

2024 BPI Wealth Annual Report

BPI Wealth: A Snapshot of 2024 Performance and Strategic Direction

BPI Wealth – A Trust Corporation ("BPI Wealth") stands as the **largest standalone trust corporation in the Philippines**, tracing its origins back to the early 1960s as a trust department of the Bank of the Philippine Islands (BPI). Spun off as an independent entity in 2017, it remains a wholly owned subsidiary of BPI and is **regulated by the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC)**.

The company's vision is to foster a society where individuals are **financially secure and make informed decisions**, achieved by making investing simple, accessible, and attainable for every investor. BPI Wealth prides itself on offering some of the country's most innovative investment products and is a **leader in digitalizing financial literacy and investor education**, championing financial inclusion across the nation.

2024 Performance Highlights

The year 2024 was a **breakthrough year** for BPI Wealth, marked by significant growth and execution under its rallying call, "Elevate to Great".

- **Assets Under Management (AUM):** Reached **Php1.53 trillion**, a substantial **25% increase** from 2023.
- **Market Share:** Secured a **20.76% market share** in the trust industry, maintaining its position as the largest among standalone trust corporations in the Philippines.
- **Revenue:** Delivered **Php5.34 billion**, a **29% year-on-year increase**.
- **Net Income:** Posted **Php1.22 billion**, demonstrating strong profitability with a **10% increase** from the prior year.
- **Client Base:** Served over **1.13 million clients**, expanding its client base by **69%** and becoming the fastest-growing wealth management firm.
- **Customer Experience:** Leapt from **#5 to #1 in product NPS ranking** for Wealth Management, reflecting superior customer experience.
- **Awards & Recognition:** Garnered an impressive array of **prestigious local and international accolades** for outstanding initiatives in private banking, digital client experience, investment performance, product innovation, ESG integration, and institutional trust servicing.

Investment Philosophy and Product Offerings

BPI Wealth's investment philosophy focuses on **delivering consistent returns and diligent risk oversight** through a disciplined and research-driven process. They prioritize investments with strong growth potential, solid business models, strong governance, sustainable practices, and adaptability to evolving market dynamics, emphasizing **portfolio diversification** to manage risk.

The company offers a **comprehensive and diversified suite of investment products**, including:

- **Unit Investment Trust Funds (UITFs):** 37 funds, including four (4) Personal Equity and Retirement Account (PERA) Funds. BPI Wealth holds a **47% market share in the UITF bond fund space**.
- **Mutual Funds:** 20 funds.
- **Pioneering Feeder & Fund-of-Funds:** BPI Wealth is a trailblazer, being the **first to provide access to global investment opportunities** through structures like the BPI Global Equity Fund-of-Funds and BPI Global Bond Fund-of-Funds, democratizing access to foreign markets.
- **Sustainable Funds:** The BPI Sustainable Fund Suite, focusing on global collective investment schemes with strong Environmental, Social, and Governance (ESG) practices, expanded by **60% in 2024**. These funds help finance high-impact green and social projects.
- **Tailored Solutions:** Products are offered for both **individual and institutional clients**, covering various asset classes, regions, sectors, and structures.

Strategic Initiatives and Major Activities in 2024

BPI Wealth undertook several key initiatives in 2024 to drive growth, enhance customer experience, and champion financial inclusion:

- **Digital Transformation:**
 - **Enhanced digital onboarding** and integrated portfolio viewing into the BPI app.

