

COVER SHEET

P W - 1 2 1

S.E.C. Registration Number

BANK OF THE PHILIPPINE ISLANDS

(Company's Full Name)

AYALA NORTH EXCHANGE, TOWER 1

AYALA AVE. CORNER SALCEDO ST.

LEGASPI VILLAGES, MAKATI CITY

Atty. Maria Lourdes P. Gatmaytan

Contact Person

(632) 8246-5902

Company Telephone Number

0 9

Month

3 0

Day

Fiscal Year

1 7 - Q

FORM TYPE

0 4

Month

2 8

Day

Annual Meeting

N/A

Secondary License Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

11,912

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
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 SEPTEMBER 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 **SEPTEMBER 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
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Common	4,513,128,255
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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
SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
(in Thousands of Pesos)

	UNAUDITED	AUDITED
	SEPTEMBER 30, 2022	DECEMBER 31, 2021
<u>RESOURCES</u>		
Cash and Other Cash Items	29,399,237	35,143,098
Due from Bangko Sentral ng Pilipinas	187,115,318	268,827,080
Due from Other Banks	50,541,438	34,572,351
Interbank Loans Receivable and Securities		
Purchased under Agreements to Resell	3,347,205	30,851,558
Financial Assets at Fair Value through Profit or Loss	50,456,681	21,334,390
Financial Assets at Fair Value through OCI	81,714,978	134,740,715
Financial Assets at Amortized Cost	446,750,112	338,672,092
Loans and Advances, net	1,600,386,040	1,476,526,967
Assets Held for Sale, net	3,807,265	3,282,263
Bank Premises, Furniture, Fixtures and Equipment, net	15,790,144	17,524,600
Investments in Subsidiaries and Associates, net	6,617,619	7,164,726
Assets Attributable to Insurance Operations	17,193,659	17,562,625
Deferred Income Tax Assets, net	16,208,814	15,818,857
Other Resources, net	18,894,530	19,893,548
TOTAL RESOURCES	2,528,223,040	2,421,914,869
<u>LIABILITIES AND CAPITAL FUNDS</u>		
Deposit Liabilities		
Demand	376,172,702	369,079,125
Savings	1,171,541,259	1,137,123,846
Time	486,219,905	448,944,029
Sub-total	2,033,933,866	1,955,146,999
Derivative Financial Liabilities	9,649,099	3,631,616
Other Borrowed Funds	84,154,740	95,039,051
Due to Bangko Sentral ng Pilipinas and Other Banks	4,374,590	953,437
Manager's Checks and Demand Drafts Outstanding	7,517,451	6,931,060
Accrued Taxes, Interest and Other Expenses	9,173,901	8,413,478
Liabilities Attributable to Insurance Operations	13,225,266	13,241,507
Deferred Credits and Other Liabilities	50,805,578	43,401,908
TOTAL LIABILITIES	2,212,834,491	2,126,759,057
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI		
Share Capital	49,193,075	45,131,283
Share Premium	104,073,739	74,934,116
Reserves	662,501	564,120
Surplus	206,789,242	181,100,635
Accumulated Other Comprehensive Income/ (Loss)	(14,302,571)	(8,670,465)
Treasury Shares	(33,042,684)	-
	313,373,303	293,059,688
NON-CONTROLLING INTERESTS	2,015,246	2,096,124
TOTAL CAPITAL FUNDS	315,388,549	295,155,812
TOTAL LIABILITIES AND CAPITAL FUNDS	2,528,223,040	2,421,914,869

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

	<u>2022</u>	<u>2021</u>
INTEREST INCOME		
On loans and advances	21,993,585	18,236,447
On FA at amortized cost	3,903,606	1,737,414
On FA at FV through OCI	478,792	575,823
On deposits with BSP and other banks	334,232	473,134
On FA at FV through profit or loss	82,032	106,662
	<u>26,792,247</u>	<u>21,129,481</u>
INTEREST EXPENSE		
On Deposits	3,718,262	2,527,548
On Bills Payable and other borrowings	767,702	1,300,273
	<u>4,485,964</u>	<u>3,827,821</u>
NET INTEREST INCOME	<u>22,306,283</u>	<u>17,301,659</u>
IMPAIRMENT LOSSES	<u>2,500,000</u>	<u>3,750,000</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>19,806,283</u>	<u>13,551,659</u>
OTHER INCOME		
Fees and commissions	2,796,907	2,730,765
Income from foreign exchange trading	693,720	647,735
Trading gain (loss) on securities	564,999	155,304
Income attributable to insurance operations	316,419	400,831
Other operating income	3,138,131	2,269,084
	<u>7,510,177</u>	<u>6,203,718</u>
OTHER EXPENSES		
Compensation and fringe benefits	4,833,335	4,668,305
Occupancy and equipment-related expenses	4,617,384	4,015,825
Other operating expenses	4,791,046	3,708,602
	<u>14,241,766</u>	<u>12,392,732</u>
INCOME BEFORE INCOME TAX	<u>13,074,694</u>	<u>7,362,645</u>
PROVISION FOR INCOME TAX		
Current	2,688,667	1,989,977
Deferred	246,646	-347,417
	<u>2,935,313</u>	<u>1,642,560</u>
NET INCOME FOR THE QUARTER	<u>10,139,381</u>	<u>5,720,085</u>
Attributable to:		
Equity holders of BPI	10,099,440	5,657,786
Non-controlling interest	39,941	62,299
	<u>10,139,381</u>	<u>5,720,085</u>

