

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,697.04 HIGH: 6,752.50 LOW: 6,680.73 CLOSE: 6,752.50 VOL.: 1.256 B VAL(P): 8.819 B 46.07 PTS. 0.68% 30 DAYS TO AUGUST 26, 2022	<b>AUGUST 29, 2022</b> JAPAN (NIKKEI 225) 27,878.96 ▼ -762.42 -2.66 HONG KONG (HANG SENG) 20,023.22 ▼ -146.82 -0.73 TAIWAN (WEIGHTED) 14,926.19 ▼ -352.25 -2.31 THAILAND (SET INDEX) 1,626.46 ▼ -18.32 -1.11 S.KOREA (KSE COMPOSITE) 2,426.89 ▼ -54.14 -2.18 SINGAPORE (STRAITS TIMES) 3,225.51 ▼ -24.02 -0.74 SYDNEY (ALL ORDINARIES) 6,965.50 ▼ -138.60 -1.95 MALAYSIA (KLSE COMPOSITE) 1,501.57 ▲ 1.28 0.09	<b>AUGUST 26, 2022</b> Dow Jones 32,283.400 ▼ -1,008.380 NASDAQ 12,141.710 ▼ -497.555 S&P 500 4,057.660 ▼ -141.460 FTSE 100 7,427.310 ▼ -52.430 Euro Stoxx50 3,610.820 ▼ -49.330	<b>FX</b> OPEN P56.030 HIGH P55.995 LOW P56.085 CLOSE P56.020 W.AVE. P56.038 VOL. \$804.50 M SOURCE : BAP 4.00 CTS 30 DAYS TO AUGUST 26, 2022	<b>AUGUST 26, 2022</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 138.610 ▼ 137.520 HONG KONG (HK DOLLAR) 7.848 ▼ 7.847 TAIWAN (NT DOLLAR) 30.381 ▼ 30.281 THAILAND (BAHT) 36.450 ▼ 36.150 S. KOREA (WON) 1,349.960 ▼ 1,341.810 SINGAPORE (DOLLAR) 1.399 ▼ 1.393 INDONESIA (RUPIAH) 14,895 ▼ 14,815 MALAYSIA (RINGGIT) 4.488 ▼ 4.465	<b>AUGUST 29, 2022</b> US\$/UK POUND 1.1673 ▼ 1.1747 US\$/EURO 0.9956 ▲ 0.9961 \$/AUST DOLLAR 0.6858 ▼ 0.6890 CANADA DOLLAR/US\$ 1.3064 ▼ 1.3033 SWISS FRANC/US\$ 0.9679 ▲ 0.9663	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$99.60/BBL</b> 115.00 108.00 101.00 94.00 87.00 80.00 \$0.30 30 DAYS TO AUGUST 26, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 26, 2022 (PSEi snapshot on S1/2; article on S1/6)

ACEN P8.040 Value P713,137,503 -P0.590 ▼ -6.837%	ALI P29.300 Value P513,294,660 P0.800 ▲ 2.807%	AC P720.000 Value P350,047,585 -P12.000 ▼ -1.639%	BDO P131.500 Value P341,928,002 P2.700 ▲ 2.096%	SMPH P37.050 Value P310,745,950 P0.050 ▲ 0.135%	SPNEC P1.690 Value P230,455,730 P0.040 ▲ 2.424%	AEV P59.000 Value P218,468,504 P1.650 ▲ 2.877%	BPI P96.950 Value P182,910,884 P2.800 ▲ 2.974%	SM P879.000 Value P170,364,815 -P1.000 ▼ -0.114%	CNVRG P18.600 Value P169,892,076 -P0.040 ▼ -0.215%
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## Revised BOT rules out by end-Sept.

By Diego Gabriel C. Robles

AMENDMENTS to the controversial implementing rules and regulations (IRR) of the Build-Operate-Transfer (BOT) Law are expected to be released before the end of September, Finance Secretary Benjamin E. Diokno said.

