

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 5,935.69 HIGH: 5,983.10 LOW: 5,883.28 CLOSE: 5,910.06 VOL.: 0.585 B VAL(P): 6.652 B 30 DAYS TO JUNE 11, 2026 31.30 pts. 0.52%	<b>JUNE 12, 2026</b> JAPAN (Nikkei 225) 66,020.04 ▲ 1,802.77 2.81 HONG KONG (HANG SENG) 24,718.10 ▲ 468.81 1.93 TAIWAN (WEIGHTED) 44,169.04 ▲ 1,019.58 2.36 THAILAND (SET INDEX) 1,592.41 ▲ 20.09 1.28 S. KOREA (KSE COMPOSITE) 8,123.62 ▲ 359.67 4.63 SINGAPORE (STRAITS TIMES) 5,025.80 ▲ 37.70 0.76 SYDNEY (ALL ORDINARIES) 8,804.00 ▲ 170.80 1.98 MALAYSIA (KLSE COMPOSITE) 1,683.63 ▲ 4.10 0.24	<b>JUNE 12, 2026</b> DOW JONES 51,202.260 ▲ 353.510 NASDAQ 25,888.844 ▲ 79.184 S&P 500 7,431.460 ▲ 37.160 FTSE 100 10,471.720 ▲ 167.840 Euro Stoxx50 5,287.920 ▲ 92.540	<b>FX</b> OPEN P61.350 HIGH P61.170 LOW P61.430 CLOSE P61.350 W.AVE. P61.326 VOL. \$2,273.42 M SOURCE: BAP 4.50 cns	<b>JUNE 12, 2026 LATEST BID (0900GMT)</b> JAPAN (YEN) 160.2100 ▲ 160.5200 HONG KONG (HK DOLLAR) 7.8348 ▲ 7.8360 TAIWAN (NT DOLLAR) 31.6110 ▲ 31.6380 THAILAND (BAHT) 32.6900 ▲ 32.9400 S. KOREA (WON) 1,517.6000 ▲ 1,531.1700 SINGAPORE (DOLLAR) 1.2839 ▲ 1.2883 INDONESIA (RUPIAH) 17,865.000 ▲ 17,975.000 MALAYSIA (RINGGIT) 4.0550 ▲ 4.0680	<b>JUNE 12, 2026</b> US\$/UK POUND 1.3406 ▲ 1.3363 US\$/EURO 1.1568 ▲ 1.1533 US\$/AUSTRALIAN DOLLAR 0.7043 ▲ 0.6994 CANADA DOLLAR/US\$ 1.3989 ▲ 1.3976 SWISS FRANC/US\$ 0.7969 ▼ 0.8000	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$82.20/BBL 116.50 107.20 97.90 88.60 79.30 70.00 30 DAYS TO JUNE 12, 2026 \$6.30

VOL. XXXIX • ISSUE 226 MONDAY • JUNE 15, 2026 • www.bworldonline.com S1/1-12 • 4 SECTIONS, 28 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 11, 2026 (PSEi snapshot on S1/2; article on S2/2)

ICT	P898.000	BDO	P116.300	ALI	P12.740	AC	P386.000	JFC	P128.000	MBT	P63.000	TEL	P1,083.000	SGP	P29.500	MER	P574.000	URC	P55.900
Value	P1,470,796,525	Value	P604,049,433	Value	P320,382,166	Value	P288,082,132	Value	P244,352,927	Value	P232,638,937	Value	P193,324,785	Value	P186,607,840	Value	P148,621,020	Value	P117,477,294
P6.000	▲ 0.673%	-P4.300	▼ -3.566%	-P0.460	▼ -3.485%	P1.000	▲ 0.260%	-P1.100	▼ -0.852%	-P1.000	▼ -1.563%	-P2.000	▼ -0.184%	-P0.700	▼ -2.318%	P0.000	— 0.000%	-P3.100	▼ -5.254%

# Poll: BSP poised for 25-bp rate hike

## Q1 bank asset growth fastest in over a year

By Isa Jane D. Acabal  
Researcher

GROWTH in the combined assets of the Philippines' largest banks accelerated to its fastest pace in more than a year in the first quarter, despite disruptions from the Middle East conflict.

