



# **Accelerating Growth**

## Management Presentation

# Dec 2017 Performance Highlights

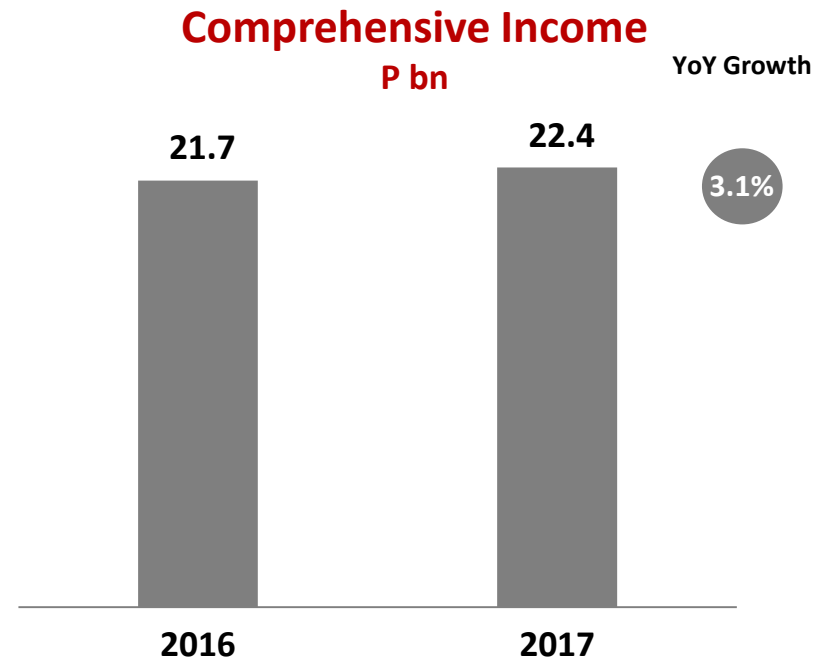
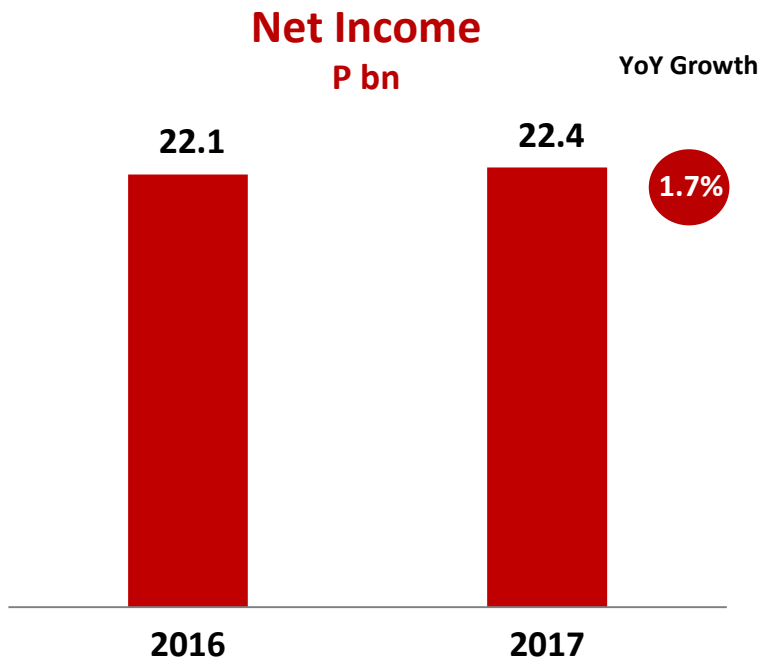
<i>in P Bn</i>	2016	2017	YoY $\Delta$
<b>Balance Sheet</b>			
<b>Assets</b>	1,725.7	1,903.9	10.3%
<b>Net Loans</b>	1,040.7	1,202.3	15.5%
<b>Deposits</b>	1,431.3	1,562.2	9.1%
CASA	1,051.7	1,112.8	5.8%
<b>Capital</b>	165.1	180.7	9.4%
<b>Income Statement</b>			
<b>Net Revenues</b>	66.6	71.0	6.7%
Net Int Income	42.4	48.0	13.4%
Non-Int Income	24.2	23.0	-4.9%
<b>Opex</b>	34.9	38.5	10.3%
<b>Provisions</b>	4.8	3.8	-20.9%
<b>Net Income</b>	22.0	22.4	1.7%
<b>Comp Income</b>	21.7	22.4	3.1%