"I'm not at liberty to divulge [yet] but there's a committee and we plan to do this within the first 100 days of the president... Maybe not later than the end of September, including the publication," Mr. Diokno told *BusinessWorld* on the sidelines of the Development Budget Coordination Committee (DBCC) briefing at the House of Representatives on Friday.

President Ferdinand R. Marcos, Jr. took his oath of office on June 30. In his first State of the Nation Address (SONA) on July 25, he cited the amendments to the BOT Law as a priority legislation.

"Specifically, the amendments seek to address the ambiguities in the existing law; address the bottlenecks and challenges affecting the implementation of the

PPP (public-private partnership) program; and foster a more competitive and enabling environment for PPPs," Mr. Marcos had said.

Amid fiscal constraints brought on by increased borrowings during the pandemic, the Marcos administration is looking to attract more investments in infrastructure through PPPs.

Socioeconomic Planning Secretary Arsenio M. Balisacan earlier this month said Mr. Marcos already directed the National Economic and Development Authority (NEDA) to review certain provisions of the BOT IRR, albeit still waiting for an executive order.

Mr. Balisacan had hinted the discussions revolved around the

Material Adverse Government Action (MAGA) clause and arbitration issues.

"We have received several private sector stakeholders' comments expressing their concerns over specific provisions of the IRR. Of course, careful review of the rules requires that we perform a balancing act: encouraging

