BAIPHIL

BAIPHIL MARKET WATCH

BAIPHIL: Aligning Innovation and Regulation in the AI Era

1 September 2026

Legend
Improvement / Up
Deterioration / Down
No Movement

Shaping the Future of Banking Beyond Digital Transformation: BAIPHIL Joins World Conference of Banking Institutes 2026

As banking adapts to rapid technological change, evolving customer expectations, and increasing regulatory complexity, collaboration among industry leaders has never been more important. The Bankers Institute of the Philippines, Inc. ("BAIPHIL" or the "Institute") joined banking professionals from around the world at the **World Conference of Banking Institutes 2026**, contributing Philippine perspectives to discussions shaping the future of the profession focusing on **Professional Banking in an Age of Digital Transformation and AI.**

25th World Conference of Banking Institutes 2026

BAIPHIL was honored to participate in the **World Conference of Banking Institutes 2026 ("WCBI2026"), held from June 16–18 at The University of St Andrews, St Andrews, Scotland.**

The conference brought together more than 100 senior leaders and representatives from banking institutes, academe, and financial organizations from 20 counties around the world to discuss how global pressures are reshaping the banking profession and how professional bodies can respond through coherent standards that strengthen future skills, professional judgment, employer capability, and public trust.

For BAIPHIL, participation in this global dialogue was both a privilege and a noteworthy milestone. The event provided a valuable platform to exchange insights and learn from the experiences of banking professionals facing similar challenges across different jurisdictions.

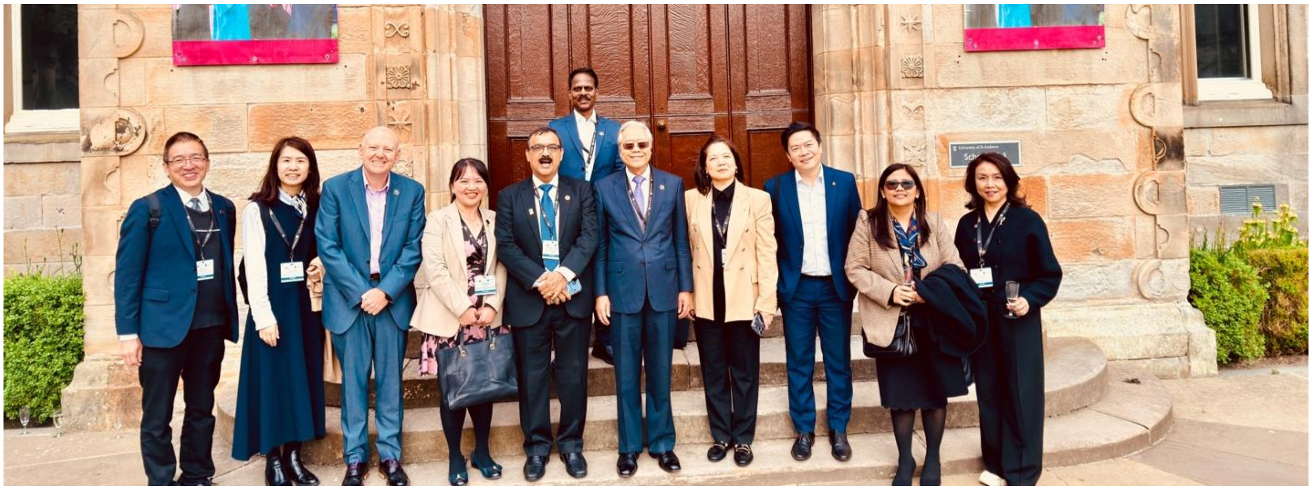
Beyond the formal sessions, the conference offered invaluable opportunities to learn from the experiences, initiatives, programs, strategic priorities, and future aspirations of banking institutes from around the world. While many of these lessons are too extensive to fully capture in a single article, one message consistently emerged across discussions and roundtables: the future of banking will be shaped not only by technology, but by how effectively institutions adapt learning models, professional standards, and governance frameworks to continuous change.