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

	<u>2022</u>	<u>2021</u>
NET INCOME BEFORE MINORITY INTEREST	10,139,381	5,720,085
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	-900,161	-91,678
Fair value reserve on investments of insurance subsidiaries, net of tax effect	-44,257	-52,467
Share in other comprehensive income of associates	-130,629	-176,849
Currency translation differences	-45,384	327,156
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	1,842	495
Share in other comprehensive income gain (loss) of associates	208,141	207,057
Total Other Comprehensive Income (Loss), net of tax effect	-910,448	213,715
Total Comprehensive Income for the Year	9,228,933	5,933,800
Attributable to:		
Equity holders of BPI	9,207,322	5,885,219
Non-Controlling Interest	21,611	48,582
	9,228,933	5,933,800

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

	<u>Unaudited 2022</u>	<u>Unaudited 2021</u>
INTEREST INCOME		
On loans and advances	60,068,666	53,835,780
On FA at amortized cost	10,535,759	5,411,039
On FA at FV through OCI	1,455,989	1,856,352
On deposits with BSP and other banks	931,995	1,262,326
On FA at FV through profit or loss	211,473	237,740
	<u>73,203,882</u>	<u>62,603,238</u>
INTEREST EXPENSE		
On Deposits	8,980,272	7,493,505
On Bills Payable and other borrowings	2,577,622	3,941,546
	<u>11,557,893</u>	<u>11,435,052</u>
NET INTEREST INCOME	<u>61,645,989</u>	<u>51,168,187</u>
IMPAIRMENT LOSSES	<u>7,500,000</u>	<u>10,251,489</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>54,145,989</u>	<u>40,916,698</u>
OTHER INCOME		
Fees and commissions	8,476,945	8,447,765
Income from foreign exchange trading	1,966,731	1,564,951
Trading gain (loss) on securities	845,644	1,756,355
Income attributable to insurance operations	878,063	1,298,686
Other operating income	13,644,374	7,386,476
	<u>25,811,757</u>	<u>20,454,233</u>
OTHER EXPENSES		
Compensation and fringe benefits	14,354,015	13,784,720
Occupancy and equipment-related expenses	12,609,008	11,522,350
Other operating expenses	13,127,460	11,182,367
	<u>40,090,483</u>	<u>36,489,436</u>
INCOME BEFORE INCOME TAX	<u>39,867,263</u>	<u>24,881,494</u>
PROVISION FOR INCOME TAX		
Current	9,562,527	5,880,739
Deferred	(397,253)	1,357,396
	<u>9,165,274</u>	<u>7,238,135</u>
NET INCOME FOR THE PERIOD	<u>30,701,989</u>	<u>17,643,359</u>
Attributable to:		
Equity holders of BPI	<u>30,546,491</u>	<u>17,474,871</u>
Non-controlling interest	<u>155,497</u>	<u>168,489</u>
	<u>30,701,989</u>	<u>17,643,359</u>

Earnings per share:

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

P 6.77

P 3.87

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

	Unaudited 2022	Unaudited 2021
NET INCOME BEFORE MINORITY INTEREST	30,701,989	17,643,359
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	(4,723,079)	(1,387,321)
Fair value reserve on investments of insurance subsidiaries, net of tax effect	(206,464)	(122,035)
Share in other comprehensive income of associates	(1,094,133)	(650,582)
Currency translation differences	(169,651)	593,522
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on defined benefit plan, net of tax effect	46,353	(422,721)
Share in other comprehensive income gain (loss) of associates	455,682	284,500
Total Other Comprehensive Income (Loss), net of tax effect	(5,691,293)	(1,704,637)
Total Comprehensive Income for the Year	25,010,696	15,938,723
Attributable to:		
Equity holders of BPI	24,914,386	15,808,323
Non-Controlling Interest	96,310	130,399
	25,010,696	15,938,723

