

SES targets to connect rural Philippines via O3b mPOWER satellite

GLOBAL satellite connectivity solutions company SES S.A. announced on Monday that its O3b mPOWER Satellite Constellation System, which will be launched this week, will help provide connectivity to remote areas in the Philippines.

"The launch is scheduled for mid-December and is the first of the five O3b mPOWER launches," SES said in an e-mailed statement. "The global terabit-level scalable constellation will begin providing services in Q3 (third quarter of) 2023."

"O3b mPOWER will help further bridge the digital divide in previously unconnected areas in the [Philippines] by delivering high-quality connectivity in remote areas or where geography makes communications infrastructure expensive to build," the company noted.

The Philippines currently has 76.01 million internet users, accounting for only 68% of the population.

The O3b mPOWER, which will also support 4G and 5G mobile deployments in remote areas, is expected to launch in the Philippines and other markets in the region next year.

The SES O3b mPOWER is a second-generation medium-Earth orbit system that offers low-latency connectivity ranging from 50 megabits per second to multiple gigabits

per second to different organizations worldwide.

"The SES O3b mPOWER Satellite Constellation envisions pushing for digital inclusion and connecting the unconnected, especially those in remote areas all across the globe," the company said.

At the same time, the project is seen to benefit various sectors, including telecommunications, maritime, aviation, energy, and governments. It is also expected to provide instant bulletproof recovery solutions in case of natural disasters by ensuring uninterrupted connectivity.

"The O3b mPOWER communications system comprises an initial constellation of 11 high-throughput and low-latency satellites as well as extensive ground infrastructure," the company noted.

In the Philippines, there is high connectivity in urban areas, but the opposite applies to rural areas, according to SES.

"More than ever, the Philippines is recognizing the need for connectivity services to drive digital inclusion and bridge the digital divide across the country. Under the Department of Information and Communications Technology, several initiatives have been put in place to connect unserved and underserved areas of the country including geographically isolated and disadvantaged areas," it added. — **Arjay L. Balinbin**

Meralco tells SPPC: Pay added cost of market-priced power

MANILA ELECTRIC Co. (Meralco) has asked a unit of SMC Global Power Holdings Corp. to pay the added cost it has been incurring for sourcing power from the spot market when the latter stopped supplying to the electricity distributor.

In a statement on Monday, Meralco said it had told South Premiere Power Corp. (SPPC) in a letter dated Dec. 12 to pay the difference between their contract price and the price at the Wholesale Electricity Spot Market (WESM), to which the utility is exposed amid a temporary restraining order (TRO) on their power supply contract.

"Meralco has been exhausting all efforts to protect its customers from potentially higher generation costs, while ensuring continuity of stable, reliable, and least cost power under the current circumstances," the listed company said.

Meralco's claim versus SPPC covers the additional costs it has been incurring during the 60-day TRO imposed on the parties' power supply agreement (PSA) that was issued by the Court of Appeals in favor of SPPC.

The company said that since the cessation of supply starting on Dec. 7, it has been sourcing the 670-megawatt contract capacity from the spot market. SMC Global Power is the power arm of the listed conglomerate San Miguel Corp. (SMC).

The TRO was sought by SMC Global Power after the Energy Regulatory Commission (ERC) denied a petition it filed jointly with Meralco for a rate increase. The increase was meant to partially recover the losses incurred by SPPC and San Miguel Energy Corp. (SMEC), the administrators of the natural gas-fired power

plant in Ilijan, Batangas, and the coal power plant in Sual, Pangasinan, respectively.

SMC Global Power sought to recover losses amounting to P5 billion while absorbing P10 billion. It claims to have lost P15 billion because of extraordinary circumstances, including soaring fuel costs, which were way higher than when its units forged the PSAs.

Last week, Meralco said that it had been sourcing power from WESM after SPPC stopped supplying to the company.

Data provided by the ERC showed that the contract between Meralco and SPPC accounted for 13.4% of the former's power supply for November. It was priced at P4.2455 per kilowatt-hour (kWh) versus the average WESM price for the period which was P8.47 per kWh.

Aside from the additional cost of sourcing power from WESM, Meralco also said that it was asking SPPC to pay fines, penalties, and liquidated damages under the PSA.

"The claims will be on top of all applicable fines, penalties, and liquidated damages under the PSA in the event that the Court of Appeals eventually resolves the main case and denies the Petition of SPPC," Meralco said.

