



Bangko Sentral ng Pilipinas

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U/KBs' NPL Ratio Stands at 3.50 Percent in August

As of end-August 2009, the non-performing loans (NPL) ratio of universal and commercial banks (U/KBs) was 3.50 percent, practically unchanged from the previous month's 3.49 percent ratio.

The slight month-on-month increase in the NPL ratio was the result of NPLs rising to P83.84 billion from last month's P82.88 billion while TLP grew to P2,397.77 billion from P2,376.21 billion.

Net of interbank loans (IBL), the NPL ratio was maintained at 3.99 percent from last month but eased from year ago's 4.49 percent ratio. The ratio remained unchanged from the previous month as the growth in NPLs was matched by the 1.17 percent expansion in regular loans to P2,100.74 billion.

Meantime, the real and other properties acquired (ROPA) dropped by 1.04 percent to P138.30 billion which translated to a lower level of non-performing assets (NPA) of P222.14 billion (down from last month's P222.63 billion). As a result, the NPA to Gross Assets (GA) ratio improved to 4.29 percent from last month's 4.35 percent. This month's NPA ratio is also better than year ago's 4.95 percent ratio.

The restructured loans (RLs) to TLP ratio fell to 1.93 percent from last month's 2.00 percent and year ago's 2.51 percent ratio. The month-on-month decline in the ratio was fueled by the 2.36 percent reduction in gross RLs to P46.80 billion.

In terms of provisioning for bad loans, the NPL coverage ratio strengthened to 105.31 percent from last month's 104.98 percent. Likewise, the NPA coverage ratio widened to 52.01 percent from last month's 51.52 percent. This month's NPL and NPA coverage ratios also stood higher than year ago ratios of 98.68 percent and 49.04 percent, respectively.

View table: http://www.bsp.gov.ph/publications/tables/2009_10/news-10092009d1.htm

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