# Dec 2017 Performance Highlights

	2016	2017	YoY $\Delta$
<b>Balance Sheet</b>			
LDR	73%	77%	4.0%
CASA Ratio	74%	71%	-2.2%
<b>Profitability</b>			
CIR	53%	54%	1.8%
ROE	13.8%	12.8%	-1.0%
ROA	1.4%	1.3%	-0.1%
<b>Asset Quality</b>			
Gross 90-Day NPL	1.46%	1.29%	-0.2%
NPL Cover	118.7%	129.2%	10.5%
<b>Capital</b>			
CAR	13.0%	12.7%	-0.3%
CET1	12.1%	11.8%	-0.3%

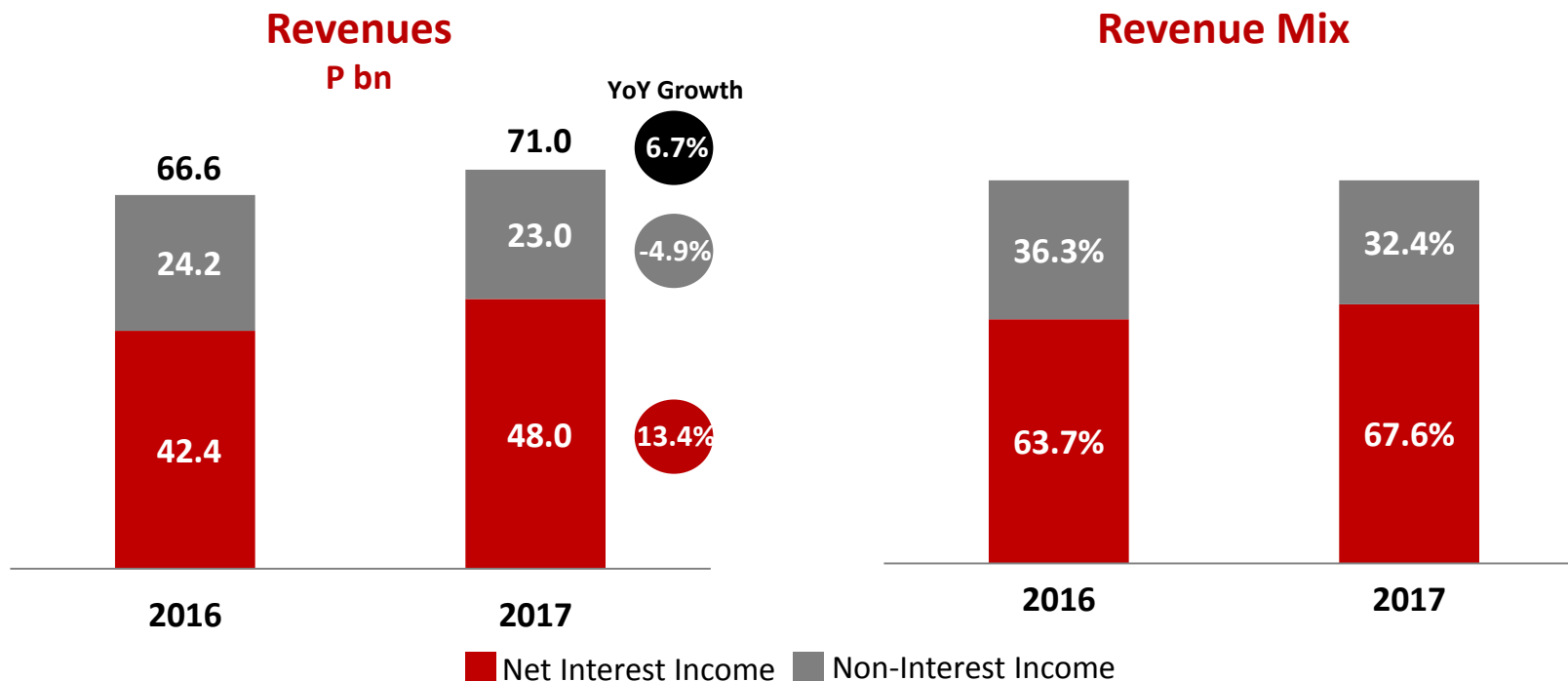
# Strong Earnings Quality

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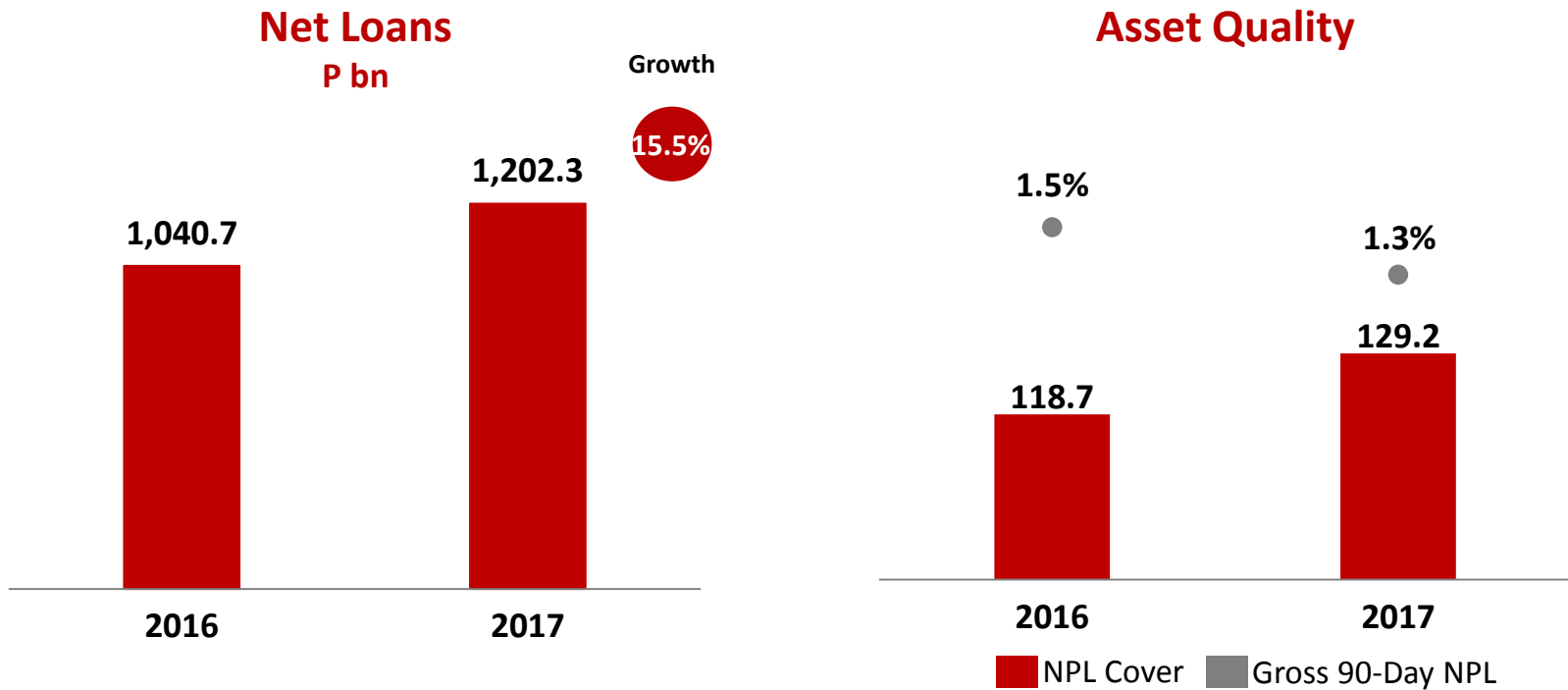
# Revenue Growth Remains Positive