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

	Consolidated									
	Attributable to equity holders of BPI					Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reserves	Surplus						
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	-	-	-	30,546,491	-	-	30,546,491	155,497	30,701,989	
Other Comprehensive Income for the year	-	-	-	-	(5,632,106)	-	(5,632,106)	(59,188)	(5,691,293)	
Total Comprehensive Income for the year	-	-	-	30,546,491	(5,632,106)	-	24,914,386	96,310	25,010,696	
Transactions with owners										
Issuance of Shares - BPI & BFB Merger	4,061,793	28,980,891	-	-	-	(33,042,684)	-	-	-	
Executive Stock Plan amortization	-	158,733	10,175	-	-	-	168,908	-	168,908	
Cash Dividends	-	-	-	(4,783,916)	-	-	(4,783,916)	(177,188)	(4,961,104)	
Total transactions with owners	4,061,793	29,139,624	10,175	(4,783,916)	-	(33,042,684)	(4,615,008)	(177,188)	(4,792,196)	
Other movements										
Transfer from Reserve to Surplus	-	-	(2,175)	2,175	-	-	-	-	-	
Transfer from Surplus to Reserves	-	-	72,570	(72,570)	-	-	-	-	-	
Merger Reserves	-	-	17,810	-	-	-	17,810	-	17,810	
Others	-	-	-	(3,573)	-	-	(3,573)	(0)	(3,573)	
Total other movements	-	-	88,206	(73,968)	-	-	14,238	(0)	14,238	
Balance, September 30, 2022	49,193,075	104,073,739	662,501	206,789,242	(14,302,571)	(33,042,684)	313,373,303	2,015,246	315,388,549	

	Consolidated									
	Attributable to equity holders of BPI					Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reserves	Surplus						
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	-	-	-	17,474,871	-	-	17,474,871	168,489	17,643,359	
Other Comprehensive Income for the year	-	-	-	-	(1,666,548)	-	(1,666,548)	(38,089)	(1,704,637)	
Total Comprehensive Income for the year	-	-	-	17,474,871	(1,666,548)	-	15,808,323	130,399	15,938,723	
Transactions with owners										
Executive Stock Plan amortization	85,879	105,785	33,755	-	-	-	225,420	-	225,420	
Cash Dividends	-	-	-	(4,061,793)	-	-	(4,061,793)	(184,636)	(4,246,429)	
Total Transactions with owners	85,879	105,785	33,755	(4,061,793)	-	-	(3,836,373)	(184,636)	(4,021,009)	
Other movements										
Transfer from Reserve to Surplus	-	-	84,172	-	-	-	84,172	-	84,172	
Transfer from Surplus to Reserves	-	-	-	(84,172)	-	-	(84,172)	-	(84,172)	
Others	-	-	-	(7)	-	-	(7)	(0)	(7)	
Total other movements	-	-	84,172	(84,180)	-	-	(7)	(0)	(7)	
Balance, September 30, 2021	45,131,283	74,870,021	533,459	178,837,711	(7,565,729)	-	291,806,745	2,067,501	293,874,246	

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

	September 2022	September 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	13,075	7,363
Discontinued Operations	-	-
Adjustments for:		
Impairment losses	2,500	3,750
Depreciation and amortization	1,268	1,477
Share in net income of associates	(321)	(282)
Dividend and other Income	(6)	15
Share based compensation	6	12
Interest income	(26,792)	(21,129)
Interest received	26,033	21,344
Interest expense	4,678	3,902
Interest paid	(4,669)	(4,537)
(Increase) decrease in:		
Interbank loans receivable and securities purchased under agreements to resell	97	(60)
Financial Assets at FVTPL	(18,420)	9,673
Loans and advances, net	(45,399)	(30,269)
Assets held for sale	(228)	(72)
Assets attributable to Insurance operations	734	(978)
Other assets	(6,816)	(8,043)
Increase (decrease) in:		
Deposit liabilities	40,997	112,559
Due to Bangko Sentral ng Pilipinas and other banks	1,438	(21)
Manager's checks demand drafts outstanding	(319)	294
Accrued taxes, interest and other expenses	329	481
Liabilities attributable to insurance operations	(679)	(71)
Derivative financial instruments	3,030	612
Deferred credits and other liabilities	8,642	1,012
Net cash from (used in) operations	(822)	97,030
Income taxes paid	(4,587)	(2,456)
Net cash from (used in) operating activities	(5,409)	94,574
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Investment Securities, net	(17,856)	5,992
Bank premises, furniture, fixtures and equipment	(601)	(989)
Investment properties, net	(1)	1
Investment in subsidiaries and associates, net	(692)	599
Assets attributable to insurance operations	29	(295)
Dividends received	6	(15)
Net cash used in investing activities	(19,116)	5,293
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	-	-
Proceeds from issuance	53	62
(Decrease) Increase in bills payable and other borrowed funds	3,977	(37,637)
Payments for principal portion of lease liabilities	(410)	(374)
Net cash used in financing activities	3,620	(37,949)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20,905)	61,918
CASH AND CASH EQUIVALENTS		
July 1	290,524	319,327
September 30	269,619	381,245

