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## ABOUT THIS ISSUE

**T**he assets of the Philippines' largest banks grew by nearly 10% in the fourth quarter of 2022, as economic activity continued to pick up. Total assets of 45 universal and commercial banks (U/KBs) climbed by 9.4% year on year to P22.51 trillion in the October-December period from P20.56 trillion a year ago. Asset growth quickened from the 8.38% year-on-year expansion in the third quarter of 2022 and the 8.59% in the same period in 2021.

The combined loans extended by the U/KBs also rose by 9.73% to P11.14 trillion in the fourth quarter, faster than the 5.93% growth in the same period in 2021. However, it was nearly unchanged from the 9.74% growth in the third quarter.

The fourth quarter also saw nonperforming loans (NPLs) drop by 9.45% year on year to P336.54 billion from P371.65 billion in the fourth quarter of 2021. This brought the NPL ratio, or the bad loans as a portion of the total loan portfolio, to 3.17% in the fourth quarter, higher than the NPL ratio of 2.91% in the third quarter of 2022. Year on year, the NPL ratio was an improvement from the 3.95% in the same quarter of 2021, reflecting Filipinos' increased capacity to repay their loans.

The big banks' nonperforming asset (NPA) ratio — the share of NPLs and foreclosed properties to total assets — stood at 0.99% as of the quarter ending December. This was the lowest NPA ratio since 0.91% in the first quarter of 2020, when the coronavirus pandemic began.

In this issue, we also looked how e-wallets attempt to close the gap between the Filipino senior citizens and ever-evolving financial technology space.

We also took a deep dive into the recent glitches that happened in the Philippine banking system and the banks' insights.

For our Q&A, we talked to Oradian, a Croatia-based software company providing core banking software in the country especially in upscaling digitalization efforts of the rural and thrift banks as well as microfinance institutions.

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 used in measuring bank performance, such as capital adequacy, earnings, and liquidity. 

