



Table 1. Philippine Banking System: Financial Highlights

Levels (P Billion)	2005	2006	2007	2008 ^{1/}	2009 ^{2/}
Income Statement					
Total Operating Income	225.7	257.4	281.2	268.6	315.7
Net Interest Income	148.8	155.4	168.2	183.8	209.5
Non-interest Income	76.9	102.0	113.0	84.8	106.2
Non-Interest Expenses	147.8	164.7	183.5	199.5	208.6
Losses/Recoveries on Financial Assets	(20.1)	(25.0)	(20.9)	(19.2)	(28.6)
Bad Debts/Provisions for Credit Losses	21.3	26.5	23.1	21.9	30.0
Recovery on Charged-Off Assets	1.2	1.4	2.2	2.7	1.4
Net Profit Before Share in the Profit/(Loss) of Unconsolidated Subsidiaries, Associates and Joint Ventures	57.7	67.7	76.9	49.9	78.5
Share in the Profit/(Loss) of Unconsolidated Subsidiaries, Associates and Joint Ventures				7.4	8.7
Total Profit/Loss Before Tax and Before Minority Interest	57.7	67.7	76.9	57.3	87.2
Income Tax Expense	13.2	10.3	14.0	15.9	17.8
Total Profit/Loss After Tax and Before Minority Interest	44.5	57.4	62.9	41.4	69.5
Minority Interest in Profit/(Loss) of Subsidiaries					
Net Profit or Loss	44.5	57.4	62.9	41.4	69.5
Balance Sheet					
Total Assets ^{1/}	4,319.1	4,865.6	5,134.1	5,675.7	6,192.2
Cash and Due from Banks	385.8	633.1	750.3	834.9	877.5
Financial Assets, gross (Other than Loans)	1,184.2	1,163.0	1,134.6	1,403.7	1,592.1
Financial Assets Held for Trading (HFT)				207.8	190.9
Financial Assets Designated at Fair Value through Profit and Loss (DFVPL)				12.1	10.3
Available-for-Sale (AFS) Financial Assets				495.7	651.3
Held-to-Maturity (HTM) Financial Assets				480.8	509.1
Unquoted Debt Securities Classified as Loans				190.7	196.8
Investments in Non-Marketable Equity Securities (INMES)				8.8	25.2
Allowance for Credit Losses	4.4	4.9	5.9	21.1	25.1
Accumulated Market Gains/Losses	10.8	31.4	24.0	(13.9)	15.9
Financial Assets, net (Other than Loans)	1,190.6	1,189.6	1,152.8	1,368.6	1,582.9
Interbank Loans Receivable (IBL)	349.2	432.5	388.4	241.7	350.0
Loans, gross (exclusive of IBL)	1,801.1	1,992.7	2,208.4	2,682.8	2,829.8
Reverse Repurchase with BSP (RRP)	74.7	166.6	201.2	225.2	262.2
Loans, gross (exclusive of IBL and RRP)	1,726.4	1,826.1	2,007.2	2,457.6	2,567.6
Allowance for Probable Losses	144.9	133.1	116.0	123.1	131.6
Loans, net (exclusive of IBL and RRP)	1,581.5	1,693.0	1,891.3	2,334.5	2,436.0
Equity Investment in Subsidiaries, Associates and Joint Ventures, net	102.5	102.9	117.9	102.5	122.6
ROPA, net	209.7	198.7	181.1	163.9	153.4
Other Assets, net	425.1	449.2	451.2	404.4	407.6
Total Liabilities	3,807.9	4,296.6	4,532.3	5,076.5	5,504.2
Financial Liabilities Held for Trading				46.7	36.0
Financial Liabilities DFVPL				11.0	6.3
Deposits	2,970.8	3,497.6	3,664.8	4,195.1	4,671.6
Peso Liabilities	2,086.7	2,567.8	2,856.6	3,217.3	3,614.8
Foreign Currency	884.1	929.8	808.3	977.8	1,056.9
Bills Payable	464.6	379.8	415.4	357.4	329.2
Special Financing	0.2	0.2	0.1	0.1	0.2
Other Liabilities	321.5	343.5	370.9	370.2	356.0
Unsecured Subordinated Debt	50.8	75.6	81.0	93.6	104.8
Redeemable Preferred Shares				2.4	0.1
Total Capital Accounts ^{2/}	511.2	569.0	601.8	599.2	688.0

^{1/} Adjusted to net off the account "Due from Head Office" with "Due to Head Office" of branches of foreign banks

^{2/} Inclusive of the portion of the "Net Due to Head Office" which qualified as capital