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

	September 2022	September 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax	39,867	24,881
Discontinued Operations	-	-
Adjustments for:		
Impairment losses	7,500	10,251
Depreciation and amortization	3,634	4,522
Share in net income of associates	(760)	(745)
Dividend and other Income	(36)	(4)
Share based compensation	10	34
Interest income	(73,204)	(62,603)
Interest received	71,050	64,752
Interest expense	11,750	11,666
Interest paid	(11,695)	(12,212)
(Increase) decrease in:		
Interbank loans receivable and securities purchased under agreements to resell	3,155	1,396
Financial Assets at FVTPL	(29,105)	(13,799)
Loans and advances, net	(129,692)	9,053
Assets held for sale	(547)	(280)
Assets attributable to Insurance operations	(107)	1,130
Other assets	59	(6,900)
Increase (decrease) in:		
Deposit liabilities	78,787	80,789
Due to Bangko Sentral ng Pilipinas and other banks	3,301	(186)
Manager's checks demand drafts outstanding	586	(31)
Accrued taxes, interest and other expenses	488	2,192
Liabilities attributable to insurance operations	(178)	(1,420)
Derivative financial instruments	6,017	(1,273)
Deferred credits and other liabilities	8,324	(3,038)
Net cash from (used in) operations	(10,795)	108,176
Income taxes paid	(9,338)	(8,423)
Net cash from (used in) operating activities	(20,133)	99,753
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in:		
Investment Securities, net	(58,916)	15,501
Bank premises, furniture, fixtures and equipment	(1,624)	(2,564)
Investment properties, net	90	3
Investment in subsidiaries and associates, net	694	1,522
Assets attributable to insurance operations	212	(257)
Dividends received	36	4
Net cash used in investing activities	(59,508)	14,210
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(4,784)	(4,062)
Proceeds from issuance	159	192
(Decrease) Increase in bills payable and other borrowed funds	(10,884)	(58,207)
Payments for principal portion of lease liabilities	(1,184)	(1,228)
Net cash used in financing activities	(16,693)	(63,305)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(96,334)	50,658
CASH AND CASH EQUIVALENTS		
January 1	365,953	330,588
September 30	269,619	381,245

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

Ratio	Formula	Current Year	Prior Year
		in percentage	
Liquidity ratio	Total current assets divided by total current liabilities	47.51	52.48
Debt-to-equity ratio	Total liabilities (Bills payable and Bonds payable) divided by total equity	26.85	32.12
Asset-to-equity ratio	Total assets divided by total equity	806.78	774.62
Interest rate coverage ratio	Earning before interest expense, income taxes, depreciation, and amortization	476.37	357.13
Return on equity	Net income divided by average equity	13.73	8.25
Return on assets	Net income divided by average assets	1.66	1.07
Net interest margin (NIM)	Net interest income (return on investment less interest expense) divided by average net interest bearing assets	3.53	3.31
Average assets to average equity	Average assets divided by average equity	825.46	771.50
Net interest to average assets (NRFF)	Net interest income divided by average assets	3.36	3.13
Cost to income ratio	Total operating expense divided by total income (revenues)	45.84	50.95
Cost to asset ratio	Total operating expense divided by average asset	2.18	2.23
Capital to assets ratio	Total equity divided by total assets	12.40	12.91

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> Disclosure that the issuer's interim financial report is in compliance with generally accepted accounting principles 	<ul style="list-style-type: none"> 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).
<ul style="list-style-type: none"> 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: 	
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> Explanatory comments about the seasonality or cyclical nature of interim operations 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Nothing to report

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

SEC REQUIREMENT	DISCLOSURE
<ul style="list-style-type: none"> • Issuances, repurchases, and repayments of debt and equity securities 	<ul style="list-style-type: none"> • Nothing to report
<ul style="list-style-type: none"> • Dividends paid (aggregate per share) separately for ordinary shares and other shares 	<ul style="list-style-type: none"> • Nothing to report
<ul style="list-style-type: none"> • 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). 	<ul style="list-style-type: none"> • Attached
<ul style="list-style-type: none"> • Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period 	<ul style="list-style-type: none"> • On 30 September 2022, the Board of Directors ("Board") of BPI approved in its meeting the proposed merger between BPI and Robinsons Bank Corporation (RBC), with BPI as the surviving bank, subject to shareholders' and regulatory approvals. • On the same meeting, the Board approved the amendments to Article Seventh of the Bank's Article of Incorporation to: <ol style="list-style-type: none"> a. Increase its Authorized Capital to P4.0 billion; b. Combine the allocation of authorized common shares for ESOP and ESPP into a 3% allocation for all employee stock incentive plans; and c. Deny pre-emptive rights over the 406,179,276 treasury shares which shall be disposed of by BPI in accordance with RA No. 8791, otherwise known as the General Banking Law of 2000.
<ul style="list-style-type: none"> • The effect of changes in the composition of the issuer during the 	<ul style="list-style-type: none"> • Nothing to report

