



Bangko Sentral ng Pilipinas

PRESS RELEASE**Date: 14 January 2010**

U/KBs' NPL Ratio Eases to 3.26 Percent in November

As of end-November 2009, the non-performing loans (NPL) ratio of universal and commercial banks (U/KBs) eased by 0.11 percentage point to 3.26 percent from last month's 3.37 percent and by 0.49 percentage point from year ago's 3.75 percent. This is the fourteenth consecutive month that the NPL ratio has been below four percent.

The improvement in the ratio from last month took place as the 0.19 percent reduction in NPLs came with the 3.18 percent expansion in total loan portfolio (TLP). NPLs fell to P85.17 billion from last month's P85.33 billion while TLP grew to P2,614.59 billion from P2,534.03 billion.

Net of interbank loans (IBL), the NPL ratio also improved to 3.74 percent from last month's 3.89 percent and year ago's 4.15 percent ratio. The month-on-month development transpired as the decline in NPLs was accompanied by the 3.82 percent rise in regular loans to P2,275.14 billion.

Meantime, the real and other properties acquired (ROPA) to gross assets (GA) ratio got better to 2.48 percent from last month's 2.55 percent and year ago's 2.82 percent. The ratio favorably dropped from last month as the 0.79 percent reduction in ROPA to P136.08 billion was accompanied by the growth in GAs.

The non-performing assets (NPA) to GA ratio improved to 4.04 percent from last month's 4.16 percent and year ago's 4.68 percent ratio. The easing of the ratio from last month occurred as the 0.56 percent drop in NPAs was complemented by the 2.34 percent expansion in GAs. The NPA level settled at P221.25 billion, down from last month's P222.49 billion and year ago's P234.73 billion.

The restructured loans (RLs) to TLP ratio fell to 1.72 percent from last month's 1.91 percent and year ago's 2.30 percent ratio. The month-on-month decline in the ratio stemmed from the 7.03 percent reduction in gross RLs to P45.39 billion.

The industry provided adequate provisioning against potential credit losses. The NPL coverage ratio strengthened to 109.77 percent from last month's 106.37 percent. Likewise, the NPA coverage ratio widened to 54.73 percent from last month's 53.04 percent. Year-on-year, this month's NPL and NPA coverage ratios also fared better than their reference ratios of 94.94 percent and 49.10 percent, respectively.

View table: http://www.bsp.gov.ph/publications/tables/2010_01/news-01142010c1.htm

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