

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
<b>PSEi</b> OPEN: 6,523.07 HIGH: 6,552.32 LOW: 6,478.28 CLOSE: 6,496.50 VOL.: 0.559 B VAL(P): 7.310 B 70.30 PTS, 1.07% 30 DAYS TO DECEMBER 16, 2022	<b>DECEMBER 16, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>27,527.12</td><td>-524.58 -1.87</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,450.67</td><td>82.08 0.42</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>14,528.55</td><td>-205.58 -1.40</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,619.01</td><td>-1.27 -0.08</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,360.02</td><td>-0.95 -0.04</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,240.81</td><td>-32.94 -1.01</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,148.70</td><td>-56.10 -0.78</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,478.54</td><td>11.41 0.78</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	27,527.12	-524.58 -1.87	HONG KONG (HANG SENG)	19,450.67	82.08 0.42	TAIWAN (WEIGHTED)	14,528.55	-205.58 -1.40	THAILAND (SET INDEX)	1,619.01	-1.27 -0.08	S.KOREA (KSE COMPOSITE)	2,360.02	-0.95 -0.04	SINGAPORE (STRAITS TIMES)	3,240.81	-32.94 -1.01	SYDNEY (ALL ORDINARIES)	7,148.70	-56.10 -0.78	MALAYSIA (KLSE COMPOSITE)	1,478.54	11.41 0.78	<b>DECEMBER 16, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>32,920.460 ▼ -281.760</td></tr> <tr><td>NASDAQ</td><td>10,705.414 ▼ -105.112</td></tr> <tr><td>S&amp;P 500</td><td>3,852.360 ▼ -43.390</td></tr> <tr><td>FTSE 100</td><td>7,332.120 ▼ -94.050</td></tr> <tr><td>Euro Stoxx50</td><td>3,657.440 ▼ -36.160</td></tr> </table>	CLOSE	NET	Dow Jones	32,920.460 ▼ -281.760	NASDAQ	10,705.414 ▼ -105.112	S&P 500	3,852.360 ▼ -43.390	FTSE 100	7,332.120 ▼ -94.050	Euro Stoxx50	3,657.440 ▼ -36.160	<b>FX</b> OPEN P55.850 HIGH P55.560 LOW P55.880 CLOSE P55.560 W.AVE. P55.709 VOL. \$902.27 M SOURCE : BAP 12.50 PTS 30 DAYS TO DECEMBER 16, 2022	<b>DECEMBER 16, 2022</b> <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>136.690 ▼ 136.630</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.784 ▼ 7.776</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.771 ▼ 30.704</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.820 ▼ 34.930</td></tr> <tr><td>S. KOREA (WON)</td><td>1,309.470 ▼ 1,315.460</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.359 ▼ 1.355</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,595 ▼ 15,615</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.422 ▼ 4.415</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	136.690 ▼ 136.630	HONG KONG (HK DOLLAR)	7.784 ▼ 7.776	TAIWAN (NT DOLLAR)	30.771 ▼ 30.704	THAILAND (BAHT)	34.820 ▼ 34.930	S. KOREA (WON)	1,309.470 ▼ 1,315.460	SINGAPORE (DOLLAR)	1.359 ▼ 1.355	INDONESIA (RUPIAH)	15,595 ▼ 15,615	MALAYSIA (RINGGIT)	4.422 ▼ 4.415	<b>DECEMBER 16, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2140 ▼ 1.2319</td></tr> <tr><td>US\$/EURO</td><td>1.0582 ▼ 1.0607</td></tr> <tr><td>\$/AUSTRALIAN DOLLAR</td><td>0.6684 ▼ 0.6772</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3700 ▼ 1.3576</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9335 ▼ 0.9280</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2140 ▼ 1.2319	US\$/EURO	1.0582 ▼ 1.0607	\$/AUSTRALIAN DOLLAR	0.6684 ▼ 0.6772	CANADA DOLLAR/US\$	1.3700 ▼ 1.3576	SWISS FRANC/US\$	0.9335 ▼ 0.9280	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$76.70/BBL</b> 98.00 90.00 84.00 78.00 73.00 67.00 \$1.25 30 DAYS TO DECEMBER 16, 2022
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S1/1-10 • 4 SECTIONS, 26 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 16, 2022 (PSEi snapshot on S1/4; article on S2/2)