^{1/} Revised

^{2/} Preliminary


Table 2. Philippine Banking System: Growth Rates

Growth Rates	2005	2006	2007	2008 ^{r/}	2009 ^{p/}
Income Statement					
Total Operating Income	15.0 %	14.1 %	9.2 %	(4.5 %)	17.5 %
Net Interest Income	15.9 %	4.4 %	8.2 %	9.3 %	14.0 %
Non-interest Income	13.3 %	32.7 %	10.8 %	(25.0 %)	25.2 %
Non-Interest Expenses	10.6 %	11.4 %	11.4 %	8.7 %	4.6 %
Losses/Recoveries on Financial Assets	(17.4 %)	(24.6 %)	16.7 %	7.9 %	(48.7 %)
Bad Debts/Provisions for Credit Losses	15.3 %	24.1 %	(12.9 %)	(5.0 %)	36.9 %
Recovery on Charged-Off Assets	(10.0 %)	16.1 %	52.5 %	22.6 %	(48.0 %)
Net Profit Before Share in the Profit/(Loss) of Unconsolidated Subsidiaries, Associates and Joint Ventures	27.0 %	17.3 %	13.6 %	(35.0 %)	57.3 %
Share in the Profit/(Loss) of Unconsolidated Subsidiaries, Associates and Joint Ventures					17.8 %
Total Profit/Loss Before Tax and Before Minority Interest	27.0 %	17.3 %	13.6 %	(25.5 %)	52.2 %
Income Tax Expense	27.1 %	(22.1 %)	36.1 %	13.6 %	11.8 %
Total Profit/Loss After Tax and Before Minority Interest	27.0 %	29.0 %	9.5 %	(34.2 %)	67.7 %
Minority Interest in Profit/(Loss) of Subsidiaries					0.0 %
Net Profit or Loss	27.0 %	29.0 %	9.5 %	(34.2 %)	67.7 %
Balance Sheet					
Total Assets ^{1/}	7.3 %	12.7 %	5.5 %	10.5 %	9.1 %
Cash and Due from Banks	20.5 %	64.1 %	18.5 %	11.3 %	5.1 %
Financial Assets, gross (Other than Loans)	2.0 %	(1.8 %)	(2.4 %)	23.7 %	13.4 %
Financial Assets Held for Trading (HFT)					(8.1 %)
Financial Assets Designated at Fair Value through Profit and Loss (DFVPL)					(15.1 %)
Available-for-Sale (AFS) Financial Assets					31.4 %
Held-to-Maturity (HTM) Financial Assets					5.9 %
Unquoted Debt Securities Classified as Loans					3.2 %
Investments in Non-Marketable Equity Securities (INMES)					184.9 %
Allowance for Credit Losses	(20.3 %)	10.8 %	21.2 %	256.5 %	18.8 %
Accumulated Market Gains/Losses	(587.7 %)	190.0 %	(23.5 %)	(158.0 %)	(213.9 %)
Financial Assets, net (Other than Loans)	3.2 %	(0.1 %)	(3.1 %)	18.7 %	15.7 %
Interbank Loans Receivable (IBL)	33.8 %	23.9 %	(10.2 %)	(37.8 %)	44.8 %
Loans, gross (exclusive of IBL)	1.9 %	10.6 %	10.8 %	21.5 %	5.5 %
Reverse Repurchase with BSP (RRP)	179.5 %	123.0 %	20.8 %	11.9 %	16.4 %
Loans, gross (exclusive of IBL and RRP)	(0.8 %)	5.8 %	9.9 %	22.4 %	4.5 %
Allowance for Probable Losses	(10.0 %)	(8.1 %)	(12.9 %)	6.2 %	6.9 %
Loans, net (exclusive of IBL and RRP)	0.1 %	7.1 %	11.7 %	23.4 %	4.3 %
Equity Investment in Subsidiaries, Associates and Joint Ventures, net	3.9 %	0.4 %	14.5 %	(13.0 %)	19.6 %
ROPA, net	(11.1 %)	(5.2 %)	(8.9 %)	(9.5 %)	(6.4 %)
Other Assets, net	21.9 %	5.7 %	0.5 %	(10.4 %)	0.8 %
Total Liabilities	8.1 %	12.8 %	5.5 %	12.0 %	8.4 %
Financial Liabilities Held for Trading					(22.9 %)
Financial Liabilities DFVPL					(42.3 %)
Deposits	7.4 %	17.7 %	4.8 %	14.5 %	11.4 %
Peso Liabilities	11.0 %	23.1 %	11.2 %	12.6 %	12.4 %
Foreign Currency	(0.4 %)	5.2 %	(13.1 %)	21.0 %	8.1 %
Bills Payable	20.1 %	(18.3 %)	9.4 %	(14.0 %)	(7.9 %)
Special Financing	(69.0 %)	(15.3 %)	(13.0 %)	(7.9 %)	10.6 %
Other Liabilities	1.8 %	6.8 %	8.0 %	(0.2 %)	(3.8 %)
Unsecured Subordinated Debt	(1.1 %)	48.9 %	7.1 %	15.5 %	12.0 %
Redeemable Preferred Shares					(96.6 %)
Total Capital Accounts ^{2/}	1.7 %	11.3 %	5.8 %	(0.4 %)	14.8 %