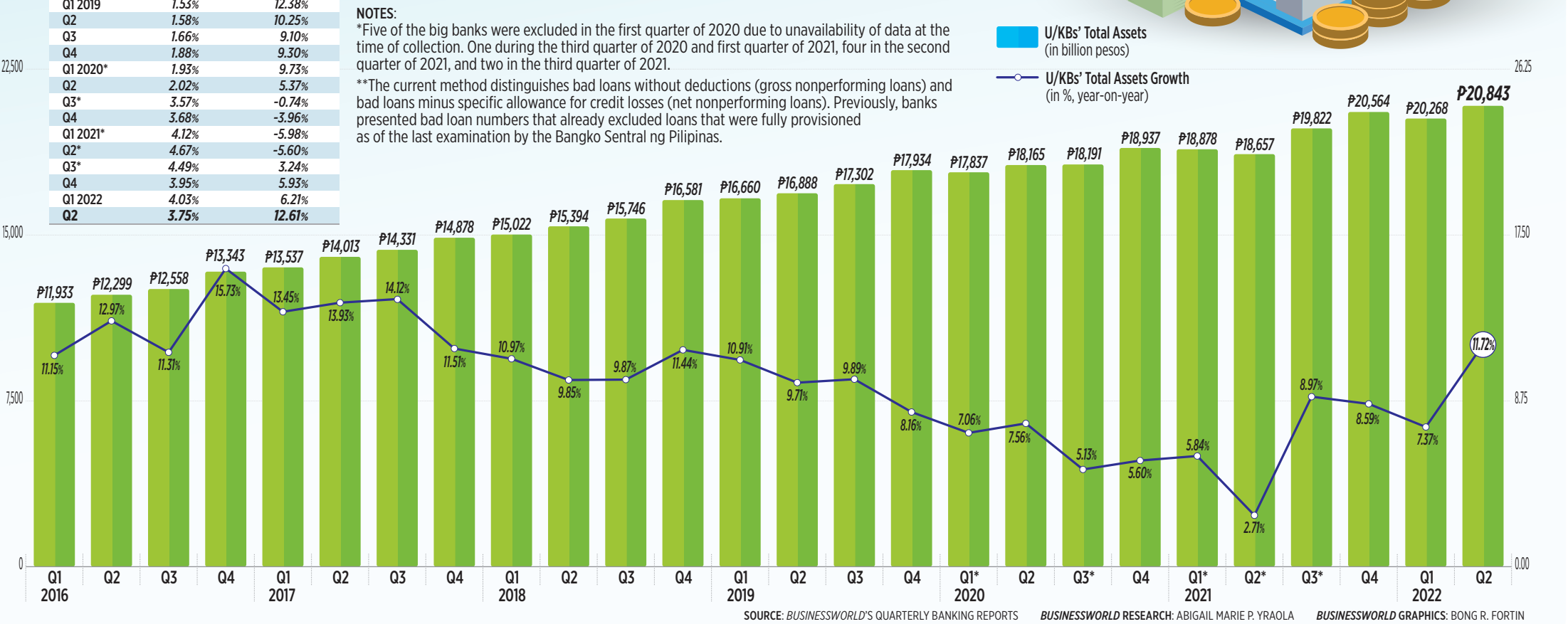
Rules, S1/10

## BIG BANKS' ASSET GROWTH JUMPS BY DOUBLE DIGITS IN Q2 2022

Quarter	Nonperforming Loans Ratio (Q1 2017-Q2 2022)**	U/KBs' Total Loans Growth (% Year-on-Year)
Q1 2017	1.64%	19.45%
Q2	1.74%	18.38%
Q3	1.61%	20.31%
Q4	1.42%	18.52%
Q1 2018	1.57%	17.80%
Q2	1.50%	18.18%
Q3	1.40%	16.63%
Q4	1.45%	15.13%
Q1 2019	1.53%	12.38%
Q2	1.58%	10.25%
Q3	1.66%	9.10%
Q4	1.88%	9.30%
Q1 2020*	1.93%	9.73%
Q2	2.02%	5.37%
Q3*	3.57%	-0.74%
Q4	3.68%	-3.96%
Q1 2021*	4.12%	-5.98%
Q2*	4.67%	-5.60%
Q3*	4.49%	3.24%
Q4	3.95%	5.93%
Q1 2022	4.03%	6.21%
Q2	3.75%	12.61%

The combined assets of the country's universal and commercial banks (U/KBs) climbed by 11.72% year on year in the second quarter. This was faster than the 7.37% in the preceding quarter and 2.71% growth in the same period last year. Similarly, total loans expanded by 12.61% annually in the April-June period, faster than 6.21% in the first quarter and a reversal from 5.60% decline a year ago. On the other hand, bad loans ratio declined to 3.75% in the second quarter, lower than the 4.03% posted the previous quarter and the 4.67% in the same period last year.

NOTES:  
\*Five of the big banks were excluded in the first quarter of 2020 due to unavailability of data at the time of collection. One during the third quarter of 2020 and first quarter of 2021, four in the second quarter of 2021, and two in the third quarter of 2021.  
\*\*The current method distinguishes bad loans without deductions (gross nonperforming loans) and bad loans minus specific allowance for credit losses (net nonperforming loans). Previously, banks presented bad loan numbers that already excluded loans that were fully provisioned as of the last examination by the Bangko Sentral ng Pilipinas.



## Big banks' asset growth returns to pre-pandemic level in second quarter

By Abigail Marie P. Yraola  
Researcher

THE COMBINED ASSETS of the Philippines' largest banks grew by double digits annually in the second quarter, a pace not seen since before the pandemic, due to an increase in total loans.

The latest edition of *BusinessWorld's* Quarterly Banking Report showed the total assets of the 45 universal and commercial banks (U/KBs) in the country jumped by 11.7% year on year to P20.84 trillion in the April to June period.

This was higher than the P20.27 trillion seen in the first quarter of 2022 and the P18.66 trillion recorded in same period in 2021.

The latest asset growth was the fastest in 19 quarters or since the 14.1% growth in the third quarter of 2017.

The big banks' combined loans, which account for bulk of their total assets, rose by 12.6% year on year to P10.39 trillion in the second quarter, faster than the 6.2% growth seen in the preceding quarter.

This was a turnaround from the 5.6% year-on-year decline in April-June period last year.

The latest reading marked the quickest loan expansion in 14 quarters, or since the 15.1% recorded in the last quarter of 2018.

The median return on equity (RoE), which is an indicator of profitability, rose to 5.56% in the second quarter, higher than the 3.96% in the first

quarter and the 2.77% RoE in the same period a year ago.

The RoE, or the ratio of net profit to average capital, measures the amount that shareholders make on their investments in a company.