Meanwhile, Meralco is rushing to seal a contract for emergency power supply after it secured from the Department of Energy a certificate of exemption from the competitive selection process. —

Ashley Erika O. Jose



Telcos vow 'painless' SIM registration processes

THE country's mobile network operators announced on Monday that they are now preparing to roll out their registration processes for subscriber identity modules (SIMs).

Smart Communications, Inc., Globe Telecom, Inc., and DITO Telecommunity Corp. issued statements after the National Telecommunications Commission released the implementing rules and regulations (IRR) for the SIM Card Registration Act or Republic Act No. 11934.

The law, which took effect on Oct. 28, intends to regulate the registration and use of SIMs by requiring registration with mobile service providers as a prerequisite to activation.

Under the IRR, users should undertake registration of their own SIMs within 180 days (which can also be extended up to 120 days) from the effectivity of the law.

Anyone who provides false information or who uses fraudulent identification documents to register a SIM may face up to two years of imprisonment or a fine of not more than P300,000, according to the rules.

Mobile service companies that fail or refuse to register SIMs may also face fines of up to P1 million.

"We are ready to roll out our SIM Registration processes after months of preparations, which have included, among others, studying best global practices and technology solutions from other countries that have already implemented SIM registration," Francis E. Flores, senior vice-president and head of consumer business group-individual at Smart, said in an e-mailed statement.

"We will release more information about the SIM registration portal via our official channels in the next few weeks," he added.

For its part, Globe said it will launch its online SIM registration platform and start selling new SIMs in deactivated mode on Dec. 27.

"Our goal is to have a SIM registration process that is seamless, secure, inclusive and convenient for our customers," Globe Group President and Chief Executive Officer Ernest L. Cu said.

DITO Chief Administrative Officer Adel A. Talamo said separately: "We support this important initiative of the government to protect the public from phishing and similar types of fraudulent activities."

"We will do our level best to make the registration process as simple and painless as possible for new DITO subscribers and our 14 million existing customers," he added. — **Arjay L. Balinbin**

BALANCE SHEET (Head Office and Branches) As of September 30, 2022

ASSETS

	Current Quarter	Previous Quarter
Cash and Cash Items	8,866,947,028.67	8,787,991,500.82
Due from Bangko Sentral ng Pilipinas (BSP)	48,571,977,604.67	31,578,724,598.05
Due from Other Banks	10,405,256,701.41	12,797,330,778.35
Financial Assets at Fair Value through Profit or Loss	13,454,776,763.00	11,374,848,157.48
Available-for-Sale Financial Assets-Net	113,090,082,347.28	114,260,851,453.09
Held-to-Maturity (HTM) Financial Assets-Net	64,431,819,109.43	40,773,638,949.57
Loans and Receivables-Net:		
Interbank Loans Receivable	9,299,504,867.70	10,276,357,523.84
Loans and Receivables-Others	480,997,585,549.22	487,889,138,519.40
Loans and Receivables Arising from RA/CA/PR/SLB	23,498,774,981.00	23,129,299,059.00
General Loan Loss Provision	(2,989,517,011.49)	(3,073,895,259.49)
Other Financial Assets	5,032,564,204.04	4,871,364,840.03
Equity Investment in Subsidiaries, Associates, and Joint Ventures-Net	4,383,498,427.27	4,326,532,076.44
Bank Premises, Furniture, Fixture & Equipment-Net	3,968,689,378.58	3,899,231,506.73
Real and Other Properties Acquired-Net	2,647,751,279.76	2,328,087,959.57
Other Assets-Net	53,139,341,249.84	43,557,573,205.69
TOTAL ASSETS	838,799,052,480.38	796,777,074,868.57

LIABILITIES

Financial Liabilities at Fair Value through Profit or Loss	3,766,769,273.97	3,355,095,049.32
Deposit Liabilities	585,026,433,176.24	574,314,435,055.93
Due to Other Banks	281,629,574.84	157,682,503.79
Bills Payable:		
Interbank Loans Payable	34,052,548,001.77	15,471,385,447.74
Other Deposit Substitute	8,945,098,702.94	788,402,014.12
Others	25,107,449,298.83	14,682,983,433.62
Bonds Payable-Net	33,446,323,489.92	29,952,665,543.76
Due to Bangko Sentral ng Pilipinas	—	—
Other Financial Liabilities	9,077,345,097.16	9,035,718,740.10
Other Liabilities	49,899,119,953.30	41,081,141,347.15
TOTAL LIABILITIES	715,640,168,567.20	673,368,123,687.79