Core intermediation business continued to be strong driver of revenues



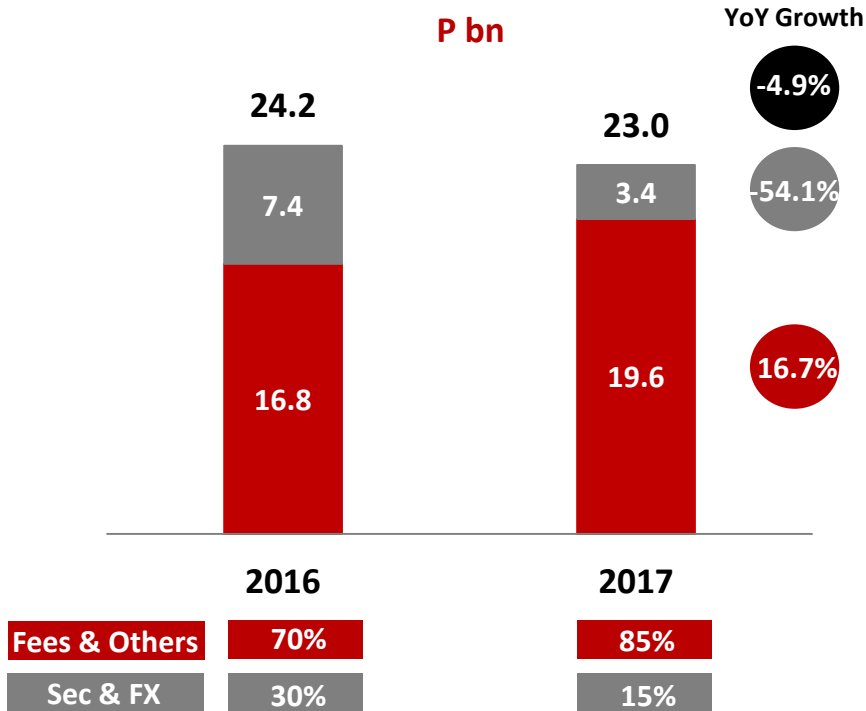
# Loan Book Has Both Growth and Quality

Loan book grew 15.5% YoY driven by corporate loans



# Non-Interest Income

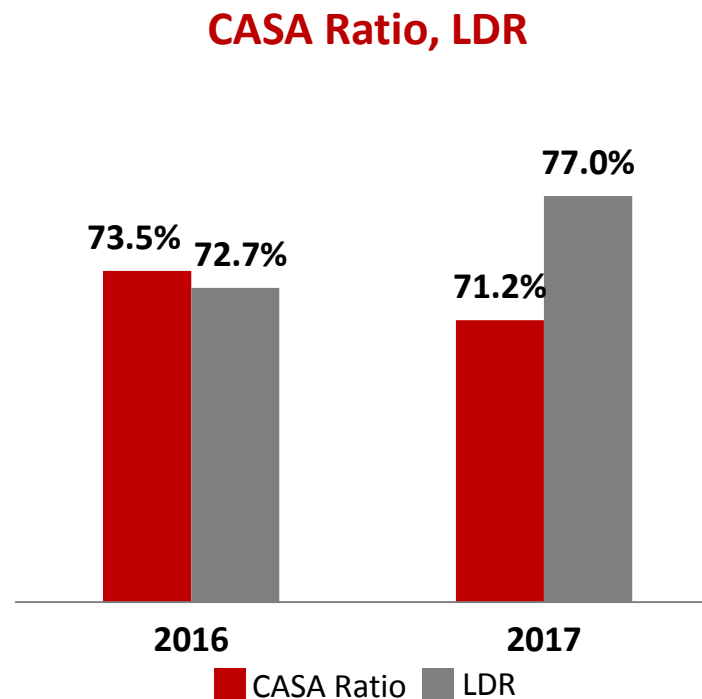
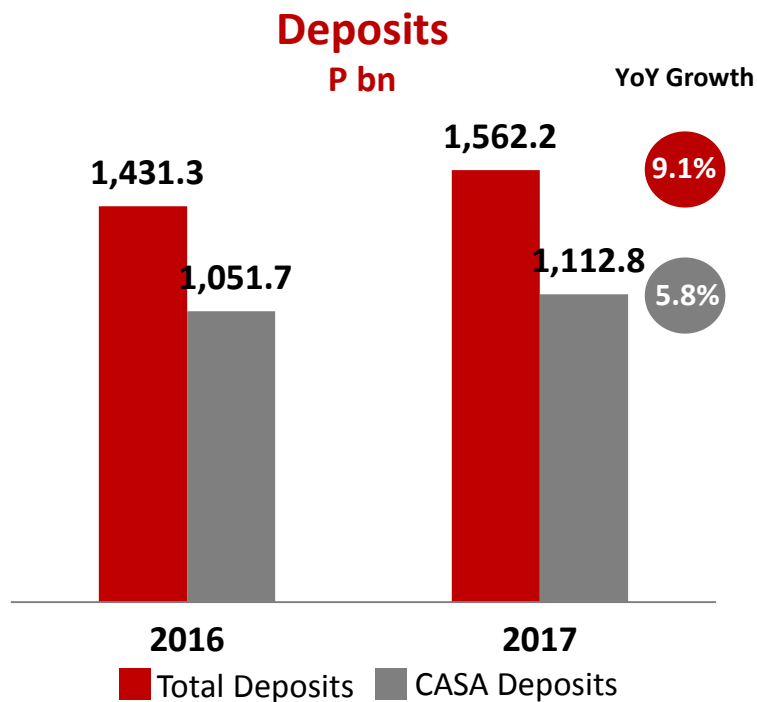
## Breakdown of Non-Interest Income