ALI	P29.250	BDO	P107.200	SM	P33.300	ACEN	P7.400	ICT	P205.000	TEL	P1,478.000	SM	P929.000	JFC	P231.000	GLO	P2,070.000	BPI	P99.950
Value	P982,137,635	Value	P772,454,799	Value	P432,402,450	Value	P410,490,678	Value	P385,708,296	Value	P350,158,935	Value	P314,679,350	Value	P271,962,036	Value	P234,431,130	Value	P232,140,179
P0.250	▲ 0.862%	-P3.300	▼ -2.986%	-P1.400	▼ -4.035%	-P0.100	▼ -1.333%	P1.000	▲ 0.490%	-P63.000	▼ -4.088%	-P1.000	▼ -0.108%	-P2.000	▼ -0.858%	-P126.000	▼ -5.738%	-P0.050	▼ -0.050%

## Marcos extends tariff cuts for 1 year

By Kyle Aristophere T. Atienza  
Reporter

PRESIDENT Ferdinand R. Marcos, Jr. has given the go signal to extend the reduction in tariffs on pork, corn, rice and coal for at least one year, amid supply shortages and high inflation, Malacañang said.

The Palace said in a statement that Mr. Marcos approved the recommendation of the National Economic and Development Authority (NEDA) Board to extend

Executive Order (EO) No. 171, which reduced Most Favored Nation (MFN) tariff rates on swine meat, corn, rice, and coal, until Dec. 31, 2023.

A copy of the new EO was not released by Malacañang.

EO 171, which was signed by then-President Rodrigo R. Duterte in May, had extended the lower tariffs on pork and rice, as well as cut duties on corn and coal but only until end-2022.

The Palace said the order was aimed at mitigating inflationary pressures arising from the

Ukraine-Russia war, addressing supply issues and reducing prices of key commodities.

Tariff rates on pork for in-quota and out-quota shipments will be kept at a reduced rate of 15% (from 30%) and 25% (from 40%). Rice tariffs will be retained at a lower rate of 35% for in-quota and 50% for out-quota.

Corn tariff rates will also be reduced to 5% for in-quota imports (from 35%) and 15% (from 50%) for out-quota.

“Based on the (NEDA) Board’s recommendation, the reduced

tariffs on meat of swine, corn, and rice shall revert to their original rates after Dec. 31, 2023,” the Palace said.

Malacañang said the zero duty on coal will be applied beyond Dec. 31, 2023.

NEDA Secretary Arsenio M. Balisacan said on Saturday the extension will “provide relief to poor and vulnerable segments of the Filipino population whose welfare is reduced because of high inflation.”

Rising food prices drove inflation to a 14-year high of 8% in

November, bringing the 11-month average to 5.6%.

The Bangko Sentral ng Pilipinas (BSP) expects inflation to average 5.8% this year, well beyond the 2-4% target band. It sees inflation averaging 4.5% next year, and easing to 2.8% in 2024.

“Through this (tariff modification) policy, we shall augment our domestic food supplies, diversify our sources of food staples, and temper inflationary pressures arising from supply constraints and rising international prices of

production inputs due to external conflict,” Mr. Balisacan was quoted as saying in the Palace statement.

With the extension of tariff cuts, the country will “lose duty revenues but will gain lower prices for millions of consumers,” Renato S. Reside, Jr., who teaches at the University of the Philippines School of Economics, said via Facebook Messenger chat.

Mr. Reside said this will make markets more competitive.