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

SEC REQUIREMENT	DISCLOSURE
interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.	
<ul style="list-style-type: none"> Changes in contingent liabilities or contingent assets since the last annual balance sheet date 	<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period. 	<ul style="list-style-type: none"> Nothing to report
<ul style="list-style-type: none"> 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; 	<ul style="list-style-type: none"> 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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>liquidity, operational and information technology (IT) risks, as well as emerging risks such as environmental and social risks, within the RCom-approved risk appetite (BPI subsidiary Board-level RComs 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"> • The heightened uncertainties continued to be 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 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 the lingering impact of COVID-19, rising interest and inflation rates, Peso depreciation, and geopolitical events, 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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

SEC REQUIREMENT	DISCLOSURE
	<ul style="list-style-type: none"> The Bank is able to manage overall credit risks and maintain asset quality for the period, evidenced by generally acceptable NPL ratios 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 1.94% as of September 2022. 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 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 and recent economic developments, 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, credit vulnerabilities due to recent economic developments, and industry risks on the Bank's borrowing accounts.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

SEC REQUIREMENT	DISCLOSURE
	<ul style="list-style-type: none"> • 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 third quarter of 2022, the Philippine Government Securities (GS)/PHP BVAL rates and US treasury rates continued to increase with levels up by an average of around 222 bps and 275 bps across the curve year-to-date, driven by persistently 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 an adverse 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 third 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 third quarter 2022 price stress test on both the trading and banking books showed that the

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>Bank's post-shock CAR and CET1 levels are expected to be well above the minimum regulatory requirement given adverse movements in risk factors.</p> <ul style="list-style-type: none"> • 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 the future cash flows in the banking book due to changes in interest rates. As of the third quarter of 2022, BPI Group's BSVaR and EaR levels are well within the RCom-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 third quarter of 2022, BPI

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

SEC REQUIREMENT	DISCLOSURE
	<p>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.</p> <ul style="list-style-type: none"> • 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 RMCom 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 third 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/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 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

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

SEC REQUIREMENT	DISCLOSURE
	<p>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 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.</p> <ul style="list-style-type: none"> • The Bank continues to also put 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.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

SEC REQUIREMENT	DISCLOSURE
	<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> The significant judgments made in classifying a particular financial instrument in the fair value hierarchy. 	<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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 	<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> <ul style="list-style-type: none"> 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
SEPTEMBER 30, 2022

SEC REQUIREMENT	DISCLOSURE
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	<ul style="list-style-type: none"> • Amortized Cost: carrying amount and fair value are summarized in the following table. <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">In P Million</th> <th style="text-align: center;">Carrying Amount</th> <th style="text-align: center;">Fair Value</th> </tr> </thead> <tbody> <tr> <td>September 30, 2022 (unaudited)</td> <td style="text-align: center;">446,750</td> <td style="text-align: center;">432,158</td> </tr> <tr> <td>Dec 31, 2021 (audited)</td> <td style="text-align: center;">338,672</td> <td style="text-align: center;">339,189</td> </tr> </tbody> </table> <p>The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured.</p>	In P Million	Carrying Amount	Fair Value	September 30, 2022 (unaudited)	446,750	432,158	Dec 31, 2021 (audited)	338,672	339,189
In P Million	Carrying Amount	Fair Value								
September 30, 2022 (unaudited)	446,750	432,158								
Dec 31, 2021 (audited)	338,672	339,189								

BANK OF THE PHILIPPINE ISLANDS
SEGMENT REPORT
For the Quarter Ended September 30, 2022

In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	13,390	7,247	2,655	(986)	22,306
Impairment charge	804	1,702	(2)	(5)	2,500
Net interest income after impairment charge	12,586	5,544	2,657	(981)	19,806
Fees and commission income	2,302	487	246	(38)	2,998
Other income	2,409	417	1,761	359	4,947
GRT	(306)	(60)	(55)	(13)	(434)
Other Income, net	4,406	845	1,951	308	7,510
Compensation and fringe benefits	3,788	591	269	185	4,833
Occupancy and equipment- related expenses	1,392	30	105	3,091	4,617
Other operating expenses	6,610	745	383	(2,946)	4,792
Total operating expenses	11,790	1,366	756	329	14,242
Operating Profit	5,202	5,023	3,852	(1,002)	13,075
Provision for Income Tax					2,935
Share in net income of associates					321
Total Assets	540,637	1,298,216	707,980	(18,610)	2,528,223
Total Liabilities	1,471,850	623,433	120,750	(3,199)	2,212,834