In the latest edition of *BusinessWorld's* quarterly banking report, the aggregate assets of 44 universal and commercial banks expanded by 9.52% year on year to P29.4 trillion in the January-to-March period from P26.84 trillion a year earlier.

This pace was a tad faster than the 9.51% logged in the same period last year, and the 8.54% growth in the fourth quarter of 2025.

However, the pace of asset growth was the quickest since the 10.02% expansion in the fourth quarter of 2024.

Total loans grew by 11.44% year on year to P15.63 trillion in the first three months, easing from 13.46% a year ago but faster than the 10.12% in the fourth quarter of 2025.

Loan growth was the strongest in three quarters or since the 12.38% posted in the second quarter of 2025.

Lending continued to expand despite sluggish economic growth in the first quarter and rising inflation driven by a spike in fuel prices amid the Middle East war.

In the first quarter, the Philippine economy expanded by 2.8%, the weakest growth since the pandemic.

Inflation accelerated to 4.1% in March from 2.4% in February, reflecting soaring pump prices. In the first three months, inflation averaged 2.8%.

The big banks' nonperforming loan ratio, or loans with unpaid principal and/or interest for at least 90 days after the due date, reached 3.32% in the first quarter.

This was higher than the 3.16% a year earlier and the 3.15% in the October-to-December period of 2025.

Data also showed that the banks' median return on equity

(RoE) rose to 7.34% as of end-March from 7.3% a year earlier and 6.97% in the fourth quarter of 2025.

RoE is an indicator of profitability which measures the amount shareholders make on every peso they invest in a company.

On the other hand, the largest banks' median capital adequacy ratio — the lenders' ability to absorb losses from risk-weighted assets — reached 19.08% during the first three months.

This was lower than the 19.71% logged in the same quarter in 2025 and the 21.21% in the fourth quarter.

The ratio was above the Bangko Sentral ng Pilipinas' (BSP) regulatory minimum of 10% and the international minimum standard of 8% under the Basel III framework.

As of end-March, the big banks' leverage ratio stood at a median of 11.15%, lower than the 11.27% a year ago and 11.73% a quarter earlier.

This exceeded the minimum 5% guideline of the central bank and the 3% international standard.

Leverage ratio gauges an institution's ability to absorb shocks by measuring the bank's capital in relation to total exposure.

The net interest margin (NIM) of these big banks was at 3.61%, lower than the 3.76% a year earlier and the 3.99% in the fourth quarter of 2025.