STOCKHOLDERS' EQUITY

Capital Stock	46,186,416,799.90	46,186,416,799.90
Other Capital Accounts	(2,424,080,382.64)	(2,174,013,115.04)
Retained Earnings	79,396,547,495.92	79,396,547,495.92
TOTAL STOCKHOLDERS' EQUITY	123,158,883,913.18	123,408,951,180.78

CONTINGENT ACCOUNTS

Performance Standby Letters of Credit	27,196,060,184.33	27,739,178,736.97
Commercial Letters of Credit	9,226,216,502.82	8,366,369,399.60
Trade Related Guarantees	1,221,462,222.69	1,788,796,853.03
Commitments	79,326,440,484.14	75,515,055,624.75
Spot Foreign Exchange Contracts	13,248,812,409.01	28,205,437,919.19
Trust Department Accounts:		
Trust and Other Fiduciary Accounts	53,382,485,601.68	59,120,295,455.73
Agency Accounts	30,281,135,429.70	20,984,364,157.27
Derivatives	243,971,381,315.62	234,570,011,258.28
Others	1,330,420,529.76	380,631,018.96
TOTAL CONTINGENT ACCOUNTS	459,184,414,679.75	456,670,140,423.78

ADDITIONAL INFORMATION

1. Gross total loan portfolio (TLP)	526,803,486,147.61	534,316,039,753.11
2. Specific allowance for credit losses on the TLP	13,007,620,749.69	13,021,244,650.87
3. Non-Performing Loans (NPLs)		
a) Gross NPLs	17,051,122,403.82	17,499,083,398.88
b) Ratio of gross NPLs to gross TLP (%)	3.24	3.28
c) Net NPLs	6,524,053,208.19	7,079,221,946.94
d) Ratio of Net NPLs to gross TLP (%)	1.24	1.32
e) Ratio of total allowance for credit losses to gross NPLs (%)	93.82	91.98
f) Ratio of specific allowance for credit losses to gross NPLs (%)	76.29	74.41
4. Classified Loans & Other Risk Assets, gross of allowance for credit losses	22,289,000,000.00	22,289,000,000.00
5. DOSRI Loans and receivables, gross allowance of credit losses	5,312,072,519.77	4,427,802,659.96
6. Ratio of DOSRI loans and receivables, gross of allowance for credit losses, to gross TLP (%)	1.01	0.83
7. Gross non-performing DOSRI loans and receivables	—	—
8. Ratio of gross non-performing DOSRI loans and receivables to TLP (%)	—	—
9. Percent Compliance with Magna Carta (%)		
a) 8% for Micro and Small Enterprises	0.71	0.49
b) 2% for Medium Enterprises	2.70	2.72
10. Return on Equity (ROE) (%)	8.61	9.74
11. Capital Adequacy Ratio (CAR) on Solo Basis, as prescribed under existing regulations		
a) Total CAR (%)	16.71	16.81
b) Tier 1 Ratio (%)	16.23	16.32
c) Common Tier 1 Ratio (%)	16.23	16.32
12. Deferred Charges not yet Written Down	—	—
13. Unbooked Allowance for Credit Losses on Financial Instruments Received	—	—
14. Basel III Leverage Ratio on Solo Basis, as prescribed under existing regulations		
a) Tier Capital	101,722,718,193.19	102,149,484,900.00
b) Exposure Measure	861,829,805,874.49	820,305,255,821.52
c) Leverage Ratio (%)	11.80	12.45
15. Liquidity Coverage Ratio (LCR) on Solo Basis, as prescribed under existing regulations		
a) Total HQLA	218,699,169,400.33	192,597,077,131.43
b) Total net cash outflows	150,062,329,273.96	141,437,599,041.99
c) Liquidity Coverage Ratio (%)	145.74	136.17

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) s/s

We, Sanjiv Vohra and Eduardo M. Olbes of the above mentioned bank do solemnly swear that all matters set forth in the above balance sheet are true and correct to the best of our knowledge and belief.

(SGD.) EDUARDO M. OLBS
EVP/CFO

(SGD.) SANJIV VOHRA
President

SUBSCRIBED AND SWORN to before me this 21st day of November 2022 at City of Makati, affiants exhibiting their Passport No. P811670A, issued at DFA Manila on July 27, 2018 and Passport No. Z483668B, issued at Singapore on June 27, 2018.