- ❑ Securities & FX trading decrease P4.0 bn (-54.1%) vs last year, due to one-off gains in 2016
- ❑ Fees & other income up by P2.8 bn (16.7%) vs last year driven by:
  - Credit Card Income
  - Insurance Fees
  - Management Fees
  - Bank Commissions
  - Service Charges

# Deposit Growth Remains Strong

Efficiency continues to improve with LDR ratio





# Growth in AUM

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## Assets Under Management<sup>1</sup>

P bn

YoY Growth

671.9

700.8

4.3%

2016

2017

## Asset Management Fees

P bn

YoY Growth

3.6

3.7

2.8%


2016

2017

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1 BPI's asset management business is managed thru three wholly-owned subsidiaries:  
BPI Asset Management & Trust Corp., BPI Investment Management Inc., BPI International Finance Limited

# Credit Ratings

 <b>BPI</b>	<b>Moody's<sup>1</sup></b>	<b>Fitch Ratings<sup>2</sup></b>	<b>Capital Intelligence<sup>3</sup></b>
<b>Bank Financial Strength Rating</b>	-	-	<b>BBB</b>
<b>LT Local Currency Rating</b>	-	<b>BBB-</b>	-
<b>LT Foreign Currency Rating</b>	<b>Baa2/Prime-2</b>	<b>BBB-</b>	<b>BBB</b>
<b>Outlook</b>	<b>Stable</b>	<b>Stable</b>	<b>Stable</b>

/1 As of March 2018 /2 As of January 2018 /3 As of October 2017

# Outline

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- ❑ Macroeconomic Overview
- ❑ Growth Plans
  - 5-Year Track Record
  - Share Rights Offer
  - Growth Drivers
- ❑ Financial Highlights: December 2017
  - Balance Sheet
  - Income Statement
  - Metrics & Ratings