^{1/} Adjusted to net off the account "Due from Head Office" with "Due to Head Office" of branches of foreign banks

^{2/} Inclusive of the portion of the "Net Due to Head Office" which qualified as capital

^{r/} Revised

^{p/} Preliminary



Table 3. Philippine Banking System: Selected Performance Indicators

Selected Ratios	2005	2006	2007	2008 ^{r/}	2009 ^{p/}
Profitability					
Earning Asset Yield ^{1/}	8.2 %	8.3 %	7.9 %	7.7 %	7.1 %
Funding Cost ^{2/}	3.9 %	3.9 %	3.3 %	3.2 %	2.6 %
Interest Spread ^{3/}	4.3 %	4.4 %	4.6 %	4.5 %	4.5 %
Net Interest Margin ^{4/}	4.3 %	4.3 %	4.4 %	4.3 %	4.4 %
Non-interest Income to Total Operating Income ^{5/}	34.1 %	39.6 %	40.2 %	31.6 %	33.6 %
Cost-to-Income ^{6/}	65.5 %	64.0 %	65.2 %	74.0 %	65.8 %
Return on Assets (ROA) ^{7/}	1.1 %	1.3 %	1.3 %	0.8 %	1.2 %
Return on Equity (ROE) ^{7/}	8.8 %	10.6 %	10.7 %	6.9 %	10.8 %
Liquidity					
Cash and Due from Banks to Deposits	13.0 %	18.1 %	20.5 %	19.9 %	18.8 %
Liquid Assets to Deposits ^{8/}	53.1 %	52.1 %	51.9 %	52.5 %	52.7 %
Loans, gross to Deposits	72.4 %	69.3 %	70.9 %	69.7 %	68.1 %
Asset quality					
Restructured Loans to Total Loan Portfolio	4.9 %	3.6 %	2.7 %	2.1 %	1.6 %
Allowance for Credit Losses on Loans to TLP	6.1 %	4.6 %	4.0 %	3.6 %	3.4 %
Non-performing Loans (NPL)	8.4 %	6.1 %	5.0 %	4.1 %	3.7 %
NPL, exclusive of IBL	10.0 %	7.5 %	5.8 %	4.5 %	4.1 %
NPL Coverage	72.9 %	75.0 %	81.5 %	86.0 %	93.0 %
Non-performing Assets (NPA) to Gross Assets	8.8 %	6.9 %	5.8 %	5.1 %	4.5 %
NPA Coverage	38.4 %	37.3 %	39.8 %	45.0 %	48.7 %
ROPA to Gross Assets Ratio	4.8 %	4.0 %	3.4 %	3.1 %	2.6 %
ROPA Coverage Ratio	9.2 %	8.5 %	9.0 %	17.5 %	18.2 %
Distressed Assets	19.1 %	15.1 %	12.5 %	10.8 %	9.3 %
Capital Adequacy					
Total Capital Accounts to Total Assets ^{9/}	11.8 %	11.7 %	11.7 %	10.6 %	11.1 %
Capital Adequacy Ratio (Solo) ^{10/}	16.4 %	16.9 %	14.7 %	14.7 %	14.8 % ^{a/}

^{1/} Earning Asset Yield refers to the ratio of interest income to average earning assets

^{2/} Funding Cost refers to the ratio of interest expenses to average interest-bearing liabilities

^{3/} Interest Spread refers to the difference between earning asset yield and funding cost

^{4/} Net Interest Margin refers to the ratio of net interest income to average earning assets

^{5/} Non-interest income now includes dividends income

^{6/} Cost-to-Income Ratio refers to the ratio of non-interest expenses to total operating income

^{7/} ROA and ROE refers to the ratio of annualized net profit to average assets and capital, respectively.

^{8/} Liquid Assets refers to Cash and Due from Banks plus Financial Assets, net of amortization (net of financial assets in equity securities).

^{9/} Total capital accounts includes redeemable preferred shares

^{10/} Based on the new framework provided for under Circular No. 280 dated 29 March 2001, formally adopted 1 July 2001; Under Circular No. 360 dated 3 December 2002, adopted 1 July 2003, Universal/Commercial Banks are to incorporate market risks in addition to credit risks; Under Circular No. 538 dated 4 August 2006, effective 1 July 2007, U/KBs are to incorporate operational risk in addition to credit and market risks.

^{r/} Revised

^{p/} Preliminary

^{a/} Data as of 30 September 2009

n.a. Data not yet available