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ABOUT THIS ISSUE

The total assets of the country's 45* universal and commercial banks (UK/Bs) grew by 3.07% year on year to P21.48 trillion in the third quarter, from P19.82 in the July-September period last year.

This was the slowest asset growth in five quarters or since the 2.71% annual expansion in the second quarter of 2021.

On the other hand, combined loans in the third quarter jumped by 9.74% to P10.69 trillion, faster than the 3.24% growth a year ago. However, this was slower than the 12.61% uptick in the second quarter of 2022.

Bad loans during the period declined by 1.77% quarter on quarter to P350.44 billion, from P356.75 billion in the second quarter. On an annual basis, it also decreased by 8.33%.


This brought the share of bad loans to total loan portfolio to 2.91%, an improvement from 3.75% in the previous quarter and the 4.49% share in the third quarter of 2021.

The big lenders' nonperforming asset (NPA) ratio — the nonperforming loans and foreclosed properties in proportion to total assets — stood at 1.10% during the period. It was lower than 1.17% in the previous quarter and 1.43% in last year's third quarter.

As loan growth continued to improve, this issue looked at the effects of the weak peso to the finances of Filipinos, especially during the holidays.

In another story, we looked at how credit raters factor in cyber risks in their assessment of the financial sector.

Other stories in this issue include a Q&A with Tookitaki, a regtech company that aims to help banks and fintech companies transform their anti-money laundering and compliance needs; economists' financial market outlook for the rest of the year; and stock analysts' bank stocks recommendations.

Since 1987, *BusinessWorld* has been tallying the quarterly performance of the country's U/KBs based on their published statements of condition. Apart from asset size, the Quarterly Banking Report provides other key ratios in measuring bank performance, such as capital adequacy, earnings, and liquidity. 

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*Effective March 1, the United Coconut Planters Bank merged with the Land Bank of the Philippines.

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