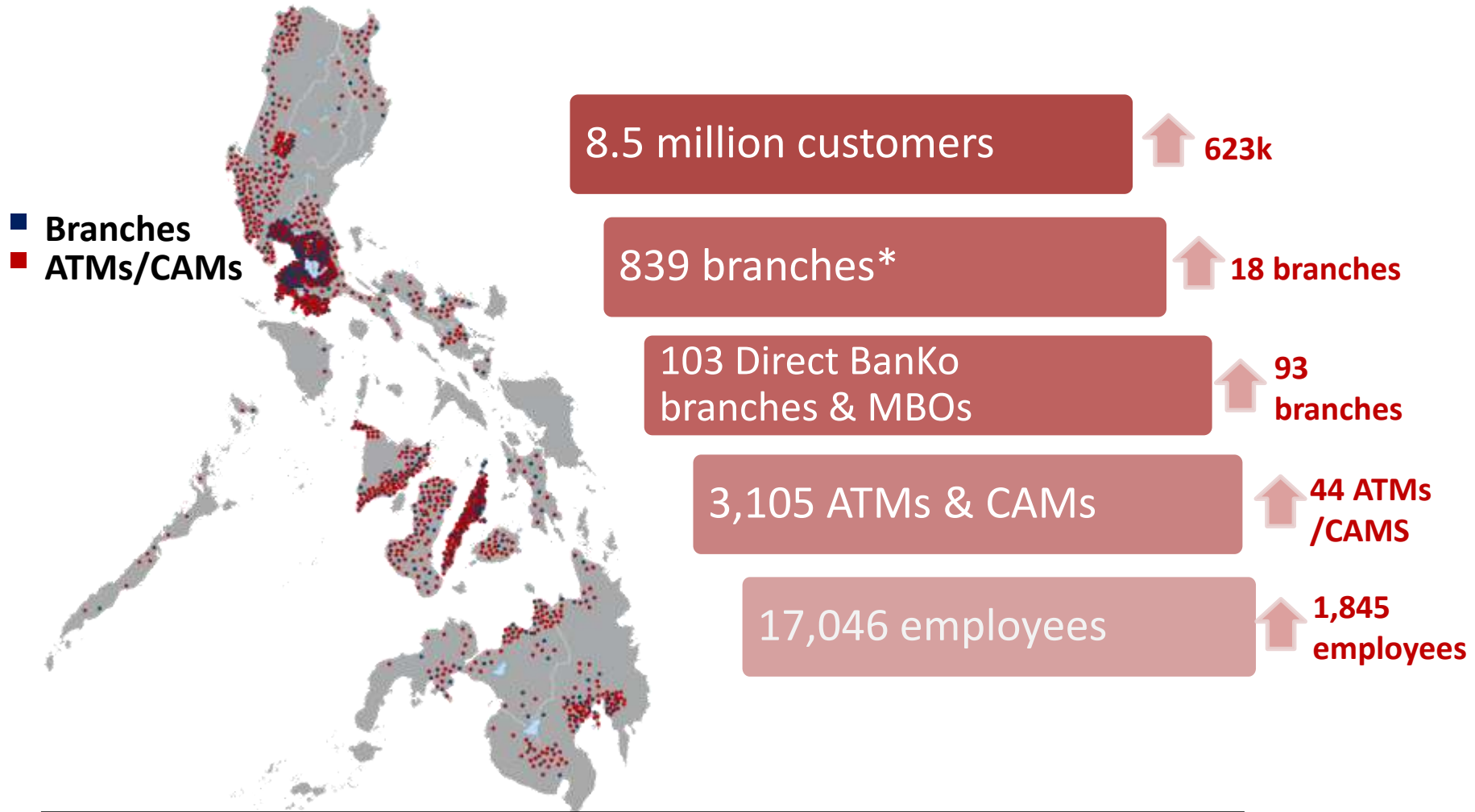
## **Business Profile**

- **Delivery Infrastructure**
- **Management and Ownership Structure**

- ❑ Appendix

# BPI: 167 Years in the Philippines







Expansive reach in both traditional and electronic channels



\* As of December 2017; BPI & BFB only; excludes Direct Banko branches (38) and MBOs (65), International offices (3)