- Launched **PMA in e-Invest**, allowing online account opening for Portfolio Management Accounts to access Government Securities with a minimum of Php500,000.
- Upgraded the **BEA Chatbot** on the BPI website to provide easy-to-understand information on products.
- Implemented **DocuSign** for paperless account onboarding and transaction processing, expediting the customer experience.
- **Financial Literacy and Empowerment:**
 - Launched **Wealth Wellness Month** in October 2024, a multi-program campaign under the theme L.I.F.E. (Leading Initiatives for the Financial Empowerment of Filipinos). This included:
 - **FinQuest:** A social innovation competition for youth focused on financial inclusion.
 - **Building Better Futures:** A retirement playbook for organizations.
 - **BPI Wealth Summit:** A premier annual wealth management event.
 - **Beyond Wealth:** A webinar on estate planning.
 - Introduced **RealITalk**, a story-driven financial education initiative, and the **F.A.S.T. (Financial Awareness and Strategy Talks) Series** for employees, hosting 86 sessions for over 8,000 employees.
 - Launched **#MoneySeries**, a pioneering digital-first financial education initiative available on platforms like YouTube and Spotify, featuring experts and entrepreneurs.
 - Enhanced the **NextGen Wealth Elite Academy** to prepare future family leaders for preserving legacies.
- **New Product Launch:** The most transformative launch was **BPI Wealth Builder**, a pioneering investment fund designed for accessibility and convenience, rewarding consistent investing with milestone-based lifestyle, health, medical, and life protection benefits (e.g., medical consultations, insurance, cancer coverage, annual physical exams). It allows investments starting from Php1,000.
- **Strategic Integrations:** Successfully integrated the **Robinsons Bank trust business** into BPI Wealth following their merger on January 1, 2024, broadening product offerings and solidifying market position.

- **Collaborations:** The "Faster Higher, Stronger Together" collaboration between Private Wealth and Institutional Banking resulted in a **231% growth in new customers** and a **25% growth in AUM**.
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Risk Management Framework

BPI Wealth's robust risk management framework is **anchored on the cardinal principle of fidelity**, ensuring that fiduciary activities are performed with the highest standard of care and client assets are prudently managed. The framework continuously evolves with business growth and regulatory changes.

- **Governance Structure:** A **top-down process** with the Board of Directors providing ultimate oversight, supported by the Risk Management Committee (RMC) and adhering to the "**three lines of defense**" model.
 - **Key Risk Areas:** Identified major risks include **investment (market, credit, liquidity), operational, information technology, reputational, and strategic risks**.
 - **Risk Tolerance:** The company maintains **low tolerance for risks** outside client mandates, **zero tolerance for fraudulent activity**, improper practices, and conflict of interest, and **low tolerance for process failures and regulatory breaches**.
 - **Anti-Money Laundering (AML) Compliance:** A **top priority**, with a dedicated AML Compliance Unit managing a comprehensive Money Laundering and Terrorist Financing Prevention Program (MTPP), which includes customer due diligence, suspicious transaction monitoring, and employee training.
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Corporate Governance

BPI Wealth is deeply committed to upholding **robust corporate governance**, believing it is fundamental to its resilience and sustained presence. The company adheres to high standards of honesty, integrity, professionalism, and transparency.

- **Board of Directors:** Comprises nine (9) Directors, including **eight Non-Executive Directors (89%) and four Independent Directors (44%)**, exceeding regulatory requirements for independence. The **Chairman and President/CEO positions are held by separate individuals** to ensure an appropriate balance of power. Directors undergo continuous education and performance evaluations.

- **Key Committees:** The Board operates through crucial committees: the **Executive Committee, Audit Committee, Risk Management Committee, and Corporate Governance Committee**, each with distinct responsibilities to ensure effective oversight.
 - **Ethical Conduct:** Upholds a **Code of Business Conduct and Ethics** for all employees, consultants, and partners, covering environmental stewardship, customer service, human rights, and anti-bribery/corruption. Strict policies are in place regarding **conflict of interest, insider trading, whistleblowing, and related party transactions**, with a **zero-tolerance policy on bribery and corruption**.
 - **Data Privacy:** A **Data Privacy Office**, led by a Board-appointed Data Protection Officer (DPO), oversees compliance with the Data Privacy Act, ensuring transparency and protection of personal data.
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Leadership

As of 2024, the leadership of BPI Wealth includes:

- **Chairman: Jose Teodoro K. Limcaoco.**
- **President and Chief Executive Officer: Maria Theresa D. Marcial.**

BPI Wealth is dedicated to building a stronger, more secure future for all, focusing on inclusive investing, accessible advice, and exceptional client experiences in 2025.