BANK OF THE PHILIPPINE ISLANDS SEGMENT REPORT For the Nine Months Ended September 30, 2022					
In P Mn	CONSUMER BANKING	CORPORATE BANKING	INVESTMENT BANKING / FINANCIAL MARKETS	CORP / ELIM	TOTAL
Net interest income	34,746	20,942	8,396	(2,438)	61,646
Impairment charge	52	7,457	(5)	(3)	7,500
Net interest income after impairment charge	34,695	13,485	8,401	(2,435)	54,146
Fees and commission income	6,608	1,305	1,274	(112)	9,075
Other income	6,314	1,034	4,609	6,534	18,492
GRT	(831)	(147)	(318)	(459)	(1,755)
Other Income, net	12,091	2,193	5,565	5,963	25,812
Compensation and fringe benefits	10,892	1,792	835	835	14,354
Occupancy and equipment- related expenses	4,061	76	291	8,181	12,609
Other operating expenses	16,751	2,167	1,118	(6,908)	13,127
Total operating expenses	31,704	4,034	2,244	2,108	40,090
Operating Profit	15,081	11,644	11,722	1,420	39,867
Provision for Income Tax					9,165
Share in net income of associates					760
Total Assets	540,637	1,298,216	707,980	(18,610)	2,528,223
Total Liabilities	1,471,850	623,433	120,750	(3,199)	2,212,834

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

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

Total resources stood at P2.53 trillion, up P106.31 billion, or 4.4%, mainly from the increase in **loans and advances, net** of P123.86 billion, or 8.4%, ending at P1.60 trillion. These increases were backed up by the growth in earning assets and notable growth across all loan portfolios. Other material movements are as follows:

- **Financial assets at fair value at amortized cost** at P446.75 billion, up P108.08 billion, or 31.9%, due to various purchases of hold to collect debt securities;
- **Financial assets at fair value through profit or loss** at P50.46 billion, up P29.12 billion, 136.5%, due to increase in holdings of securities intended for trading;
- **Due from other banks** at P50.54 billion, up P15.97 billion, or 46.2%, due to the net increase in account balances with various banks;
- **Assets held for sale, net** at P3.81 billion, up P525.00 million, or 16.0%, due to the increase in foreclosed properties.

The above increases were tempered by the following accounts:

- **Due from Bangko Sentral ng Pilipinas** at P187.12 billion, down P81.71 billion, or 30.4%, due to the decline in various deposit placements in BSP;
- **Financial Assets at Fair Value through OCI** at P81.71 billion, down P53.03 billion, 39.4%, due to the decline in securities available for sale;
- **Interbank loans receivable and securities purchased under agreements to resell** at P3.35 billion, down P27.50 billion, or 89.2%, due to lower volume of interbank loans booked;
- **Cash and other cash items** at P29.40 billion, decreased P5.74 billion, or 16.3%, on account of lower cash placements as compared to year-end 2021;
- **Bank premises, furniture, fixtures and equipment, net** at P15.79 billion, down P1.73 billion, or 9.9%, due to the lower booking of right-of-use assets under PFRS 16;
- **Other Resources, net** at P18.89 billion, decreased P999.02 million, or 5.0%, on account of the decline in miscellaneous assets;
- **Investments in subsidiaries and associates, net** at P6.62 billion, down P547.11 million, or 7.6%, as a result of lower equity income brought by the BPI-BFB merger.

Total liabilities at P2.21 trillion, increased P86.08 billion, or 4.0%, mainly from the P78.79 billion, or 4.0%, increase in **total deposits**, ending at P2.03 trillion, on account of higher Time and CASA deposits. Other major increases as follows:

- **Deferred Credits and Other Liabilities** at P50.81 billion, increased P7.40 billion, or 17.1%, on higher other liabilities;
- **Derivative financial liabilities** at P9.65 billion, increased P6.02 billion, or 165.7%, owing to the increase in certain derivative positions;
- **Due to Bangko Sentral ng Pilipinas (BSP) and other banks** at P4.37 billion, higher by P3.42 billion, or 358.8%, due to higher outstanding balance collected for other banks;
- **Accrued taxes, interest and other expenses** at P9.17 billion, rose P760.42 million, or 9.0%, on higher accruals on other expense payable;

- **Manager's checks and demand drafts outstanding** at P7.52 billion, up P586.39 million, or 8.5%, on account of higher volume of manager's checks issued;

Notably, **other borrowed funds** at P84.15 billion, down P10.88 billion, or 11.5%, mainly due to bond maturities.