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Series of 2022

(SGD.) ATTY. DALEY ROSE A. LIMOSINERO, CPA
NOTARY PUBLIC
Until December 31, 2022
PTR No. 8852587
01/03/2022; Makati City

CONSOLIDATED BALANCE SHEET (Bank and Financial Subsidiaries) As of September 30, 2022

ASSETS

	Current Quarter	Previous Quarter
Cash and Cash Items	8,866,947,028.67	8,787,991,500.82
Due from Bangko Sentral ng Pilipinas (BSP)	48,571,977,604.67	31,578,724,598.05
Due from Other Banks	10,405,256,701.41	12,844,902,009.02
Financial Assets at Fair Value through Profit or Loss	13,454,776,763.00	11,374,933,407.84
Available-for-Sale Financial Assets-Net	113,118,418,552.08	114,293,859,013.09
Held-to-Maturity (HTM) Financial Assets-Net	64,431,819,109.43	40,773,638,949.57
Loans and Receivables-Net:		
Interbank Loans Receivable	9,299,504,867.70	10,276,357,523.84
Loans and Receivables-Others	479,824,846,355.94	486,812,112,882.59
Loans and Receivables Arising from RA/CA/PR/SLB	23,498,774,981.00	23,129,299,059.00
General Loan Loss Provision	(2,989,517,011.49)	(3,073,895,259.49)
Other Financial Assets	5,030,913,688.07	4,869,907,406.00
Equity Investment in Subsidiaries, Associates, and Joint Ventures-Net	2,315,831,121.12	2,310,590,501.35
Bank Premises, Furniture, Fixture & Equipment-Net	5,180,143,278.16	5,074,991,284.31
Real and Other Properties Acquired-Net	2,648,526,180.24	2,329,631,460.05
Other Assets-Net	54,943,181,532.33	44,979,215,216.82
TOTAL ASSETS	838,658,766,408.61	796,362,169,226.96

LIABILITIES

Financial Liabilities at Fair Value through Profit or Loss	3,766,769,273.97	3,355,095,049.32
Deposit Liabilities	583,037,983,866.92	569,567,870,089.17
Due to Other Banks	281,629,574.84	157,682,503.79
Bills Payable:		
Interbank Loans Payable	34,151,714,668.41	15,601,385,447.48
Other Deposit Substitute	8,945,098,702.94	788,402,014.12
Others	99,166,666.64	129,999,999.74
Bonds Payable-Net	33,446,323,489.92	29,952,665,543.76
Due to Bangko Sentral ng Pilipinas	—	—
Other Financial Liabilities	9,104,747,651.09	9,067,763,012.21
Other Liabilities	51,710,713,970.28	45,250,756,400.45
TOTAL LIABILITIES	715,499,882,495.43	672,953,218,046.18

STOCKHOLDERS' EQUITY

Capital Stock	46,186,416,799.90	46,186,416,799.90
Other Capital Accounts	(2,417,832,532.89)	(2,167,765,265.29)
Retained Earnings	79,390,299,646.17	79,390,299,646.17
TOTAL STOCKHOLDERS' EQUITY	123,158,883,913.18	123,408,951,180.78

CONTINGENT ACCOUNTS

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Commitments	79,326,440,484.14	75,515,055,624.75
Spot Foreign Exchange Contracts	13,248,812,409.01	28,205,437,919.19
Trust Department Accounts:		
Trust and Other Fiduciary Accounts	53,382,485,601.68	59,120,295,455.73
Agency Accounts	30,281,135,429.70	20,984,364,157.27
Derivatives	243,971,381,315.62	234,570,011,258.28
Others	1,330,420,529.76	380,631,018.96
TOTAL CONTINGENT ACCOUNTS	459,184,414,679.75	456,670,140,423.78

ADDITIONAL INFORMATION

1. List of Financial Allied Subsidiaries:		
a) SB Cards Corporation		
b) SB Forex, Incorporated		
c) SB Capital Investment Corporation		
d) Security Finance and Leasing Inc.		
2. Capital Adequacy Ratio (CAR) on Consolidated Basis, as prescribed under existing regulations		
a) Total CAR (%)	17.06	17.15
b) Tier 1 Ratio (%)	16.59	16.66
c) Common Equity Tier 1 Ratio (%)	16.59	16.66</