Tariff; S1/8

## BIG BANKS' ASSET GROWTH SLOWS IN Q3 2022

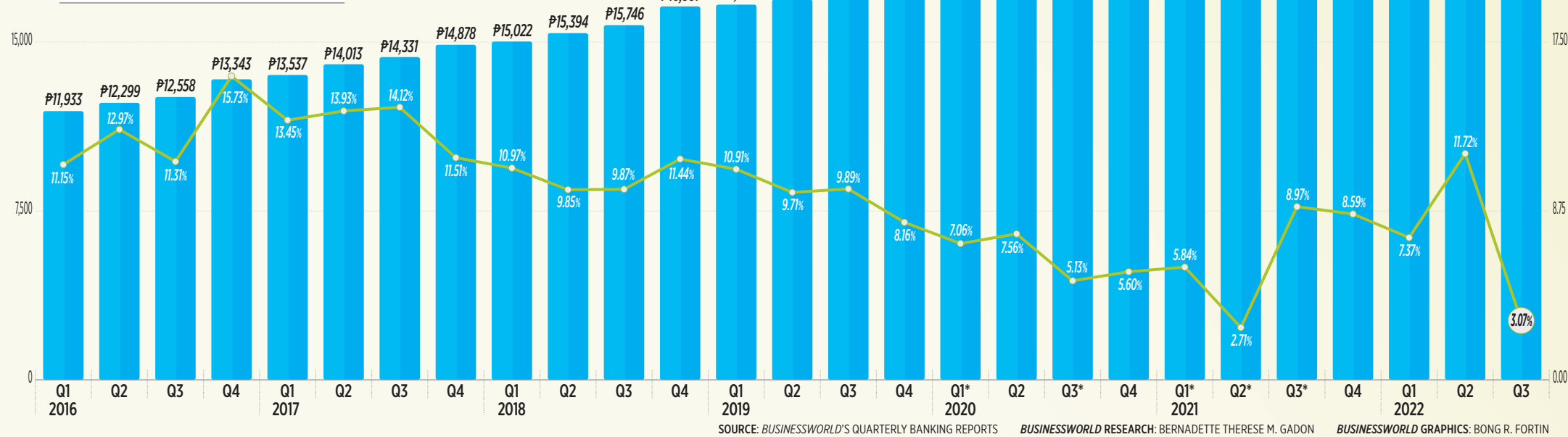
The total assets of the country’s universal and commercial banks (U/KBs) grew by 3.07% year on year in the third quarter. This was much slower than the 11.72% rise in the preceding quarter and the 8.97% growth seen in the same quarter last year. This was the slowest pace in five quarters or since the 2.71% growth in the second quarter of 2021. Likewise, total loans expanded by 9.74% annually in the July-September period, slower than the 12.61% in the second quarter but still faster than the 3.24% in third quarter 2021.

### NOTES:

\*Five of the big banks were excluded in the first quarter of 2020 due to unavailability of data at the time of collection. One during the third quarter of 2020 and first quarter of 2021, four in the second quarter of 2021, and two in the third quarter of 2021.

\*\*The current method distinguishes bad loans without deductions (gross nonperforming loans) and bad loans minus specific allowance for credit losses (net nonperforming loans). Previously, banks presented bad loan numbers that already excluded loans that were fully provisioned as of the last examination by the Bangko Sentral ng Pilipinas.

	Nonperforming Loans Ratio (Q1 2017-Q3 2022)**	U/KBs' Total Loans Growth (% Year on Year)
Q1 2017	1.64%	19.45%
Q2	1.74%	18.38%
Q3	1.61%	20.31%
Q4	1.42%	18.52%
Q1 2018	1.57%	17.80%
Q2	1.50%	18.18%
Q3	1.40%	16.63%
Q4	1.45%	15.13%
Q1 2019	1.53%	12.38%
Q2	1.58%	10.25%
Q3	1.66%	9.10%
Q4	1.88%	9.30%
Q1 2020*	1.93%	9.73%
Q2	2.02%	5.37%
Q3*	3.57%	-0.74%
Q4	3.68%	-3.96%
Q1 2021*	4.12%	-5.98%
Q2*	4.67%	-5.60%
Q3*	4.49%	3.24%
Q4	3.95%	5.93%
Q1 2022	4.03%	6.21%
Q2	3.75%	12.61%
Q3	2.91%	9.74%



SOURCE: BUSINESSWORLD'S QUARTERLY BANKING REPORTS BUSINESSWORLD RESEARCH: BERNADETTE THERESE M. GADON BUSINESSWORLD GRAPHICS: BONG R. FORTIN

## Nearly 800 IT-BPM projects endorsed to BoI

THE BOARD of Investments (BoI) said 786 information technology and business process management (IT-BPM) projects have been endorsed by the Philippine Economic Zone Authority (PEZA), as part of a registration transfer scheme that would allow companies to fully implement work-from-home (WFH) arrangements and keep their fiscal incentives.

Evariste M. Cagatan, BoI executive director, said certificates of registration have been given to 627 out of the 786 IT-BPM projects.

“As of Dec. 15, the number of projects endorsed by the PEZA (to the BoI) is at 786 projects... The total project cost is P98 billion,” she said at a media briefing last week.

The registration transfer of PEZA-registered IT-BPM firms to the BoI was approved in Sep-

tember when the interagency Fiscal Incentives Review Board (FIRB) issued Resolution No. 026-22.

The FIRB is in charge of granting tax incentives to registered business enterprises (RBEs), including IT-BPM companies.