Meanwhile, bad loans, also known as nonperforming loans (NPLs), reached P356.75 billion in the second quarter, lower by 9.6% from P394.63 billion in the first quarter and down by 8.3% from P389.16 billion in the same period a year ago.

This brought the NPL ratio — the share of soured loans to the total loan portfolio — to 3.75% in the April to June period, improving from 4.03% in the preceding quarter and from 4.67% in the second quarter of 2021.

Banks, S1/10

## FUEL PRICE TRACKER

(week-on-week change)

<b>GASOLINE</b>	Aug. 16 ▼ P0.10
	Aug. 23 ▲ P0.70
	Aug. 30 ▲ P1.40
<b>DIESEL</b>	Aug. 16 ▼ P1.05
	Aug. 23 ▲ P2.60
	Aug. 30 ▲ P6.10
<b>KEROSENE</b>	Aug. 16 ▼ P0.45
	Aug. 23 ▲ P2.80
	Aug. 30 ▲ P6.10

- Aug. 30, 12:01 a.m. — Caltex Philippines
- Aug. 30, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- Aug. 30, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)

## Salary hike for gov't employees eyed in 2024

THE MARCOS administration may consider another round of annual salary increases for government employees starting 2024 as the scope of the Salary Standardization Law (SSL) is only until 2023, the economic managers said.

"The national budget proposal for next year includes an appropriation for a study on the need and level of the next round of salary increases in 2024 onward," Finance Secretary Benjamin E. Diokno told reporters on Friday.

Budget Secretary Amenah F. Pangandaman said the Governance Commission for Government-Owned and Controlled Corporations has been given a budget to conduct a study for the next SSL.

"The budget for the study of the next salary standardization will amount to P49.5 million," she said during the Development Budget Coordination Committee's (DBCC) briefing for the House Committee on Appropriations on Friday.

Of the proposed P5.268-trillion national expenditure plan for 2023, P1.631 trillion or 31% of the total is earmarked for personnel services. This is 16.1% higher than this year's allocation for personnel services.

Mr. Diokno said that part of the study would assess the sustainability of further salary hikes amid the tighter fiscal space and plans to rightsize the bureaucracy.

Ms. Pangandaman told lawmakers that the government can renew the individual contracts of an estimated 150,000 contract of service (COS) and job order (JO) workers in the National Government, and even engage new services under similar contracts, until Dec. 31, 2022.

"Since said deadline is already approaching, the DBM conducted focus group discussions this month with departments and agencies to check their readiness regarding the implementation of said government contracts starting 2023," Ms. Pangandaman said.

"However, all of them are requesting extension on the engagement of COS and JO for about two [to] three years in order for them to have ample time to absorb their existing qualified JO and COS as necessary. The DBM will have a meeting with the office of the chair of the CoA (Commission on Audit) regarding said proposal of the different departments and agencies," she added.

Salary, S1/10

## PCCI says Speaker vows to pass at least 5 bills in their wish list

THE PHILIPPINE CHAMBER of Commerce and Industry (PCCI) on Monday said House Speaker Ferdinand Martin G. Romualdez has committed to having at least five measures in the business group's wish list enacted in the next three years.

In a statement, the PCCI said its officials met with Mr. Romualdez on Aug. 4 to discuss the business group's legislative agenda composed of 16 measures.

"Mr. Romualdez committed to have 5-10 of the measures enacted within the next three years. He assured PCCI that the business sector will be consulted in crafting laws related to trade and commerce, vowing to hear all relevant stakeholders before passing any legislation," the PCCI said.

PCCI President George T. Barcelon said the business group is ready to work with the government on reform measures

"to boost and strengthen the country's economic, social and health sectors."

The PCCI's wish list includes Package 3 (Property Valuation and Assessment) and Package 4 (Passive Income and Financial Intermediary Taxation Act) of the Comprehensive Tax Reform Program, and the Capital Market Development Act, which the group says would strengthen fiscal sustainability.

— Revin Mikhael D. Ochave

### FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link <br><a href="https://bit.ly/PCCI083022">bit.ly/PCCI083022</a>