Total capital at P313.37 billion, increased P20.31 billion, or 6.9%, due to the P29.14 billion increase in **share premium**, ending at P104.07 billion, and higher **surplus** at P206.79 billion, up 14.2%. 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 P14.30 billion, up P5.63 billion, or 65.0%, as a result of the booked treasury shares.

RESULTS OF OPERATIONS

For the Quarters ended September 30, 2022 and 2021

Net income of P10.10 billion for the third quarter of 2022 was up 78.5%, due to higher **revenue** at P29.82 billion, up 26.8%, on the back of double-digit growth from **net interest income and non-interest income**.

Net interest income at P22.31 billion, was up P5.00 billion, or 28.9%, as net interest margin (NIM) expanded 38 basis points (bps), driven by the recovery of asset yields.

Interest income, net of GRT stood at P26.79 billion, up 26.8%, on the back of the following increases in interest income on:

- **Loans and advances** at P21.99 billion, up 20.6%, on higher average asset volume and yields;
- **FA at FV at amortized cost** at P3.90 billion, up 124.7%, on higher average asset volume and yields;

Tempered by the following movements:

- **Deposits with BSP and other banks** at P334.23 million, down 29.4%, due to lower yields despite higher average asset volume;
- **FA at FV through OCI** at P478.79 million, down 16.9%, on account of lower average asset volume and higher yields;
- **FA at FV through profit or loss** at P82.03 million, down 23.1%, on account of lower average asset volume and higher yields.

Interest expense at P4.49 billion, up P658.14 million, or 17.2%, mainly due to the increase in interest expense on **deposits** at P3.72 billion, up P1.19 billion, due to higher average volume and cost, tempered by the decrease in interest expense on **bills payable and other borrowings** at P767.70 million, down P532.57 million, on account of lower average volume and cost.

Other income, net of GRT at P7.51 billion, up P1.31 billion, or 21.1%, mainly from the increase in **other operating income** at P3.14 billion, up P869.05 million, or 38.3%, primarily from the one-time gain on asset sale from previous quarter. Other material movements are:

- **Trading gain on securities** at P565.00 million, up P409.70 million, and **income from foreign exchange** transactions at P693.72 million, up P45.99 million, due to increase in transaction flows.
- **Income attributable to insurance operations** at P316.42 million, down P84.41 million, or 21.1%, due to lower income contribution of non-life insurance affiliate.

Other expenses at P14.24 billion, up P1.85 billion, or 14.9%, due to the increases in:

- **Other operating expenses** at P4.79 billion, up P1.08 billion, or 29.2%, on account of higher operations and marketing costs;
- **Occupancy and equipment-related expenses** at P4.62 billion, up P601.56 million, or 15.0%, due to increase in technology spend.

Impairment losses at P2.50 billion, lower P1.25 billion, or 33.3%, coming from the P3.75 billion level in 2021.

Provision for income tax at P2.94 billion, up P1.29 billion, or 78.7%, due to higher **current income tax** at P2.69 billion, up P698.69 million, on higher taxable revenue. **Deferred income tax** impact of P594.06 million brought about by lower loss provisioning this quarter.

Income attributable to non-controlling interest at P39.94 million, down P22.36 million, attributable to lower income contribution from the Bank's non-life insurance affiliate.

Total comprehensive income at P9.23 billion, up P3.30 billion, due to higher **net income before minority interest** at P10.14 billion, up P4.42 billion, or 77.3%, partly offset by **total other comprehensive loss, net of tax effect** at P910.45 million, up P1.12 billion, compared to previous year's P213.72 million. 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 P900.16 million loss, increased P808.48 million, on account of lower market valuation loss of the Bank's investment securities;
- **Currency translation differences** at P45.38 million loss, up P372.54 million, due to the weakening of the Euro Currency;
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P44.26 million loss, decreased P8.21 million, or 15.6%, as a result of higher market valuation of the Bank's life insurance affiliates' investment funds;
- **Share in other comprehensive loss of associates** at P130.63 million, lower P46.22 million, on account of the higher valuation of the Bank's life insurance affiliates' investment securities compared to last year.

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

- **Actuarial gains on defined benefit plan, net of tax effect** at P1.84 million, up P1.35 million, on account of higher valuation of the affiliates' contribution to the retirement fund;

Income attributable to non-controlling interest at P21.61 million, down P26.97 million, on lower income contribution of the Bank's non-life insurance affiliate.

For the Nine Months ended September 30, 2022 and 2021

Net income at P30.55 billion, up P13.07 billion, or 74.8%, on higher **total revenues** at P87.46 billion, up P15.84 billion, or 22.1%, and lower **impairment losses** at P7.50 billion, down P2.75 billion, or 26.8%, due to improvement in asset quality and macroeconomic condition.

Net interest income at P61.65 billion, up P10.48 billion, or 20.5%, due to the continued loan growth and higher average NIM which expanded 23 bps mainly from the recovery of asset yields.

