4.74 billion, or 54.7%, as a result of the booked treasury shares.

RESULTS OF OPERATIONS

For the Quarters ended June 30, 2022 and 2021

Net income of P12.46 billion for the second quarter of 2022 was up 82.9%, on the back of higher **total revenues** at P32.28 billion, up P8.47 billion, or 35.6%, and lower **impairment losses** at P2.50 billion, down P401.46 million, or 13.8%.

Net interest income at P20.35 billion, was up P3.34 billion, or 19.6%, as net interest margin (NIM) expanded 18 basis points (bps) due to the recovery of asset yields and decline in cost of funds.

Interest income, net of GRT stood at P24.00 billion, up 15.9%, on the back of the following movements in interest income on:

- **FA at FV at amortized cost** at P3.58 billion, up 103.3%, on account of higher average asset volume and yields;
- **Loans and advances** at P19.59 billion, up 9.6%, on higher average asset volume despite lower yields;
- **FA at FV through OCI** at P482.84 million, down 23.3%, on account of lower average asset volume and higher yields;
- **Deposits with BSP and other banks** at P265.55 million, down 27.9%, due to lower yields despite higher average asset volume.

Interest expense at P3.65 billion, down P54.12 million, or 1.5%, due to the following movements in interest expense on:

- **Bills payable and other borrowings** at P869.77 million, down P438.65 million, on account of lower average volume and cost;
- **Deposits** at P2.78 billion, up P384.53 million, due to higher average volume despite lower cost.

Other income, net of GRT at P11.93 billion, up P5.13 billion, or 75.4%, mainly from the increase in **other operating income** at P7.89 billion, up P5.15 billion, or 188.1%, primarily from the one-time gain on asset sale. Other material movements are:

- **Fees and commissions** at P3.27 billion, up P592.62 million, or 22.1%, due to higher underwriting fees and service charges;
- **Income attributable to insurance operations** at P114.94 million, down P489.70 million, or 81.0%, due to lower income contribution of non-life insurance affiliate;
- **Trading gain on securities** at P84.54 million, down P95.09 million, or 52.9%, and **income from foreign exchange** transactions at P570.96 million, down 5.0%, due to decline in flows.

Other expenses at P13.26 billion, up P986.33 million, or 8.0%, due to the increases in cost categories, namely:

- **Other operating expenses** at P4.28 billion, up P613.95 million, or 16.8%, on account of higher management fees, operations and regulatory costs;
- **Occupancy and equipment-related expenses** at P4.19 billion, up P284.87 million, or 7.3%, due to higher IT-related services and software repairs and maintenance.

Impairment losses at P2.50 billion, lower P401.46 million, or 13.8%, coming from the P2.90 billion level in 2021.

Provision for income tax at P4.01 billion, up P2.28 billion, or 131.5%, due to higher **current income tax** of P4.51 billion, up P2.51 billion, mainly due to provision for tax relative to the gain on property sale. Meanwhile, **deferred income tax** movement of P233.80 million was due to lower loss provisioning this quarter compared to the same period last year.

Income attributable to non-controlling interest at P42.60 million, down P41.56 million, attributable to lower income contribution from the Bank's non-life insurance affiliate.

Total comprehensive income at P8.85 billion, down P302.09 million, due to higher **total other comprehensive loss, net of tax effect** at P3.65 billion, up P5.91 billion, partly offset by the higher **net income before minority interest** at P12.51 billion, compared to previous year's P6.90 billion. 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 P2.42 billion loss, increased P4.20 billion, on account of lower market valuation loss of the Bank's investment securities;
- **Share in other comprehensive loss of associates** at P533.16 million, up P777.67 million, on account of the lower valuation of the Bank's life insurance affiliates' investment securities;
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P86.27 million loss, as a result of lower market valuation of the non-life insurance affiliates' investment funds;

- **Currency translation differences** at P45.13 million loss, up P82.23 million, due to the weakening of the Euro Currency.

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

- **Actuarial losses on defined benefit plan, net of tax effect** at P717.26 million, up P726.09 million, on account of lower valuation of the Bank's contribution to the retirement fund;
- **Share in other comprehensive income of associates** at P148.78 million, up P10.43 million, on higher valuation of the life insurance affiliate's investments compared to last year's movement.

Income attributable to non-controlling interest at P17.59 million, down P81.28 million, on higher income contribution of the Bank's non-life insurance affiliate.

For the Six Months ended June 30, 2022 and 2021

Net income at P20.45 billion, up P8.63 billion, or 73.0%, on higher **total revenues** at P57.64 billion, up P9.52 billion, or 19.8%, and lower **impairment losses** at P5.00 billion, down P1.50 billion, or 23.1%.

Net interest income at P39.34 billion, up P5.47 billion, or 16.2%, as NIM expanded 15 bps mainly from the contraction in cost of funds.

Interest income, net of GRT stood at P46.41 billion, up P4.94 billion, or 11.9%, on the back of the overall increases in interest income:

- **FA at FV at amortized cost** at P6.63 billion, up 80.5%, on account of higher average asset volume and yields;
- **Loans and advances** at P38.08 billion, up 7.0%, on higher average asset volume despite lower yields;

Which offset the effect of:

- **FA at FV through OCI** at P977.20 million, down 23.7%, on account of lower average asset volume and yields;
- **Deposits with BSP and other banks** at P597.76 million, down 24.3%, due to lower yields despite higher average asset volume.