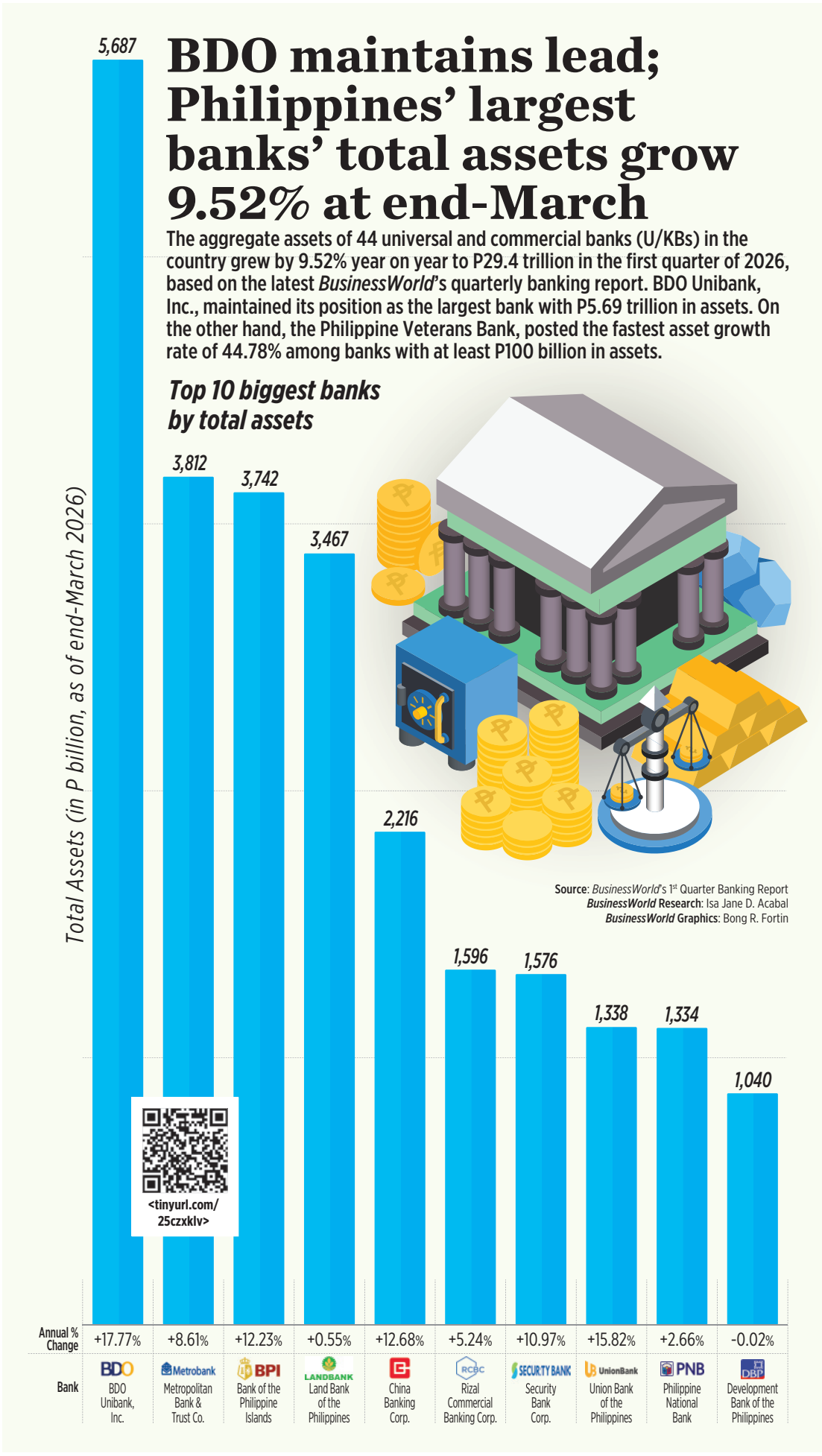
NIMs measure banks' efficiency in investing their fund by dividing annualized net interest income by average earning assets.

Return on assets, which measures the profit generated per peso of an asset, slipped to 1.49% in the first quarter from 1.71% in the same period in 2025.

### BIGGEST BANKS

In the first quarter, BDO Unibank, Inc. (BDO) kept its lead as the largest bank by total assets with P5.69 trillion, followed by Metropolitan Bank & Trust Co. (Metrobank) with P3.81 trillion and Bank of the Philippine Islands (BPI) with P3.74 trillion.

Bank asset, S1/5



By Katherine K. Chan  
Reporter

STILL ELEVATED INFLATION and the peso's persistent weakness may prompt the Bangko Sentral ng Pilipinas (BSP) to tighten for a second straight meeting to stay ahead of the curve and keep inflation expectations anchored, analysts said.

A *BusinessWorld* poll conducted last week showed 15 of 20 analysts expect the Monetary Board to raise the interest rate anew by 25 basis points (bps) to 4.75% at its June 18 meeting.

Meanwhile, four analysts anticipate a 50-bp rate hike, saying that broadening price pressures call for a more aggressive action. If realized, this would bring the benchmark rate to 5%.

Only one analyst, Ser Percival K. Peña-Reyes, a senior research fellow at the Ateneo Center for Economic Research and Development, sees the BSP standing pat this week, citing geopolitical uncertainties.

Most analysts said the central bank is better positioned to deliver a "measured" 25-bp hike this week after headline inflation eased last month and with still sluggish domestic growth.

If realized, this would bring the key rate to 4.75% from the current 4.5%, the highest in nearly a year or since the 5% in August last year. It would likewise match the benchmark rate set in October 2025.

"While the latest inflation reading was softer than expected, this only subverted the risks of an off-cycle hike, but it has not paused the fundamentally hawkish policy stance," University of Asia and the Pacific economist Marco Antonio C. Agonia told *BusinessWorld* in an e-mail.

"BSP may also be considering the softer growth horizon for this year, limiting any outsized rate hike movements for this coming meeting," he added.