# Electronic Channels

Significant leadership in technology-based banking

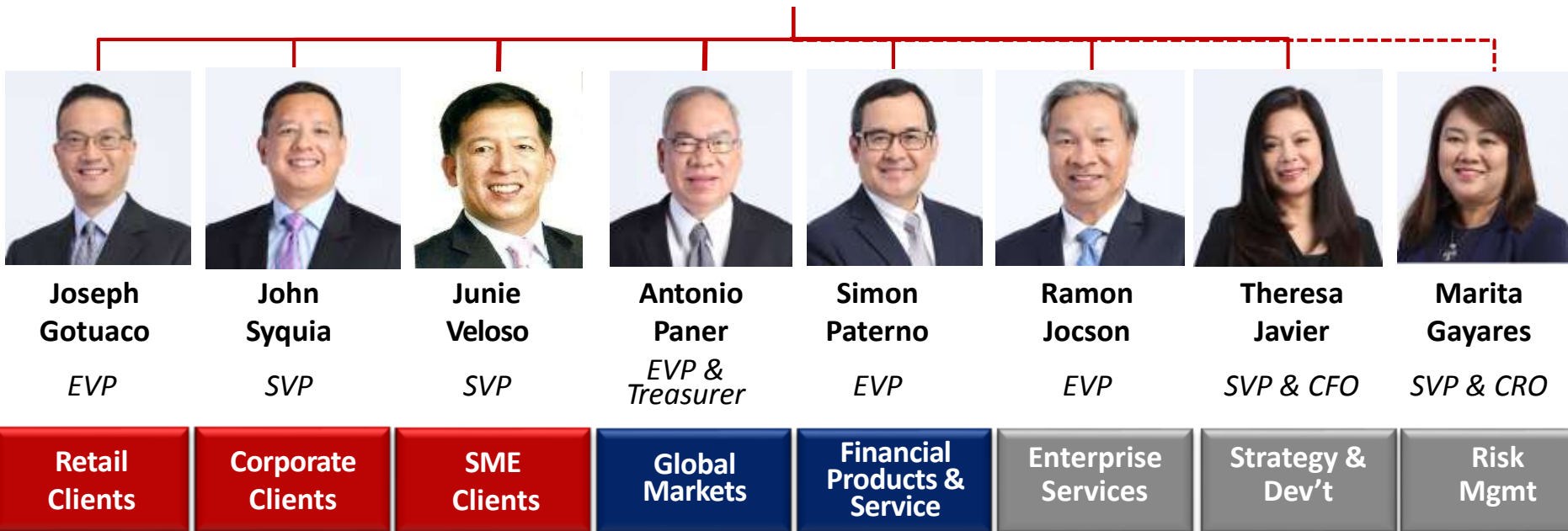
	No. of Clients	2016	2017	
	<b>EOL Enrollees</b>	2,596,985	2,959,225	 +13.9%
	<b>Mobile App Enrollees</b>	2,043,290	2,518,329	 +23.2%
	<b>ExpressLink/BizLink</b>	20,878	24,459	 +17.2%
<b>Corporate Clients</b>		100,718	102,663	
<b>Penetration to Elink/Bizlink</b>		20.7%	23.8%	
<b>Retail Customer</b>		7,845,534	8,365,811	
<b>Penetration to EOL</b>		33.1%	35.4%	
<b>Penetration to mobile app</b>		26.0%	30.1%	

# BPI Management Team

- Streamlined reporting structure enables highly experienced group heads to focus on making BPI the **Bank of Choice** to our clients

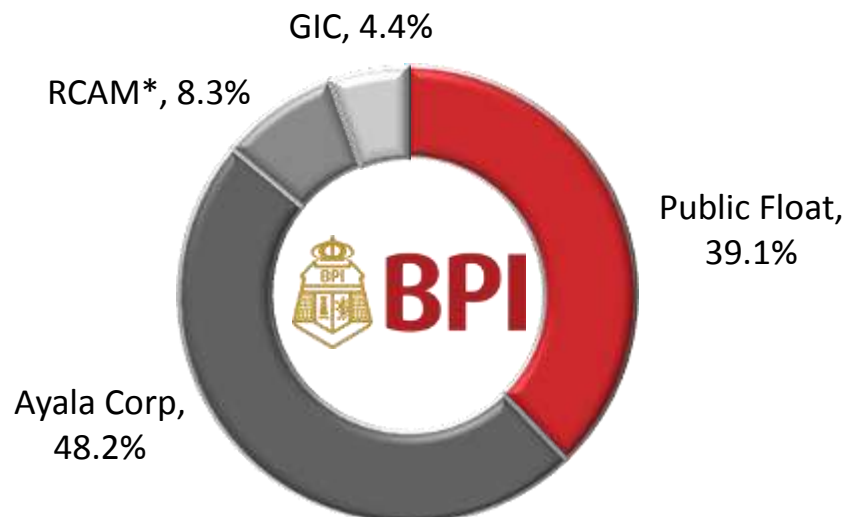


**Cezar Consing**  
*President & CEO*



# Shareholders & Equity Profile

## Shareholders



## As of December 31, 2017

Fundamentals	Description
<b>PCOMP Index</b>	5.60% weight
<b>Stock Price</b>	P108.10 per share
<b>BV per share</b>	P45.87
<b>P-B Ratio</b>	2.36x
<b>P-E Ratio</b>	19.00x
<b>Dividends</b>	P1.80 per share
<b>Issued Shares</b>	3.939 bn
<b>Market Cap</b>	P425.851 bn

