

PRESS RELEASE I May 3, 2016**BPI posts net income of P5.0B in 1Q2016**
Total Loans up 18.1% to P861.22 billion; Total Deposits up 12.1% to P1.30 trillion

MAKATI CITY, Philippines—Bank of the Philippine Islands (BPI) first quarter 2016 net income was P4.98 billion, 1.3% higher than the P4.92 billion earned in the same period last year on strong results from core lending business, non-interest income, and securities trading. Comprehensive income was P5.65 billion, +12.6%.

Revenues. Total revenues at P15.27 billion, was up +4.9%, as net interest income posted a 6.0% increase to P10.0 billion. Non-interest income grew 2.8% to P5.27 billion with securities and FX trading combining for a P1.2 billion gain or +22.1%.

Operating expenses. Operating expenses ended at P7.85 billion, or +7.3%, mainly driven by increases in regulatory and marketing-related costs.

Profitability. The Bank's cost-to-income ratio was 1.1% higher than last year's 51.4%. ROA was 1.3%, down 0.2% from the prior year; ROE was 13.1%, down 0.8%.

Total loans and deposits. Total loans stood at P861.22 billion, +18.1% on a 78%-22% corporate-retail mix. Gross 90-day NPLs slightly decreased to 1.69%, from 1.70%. Reserves cover was 114.2%. Total deposits stood at P1.30 trillion, +12.1% year-on-year. CASA ratio at the end of the first quarter was 72.6 %.

Total assets. Total assets ended at P1.54 trillion, +8.6% or P122.70 billion above that of the same period last year.

Investment securities. Investment securities was at P301.84 billion, a 15.6% increase year-on-year. The Bank's investment portfolio continues to be heavily-weighted in held-to-maturity (HTM) securities, at P253.79 billion.

Total capital. Capital was P155.99 billion, up 7.1%. CAR ended at 13.9%; CET1, 13.0%.

**BPI Becomes First Philippine Financial Institution
to Launch In-House Index Series**

Bank of the Philippine Islands recently launched the BPI Index series, which will allow investors to easily benchmark returns from pre-selected sectors of the Philippine financial markets.

The initial suite of indices is composed of eight (8) distinct asset types:

*BPI Philippine Government Bond Index
BPI Philippine Government Bond 1-3 Year Index
BPI Philippine Government Bond 1-5 Year Index
BPI Philippine Government Bond 5+ Year Index
BPI Philippine Government Liquid Bond Index
BPI Philippine Government Money Market Index
BPI Philippine Corporate Bond Index
BPI Philippine Equity Total Return Index*

With these, investors are able to select return profiles commensurate to risk, without having to deal with the inconvenience and cost of managing a portfolio of securities. The indices will be available for free to investors.

BPI is the index sponsor while wholly owned subsidiary, BPI Investment Management Inc., is calculation agent.

"We are pleased to be the first Philippine financial institution to sponsor a broad range of fixed income and equity index products. These innovations not only demonstrate the Bank's commitment to advancing our country's capital markets but also delivers unique solutions to help our clients expand their wealth in a prudent manner."

—Cezar P. Consing, President & CEO

ABOUT BPI

The 164-year-old Bank of the Philippine Islands is the first bank in the Philippines and Southeast Asia. We are a commercial bank with an expanded banking license. We provide diverse financial services that include deposit taking and cash management, asset management, securities brokerage, foreign exchange and capital markets investments, bancassurance, corporate lending, leasing, and investment banking. BPI has significant financial strength, with strong Tier 1 capital adequacy ratio and profitability, underpinned by a strong risk management regime. BPI is rated investment-grade by international credit ratings agencies.

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