Maybank Investment Bank economist Azril Rosli noted that the BSP is likely to maintain a hawkish stance as May's faster core inflation signals persistent price pressures, though the easing headline inflation will keep it from acting aggressively.

"Given the BSP's preference to assess incoming data and the lagged effects of monetary policy, we believe the Monetary Board is likely to raise rates at a gradual pace, taking into account the latest inflation readings, which showed a slight moderation rather than warranting a more aggressive policy response," he said in an e-mail.

Lower transport costs amid easing global oil prices led headline inflation to undershoot market expectations in May, settling at 6.8% from 7.2% in April. This was lower than the 7.9% median forecast in a *BusinessWorld* poll of 16 economists.

However, core inflation, which discounts volatile food and energy prices, breached the BSP's 2%-4% target for the first time in over two years as it quickened to 4.1% in May from 3.9% a month ago.

Earlier this month, the central bank told Reuters that it may consider taking stronger measures to steer inflation back to its 3% target if elevated inflation expectations become entrenched.

# World Bank sees below-target growth for Philippines in 2028

THE WORLD BANK said the Philippine economy is likely to expand by 5.6% in 2028, still below the government's 6-7% target, amid an expected recovery in public investment.

In the latest Global Economic Prospects report, the World Bank said it retained its gross domestic product (GDP) growth forecasts for the Philippines at 3.7% in 2026 and 2027.

If realized, growth would fall short of the government's 5-6% target for 2026 but would be at the lower end of its 5.5-6.5% goal for 2027.

"Growth in East Asia and the Pacific excluding China is forecast to improve to 4.9% in 2027-28 as geopolitical uncertainty dissipates, energy prices settle, and demand improves," the World Bank said.

"Public investment is expected to recuperate in the Philippines, and Indonesia's growth will be

supported by state-led investment initiatives," it added.

The Philippine economy expanded by a weaker-than-expected 2.8% in the first quarter, the slowest pace since the pandemic, amid lingering uncertainty from last year's corruption scandal and higher oil prices linked to the Middle East conflict.

"The World Bank's outlook is plausible, but I would not treat it as the only reasonable scenario," Ateneo Center for Economic Research and Development Senior Research Fellow Ser Percival K. Peña-Reyes told *BusinessWorld*.

He said the weak 2026 forecast reflects uncertain global conditions, elevated geopolitical and trade tensions, fiscal consolidation, weather-related disruptions, and food price shocks.

However, Mr. Peña-Reyes said economic expansion this year could be stronger if household

consumption remains resilient, inflation continues to ease, infrastructure spending is sustained, investment reforms gain traction, and monetary policy becomes more accommodative.

"The key question is whether the Philippines can lift its potential growth rate rather than simply recover cyclically," he said.

"Sustained growth above 6% typically requires faster investment, stronger export competitiveness, improved logistics, and continued reforms in energy, transportation, and the business environment," he added.

To be able to achieve the upper end of the government's targets over the next two years, Mr. Peña-Reyes said this would require low inflation, stronger infrastructure spending, higher investment, reliable and affordable energy, faster productivity growth, greater export competitiveness, and continued reforms.

"If these conditions are met and the external environment remains reasonably stable, growth could move closer to the government's targets after 2026," he said.

"However, if oil prices remain elevated for an extended period because of Middle East tensions, growth would likely stay closer to the more cautious forecasts of institutions such as the World Bank," he added.

Meanwhile, University of Asia and the Pacific economist Marco Antonio C. Agonia said his own economic growth projections are broadly in line with the World Bank's estimates.

"The World Bank's gross domestic product growth estimates for the Philippines reflects immediate headwinds concerning Philippine growth prospects," he told *BusinessWorld*.

"In the immediate term, growth should pick up as the

National Government resumes infrastructure spending by the second half of the year and base effects from the second half of last year work to our advantage," he added.

However, Mr. Agonia said the country can restore economic dynamism by rebuilding institutional confidence, developing high-value industries, and diversifying its sources of growth.

"More than the level of the forecasts, the important signal here is that the traditional driver of the Filipino growth engine, remittance-led consumption, is petering out, especially as spending momentum and economic confidence remain under siege," he added.

His comments come as remittance growth has slowed in recent months, raising questions about the sustainability of one of the country's key consumption drivers.

World Bank, S1/5

Poll, S1/9