Under the resolution, registered IT-BPMs are allowed to conduct a 100% WFH arrangement and still enjoy fiscal incentives offered under Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law by transferring their registration from the PEZA to the BoI.

Ceferino S. Rodolfo, BoI managing head and Trade undersecretary, said there is no word if there would be an extension of the Dec. 31 deadline for the registration transfer to the BoI from the PEZA.

BoI; S1/8

## Big banks post slower asset, loan growth in Q3

THE COUNTRY'S biggest banks reported slower annual growth in assets and loans in the third quarter of 2022.

The latest edition of *BusinessWorld's* quarterly banking report showed the combined assets of 45 universal and commercial banks (U/KBs) grew 3.07% to P21.48 trillion in the July-September period, from P19.82 trillion in the same three months of 2021.

This was the slowest pace of asset growth in five quarters or since the 2.71% year-on-year expansion in the second quarter of 2021.

Meanwhile, aggregate loans in the third quarter expanded by 9.74% to P10.69 trillion, slowing from the 12.61% growth in the second quarter of 2022 but still faster than 3.24% in the same period in 2021. It was also the fifth consecutive quarter of loan expansion.

The median return on equity (RoE), which is an indicator of profitability, improved to 6.42% in the third quarter from 5.56% in the preceding quarter. This is also higher than the 3.36% in the end-September quarter last year.

RoE is the ratio of net profit to average capital. It measures how much shareholders make for every peso they had invested in a company.

Bad loans, also known as nonperforming loans (NPLs), slipped 1.77% to P350.44 billion in the third quarter, from P356.75 billion in the previous quarter. Compared with the same quarter in 2021, bad loans fell 12.41%.

This brought the NPL ratio — the portion of bad loans to the total loan portfolio — to 2.91% in the third quarter, lower than the 3.75% in the previous quarter and 4.49% in the third quarter in 2021.

Loans are considered to be nonperforming if they are left unpaid for more than 90 days beyond the due date. The U/KBs' nonperforming asset (NPA) ratio, or the NPLs and foreclosed properties in proportion to total assets, stood at 1.10%, slightly lower than the 1.17% in the previous quarter, and 1.43% in the third quarter of 2021.

Relative to total assets, foreclosed real and other properties stood at 0.28%, roughly the same from the preceding

quarter. However, this was slightly higher compared with the 0.26% posted last year.

Total loan loss reserves reached P381.25 billion during the period, up 4.13% from P366.14 billion in the second quarter. It was also 7.9% higher than the P353.53 billion seen in the same period year ago.

Big banks' median capital adequacy ratio — or the ability to absorb losses from risk-weighted assets — stood at 19.60%. This was lower than the 20.91% in the second quarter and the 20.80% in the July-to-September period a year ago.

This still remained above the regulatory minimum of 10% set by the Bangko Sentral ng Pilipinas as well as the international minimum standard of 8% set under the Basel III framework.

BDO Unibank, Inc. remained the biggest bank in terms of assets with P3.82 trillion, followed by Metropolitan Bank & Trust Co. (Metrobank) with P2.79 trillion and Land Bank of the Philippines (LANDBANK) with P2.78 trillion.

BDO had the most deposits with P3.04 trillion, followed by LANDBANK with P2.43 trillion, and Metrobank with P2.05 trillion.

In the third quarter, BDO issued P2.44 trillion in loans, followed by the Bank of the Philippine Islands (BPI) and Metrobank with P1.59 trillion and P1.30 trillion, respectively.

Among U/KBs with assets of at least P100 billion, UnionBank of the Philippines (UnionBank) posted the fastest year-on-year growth (37.26%), followed by Standard Chartered Bank (32.17%), and China Banking Corp. (25.68%).

The Hongkong and Shanghai Banking Corp. Ltd. (HSBC) saw the fastest growth in loans during the third quarter with 41.32%, followed by UnionBank and Bank of Commerce (BankCom) with 36.42% and 25.09%, respectively.

*BusinessWorld* Research has been tracking the financial performance of the country's big banks on a quarterly basis since the late 1980s using banks' published statements.

The full version of *BusinessWorld's* quarterly banking report will soon be available for download at <https://www.bworldonline.com/bw-subscriptions/>. — Bernadette Therese M. Gadon



THE ECONOMY  
Agri industry lobbies for 'mandatory' Maharlika allocation S1/2

CORPORATE NEWS  
Investors await PLDT move on budget overrun S1/4

THE NATION  
PHL given 3 months to comply with EU standards on seafarers S1/8



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