Interest income, net of GRT stood at P73.20 billion, up P10.60 billion, or 16.9%, on the back of the following movements in interest income:

- **Loans and advances** at P60.07 billion, up P6.23 billion, or 11.6%, on higher average asset volume and yields;
- **FA at FV at amortized cost** at P10.54 billion, up P5.12 billion, or 94.7%, on higher average asset volume and yields;

Tempered by the following:

- **FA at FV through OCI** at P1.46 billion, down 21.6%, on account of lower average asset volume and higher yields;
- **Deposits with BSP and other banks** at P932.00 million, down 26.2%, due to lower yields despite higher average asset volume;
- **FA at FV through profit or loss** at P211.47 million, down 11.0%, on account of lower average asset volume and higher yields.

Interest expense at P11.56 billion, up P122.84 million, or 1.1%, on the back of higher interest expense **on deposits** at P8.98 billion, up P1.49 billion, or 19.8%, tempered by the decrease in interest expense **on bills payable and other borrowings** at P2.58 billion, down P1.36 billion, or 34.6%.

Other income, net of GRT at P25.81 billion, increased P5.36 billion, or 26.2%, mainly from higher **other operating income** at P13.64 billion, up P6.26 billion, or 84.7%, due to the one-time gain on sale of property from last quarter. Other material movements as follows:

- **Income from foreign exchange trading** at P1.97 billion, up P401.78 million, or 25.7%, and due to increase in transaction flows.
- **Trading gain on securities** at P845.64 million, down P910.71 million, or 51.9%, on lower realized gains from various securities;

- **Income attributable to insurance operations** at P878.06 million, down P420.62 million, or 32.4%, due to lower income contribution of the Bank's life insurance affiliate.

Other expenses at P40.09 billion, up P3.60 billion, or 9.9%, driven by **other operating expenses** at P13.13 billion, up P1.95 billion, or 17.4%, on account of higher operations and regulatory costs.

Occupancy and equipment-related expenses at P12.61 billion, up P1.09 billion, or 9.4%, on higher IT-related services and software maintenance.

Provision for income tax at P9.17 billion, up P1.93 billion, or 26.6%, on the back of the increase in **current income tax** of P3.68 billion, on higher taxable revenue, inclusive of the realized gain on the property sale. **Deferred income tax** impact of P1.75 billion, on lower loss provisioning this period.

Income attributable to non-controlling interest at P115.50 million, down 7.7%, due to the lower income contribution from the Bank's non-life insurance affiliate.

Total comprehensive income at P25.01 billion, increased P9.07 billion, or 56.9%, due to higher **net income before minority interest** at P30.70 billion, up P13.06 billion, or 74.0%, partly offset by the movement in **total other comprehensive loss, net of tax effect** at P5.69 billion, up P3.99 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 P4.72 billion loss, up P3.33 billion, on lower market valuation of the Bank's investment securities;
- **Currency translation differences** at P169.65 million loss, due to the weakening of the Euro Currency;
- **Share in other comprehensive loss of associates** at P1.09 billion, up P443.55 million, on lower valuation of the Bank's life insurance affiliate's investments;
- **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P206.46 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 P46.35 million, up P469.07 million, on higher actuarial gains compared to last year's actuarial loss;
- **Share in other comprehensive income of associates** at P455.68 million, up P171.18 million, on account of the higher valuation of the Bank's life insurance affiliate's investment securities.

Income attributable to non-controlling interest at P96.31 million, down 26.1%, 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:

	September 30, 2022	September 30, 2021
Return on Equity (%)	13.73	8.25
Return on Assets (%)	1.66	1.07
Net Interest Margin (%)	3.53	3.31
Operating Efficiency Ratio (%)	45.84	50.95
Capital Adequacy Ratio (%) – Basel III	16.78	17.64

Return on equity (ROE), the ratio of net income to average equity, was at 13.73%, higher compared to last year's 8.25%, 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 1.66%, compared to last year's 1.07%, 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 3.53%, driven by the recovery of asset yields.

Operating efficiency (cost to income) ratio, the ratio of operating expenses to income, lower at 45.84%, 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 16.78%, lower versus prior year's 17.64%, as the growth in risk-weighted assets outpaced the growth in qualifying capital. The CET 1 ratio at 15.89%, was also lower than the 16.76% 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: November 8, 2022



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

Date: November 8, 2022

**BPI UNIBANK
 CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE
 SEPTEMBER 30, 2022**

No. of Days Outstanding		Amount (In Thousands)	
	0-90	P	2,298,865
	91-180		149,946
	181-360		299,082
	Over 360		1,027,661
Total			3,775,554
Less : Allow. For Probable Losses			1,162,127
Net of Allowance		P	2,613,427