\* Roman Catholic Archdiocese of Manila

# Historical Highlights

- ❑ Founded in **1851**, as *Banco Español Filipino de Isabel II*, by Catholic charities
  - Antonio de Ayala inaugural member of board
- ❑ Named **Bank of the Philippine Islands** (*Banco de las Islas Filipinas*) after Treaty of Paris (1898)
- ❑ **Ayala y Compañía** (present day Ayala Corp.) assumes strategic stake in 1969
- ❑ **Morgan Guaranty Trust Company** (“MGT”) purchases stake in People’s Bank, a predecessor company, in 1974
- ❑ **DBS and GIC**, Singapore’s sovereign wealth fund, eventually acquired MGT’s stake in 2003
  - **GIC** now has an effective 4.4% ownership



*Pesos Fuertes, 1883*



*BPI Iloilo, 1897*



*BPI ₱10 note, 1933*



# Select Historical Acquisitions & Partnerships

Year	Firm	Description
1974	People's Bank & Trust	Retail banking
1981	Commercial Bank & Trust	Expands BPI's middle market presence
1982	Ayala Inv & Dev't (AIDC)	Adds investment banking—precursor of BPI Capital
1982	Makati Leasing	JV with U.S. Leasing—precursor of BPI Leasing
1984	Family Bank & Filinvest Credit	Expands consumer banking franchise
1996	CityTrust Banking Corp.	Former Philippine retail operations of Citibank
2000	Far East Bank & Trust	Consolidation
2000	Ayala Life, FGU Insurance	BPI becomes first bancassurance platform in Philippines
2001	DBS Philippines	Consumer and middle markets
2002	BPI/MS	51%-owned non-life insurance JV with Mitsui Sumitomo,
2005	Prudential Bank	Expands BPI's middle market presence
2009	BPI-Philam Life Assurance	49%-owned life insurance JV with Philam Life
2009	BPI Globe BankO	Microfinance JV with Globe Telecom, Ayala Corp
2011	ING Asset Management	Trust & investment management
2014	Century Tokyo Leasing	51%-owned leasing JV with Century Tokyo Leasing
2015	Global Payments	49% JV with Global Payments
2016	BPI Direct BankO	BPI acquires 100% of BPI Globe BankO, merges with BPI Direct

# Recent Distinctions

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*Feb 2017*

**2016 Bond Deal of the Year, AboitizPower's Tiwi Makban Geothermal Energy Project**  
Thompson Reuters: Project Finance International Magazine

*Jun 2017*

**Best Bank in the Philippines, 4<sup>th</sup> time in a row**  
Corporate Treasurer

**Best Private Bank**

Euromoney's Private Banking and Wealth Management Survey

*Sep 2017*

**Ranked #1, 100 most recognizable brands in the Philippines**

**Ranked #17, 1,000 most recognizable brands in Asia**

Campaign Asia (Entrepreneur.com)

**Ranked #4, 10 Best Perceived Brands by Millennials in the Philippines**

YouGov Brand Index

**Asset Management Company of the Year**

The Asset Triple A Asset Servicing, Fund management and Investor Awards

*Oct 2017*

**Microfinance Initiative of the Year, BPI Direct Banko**

The Asian Banker, Philippine Country Awards 2017

**Best Financial Inclusion Program: "Investment Roadmap and ROI: Race on Investments"**

Bank Marketing Association of the Philippines (BMAP)

**Top Three Performers in the Money Market, Peso and Foreign-currency Bond, Peso, Balanced and Peso Equity Fund categories, BIMi**

Philippine Investment Funds Association (PIFA) Annual Awards

# Recent Distinctions

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*Dec 2017*

**Best Corporate Bond, Philippines**  
**Best M&A/Best Acquisition Financing, Indonesia**  
**Best LCY Microfinance Bond, Philippines**  
The Asset

**Best Deal in Southeast Asia 2017 : Star Energy Consortium**  
**Best Leveraged Finance Backed M&A Deal in Southeast Asia 2017 : Star Energy Consortium**  
**Best Bond Deal for Retail Investors in Southeast Asia 2017**  
Alpha Southeast Asia Awards

**Philippines Capital Markets Deal : AYC Finance Limited Deal**  
**Indonesia Capital Markets Deal : Star Energy Consortium**  
IFR Asia Awards