Interest expense at P7.07 billion, down P535.30 million, or 7.0%, on the back of lower interest expense **on bills payable and other borrowings** at P1.81 billion, down P831.35 million, or 31.5%, tempered by the increase in interest expense **on deposits** of P296.05 million, up 6.0%.

Other income, net of GRT at P18.30 billion, increased P4.05 billion, or 28.4%, mainly from higher **other operating income** at P10.51 billion, up P5.39 billion, or 105.3%, due to the one-time gain on sale of property. Contributing to the increase was **income from foreign exchange trading** at P1.27 billion, up P355.80 million, or 38.8%, due to increase in transaction flows.

These increases were partially tempered by the following:

- **Trading gain on securities** at P280.65 million, down P1.32 billion, or 82.5%, on unfavorable trading opportunities;
- **Income attributable to insurance operations** at P561.64 million, down P336.21 million, or 37.4%, due to lower income contribution of the Bank's life insurance affiliate.

Other expenses at P25.85 billion, increased P1.75 billion, or 7.3%, driven by **other operating expenses** at P8.34 billion, up P862.65 million, or 11.5%, on account of higher management fees, operations and regulatory costs. **Occupancy and equipment-related expenses** at P7.99 billion, up P485.10 million, or 6.5%, on higher IT-related services and software repairs and maintenance.

Provision for income tax at P6.23 billion, up P634.39 million, or 11.3%, on the back of the increase in **current income tax** of P2.98 billion, brought by higher tax provision from the gain on property sale and the one-time booking of CREATE law adjustments in 2021. **Deferred income tax** at P643.90 million, lower by P2.35 billion, on lower loss provisioning this period.

Income attributable to non-controlling interest at P115.56 million, up 8.8%, largely attributable to higher income contribution from the Bank's life insurance affiliate.

Total comprehensive income at P15.78 billion, increased P5.78 billion, or 57.7%, due to higher **net income before minority interest** at P20.56 billion, up P8.64 billion, up 72.5%, offset by the movement in **total other comprehensive loss, net of tax effect** at P4.78 billion, up P2.86 billion, on the back of the following:

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 P3.82 billion loss, up P2.53 billion, or 195.1%, on account of negative market valuation of the Bank's investment securities;
- **Share in other comprehensive loss of associates** at P963.50 million, up P489.77 million, on lower valuation of the Bank's life insurance affiliate's investments relative to last year;
- **Currency translation differences** at P124.27 million loss, due to the weakening of the Euro Currency;
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P162.21 million loss, as a result of lower market valuation of the Bank's non-life insurance affiliate's investment funds;

For Items that will not be reclassified to profit and loss:

- **Actuarial gain on defined benefit plan, net of tax effect** at P44.51 million, up P467.73 million, due to the change in valuation of the Bank's consolidated subsidiaries' contribution to the retirement fund;
- **Share in other comprehensive income of associates** at P247.54 million, up P170.10 million, on account of the higher valuation of the Bank's life insurance affiliate's investment securities.

Income attributable to non-controlling interest at P74.70 million, down 8.7%, due to lower income contribution from the Bank's bancassurance business.

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:

	June 30, 2022	June 30, 2021
Return on Equity (%)	13.98	8.44
Return on Assets (%)	1.71	1.10
Net Interest Margin (%)	3.46	3.32
Operating Efficiency Ratio (%)	44.84	50.08
Capital Adequacy Ratio (%) – Basel III	16.80	17.91

Return on equity (ROE), the ratio of net income to average equity, was at 13.98%, higher compared to last year's 8.44%, as the growth in net income outpaced the expansion of average equity.

Return on assets (ROA), the ratio of net income to average assets, was higher at 1.71%, compared to last year's 1.10%, 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 3.46%, mainly from the contraction in cost of funds.

Operating efficiency (cost to income) ratio, the ratio of operating expenses to income, lower at 44.84%, as the growth in revenues outpaced the growth of operating expenses.

Capital adequacy ratio (CAR), the ratio of total qualifying capital to total risk-weighted assets, was at 16.80%, lower versus prior year's 17.91%, as the growth in risk-weighted assets outpaced the growth in qualifying capital. The CET 1 ratio at 15.91%, was also lower than the 17.0% from the same period last year. Both of the Bank's capital ratios are above the BSP's minimum requirement.

Material Events and Uncertainties

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

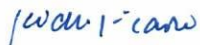
1. Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
2. Any events that will trigger direct or contingent financial obligation that is material to the Bank, including any default or acceleration of an obligation.
3. Other material off-balance 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 10, 2022



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

Date: August 10, 2022

BPI UNIBANK
CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE
JUNE 30, 2022

No. of Days Outstanding		Amount (In Thousands)
	0-90	P 564,160
	91-180	101,311
	181-360	418,948
	Over 360	1,353,057
Total		2,437,476
Less : Allow. For Probable Losses		1,178,293
Net of Allowance		P 1,259,182