During the conference, **BAIPHIL President Shirley G. Felix** shared the Institute's perspectives on the theme "Global Pressures, Local Realities" - how changing banking business models, the emergence of non-bank competitors, technology-driven transformation, evolving customer behavior, and increasing regulatory divergence are shaping the local banking landscape. Drawing from BAIPHIL's experience, Ms. Felix highlighted how the Institute continues to support the Philippine banking industry through programs designed and delivered by banking and financial industry experts, ensuring that learning remains practical, relevant, and responsive to the sector's needs.

Shirley G. Felix, FY 2025-2026 BAIPHIL President and Officer-in-Charge, Office of the Executive Vice President, Receivership and Liquidation Sector, Philippine Deposit Insurance Corporation sharing the Institute's perspectives on the theme "Global Pressures, Local Realities."

A key discussion during the conference centered on the concept of "Consistency without Uniformity: A Global Compact for Professional Banking." Participants explored how local banking realities differ across jurisdictions, while recognizing that many regulatory and supervisory pressures are shared globally. Conversations also examined the growing influence of artificial intelligence (AI) and its potential to transform the banking profession, while reaffirming that banking professionals around the world remain united by common goals and values.

One of the conference's most significant takeaways was the recognition that AI is no longer a future consideration—it is already an important part of banking and will continue to play an increasingly important role in the years ahead.



Standing 7th from the left: **Shirley G. Felix**, FY 2025–2026 BAIPHIL President and Officer-in-Charge, Office of the Executive Vice President, Receivership and Liquidation Sector, Philippine Deposit Insurance Corporation, Standing 9th from the left: **Atty. Lei P. Paz-Aguba**, BAIPHIL Trustee-in-Charge, Corporate Communications and Information Exchange Committee, and SVP – Head, Legal Treasury and Global Markets, Legal Division with Asian-Pacific Association of Banking Institutes (APABI) Delegates

WCBI2026 delegates agreed that while bankers remain an essential **"human in the loop,"** the future of banking depends on keeping AI firmly **human-led**. As AI capabilities advance, banking professionals must continue to provide the judgment, accountability, and ethical oversight that technology cannot replace, ensuring that AI is applied responsibly and in the best interests of customers and institutions. Now, more than ever, these distinct human qualities will become even more valuable.

Finally, WCBI2026 delegates returned to their home countries with one clear affirmation: **TRUST remains the foundation of the banking profession and its most enduring strength. As long as that trust is preserved, AI will not replace bankers, it will empower them, serving as a powerful ally in shaping the future of banking.**

BAIPHIL extends its sincere appreciation to the Asian-Pacific Association of Banking Institutes (APABI), under whose delegation BAIPHIL attended the WCBI 2026, for connecting the Institute to this important global dialogue; to the Chartered Banker Institute for organizing an exceptional conference that fostered meaningful collaboration and learning; and to fellow delegates and participants from banking institutes, academe, and financial organizations around the world, whose insights, experiences, and openness made the conference a truly enriching, memorable, and worthwhile experience.

FINANCIAL MARKETS AT A GLANCE

Currency Echange[1]	Current	Previous
USD/PHP	Holiday	62.2650
USD/JPY	159.7400	160.0700
USD/CNY	6.7259	6.7268
EUR/USD	1.1617	1.1585
GBP/USD	1.3548	1.3538

PHP BVAL Reference Rates[2]	Current	Previous
30-Day	Holiday	4.8853
91-Day	Holiday	5.0934
180-Day	Holiday	5.4872
1-Year	Holiday	5.7017
3-Year	Holiday	6.6859
5-Year	Holiday	7.0658
10-Year	Holiday	7.2577

Domestic Stock Index[3]	Current	Previous
PSEi	Holiday	5,956.33
Trade Value (Php B)	Holiday	18.804

Stock Index[4]	Current	Previous
NIKKEI 225	66,311.93	66,405.56
FTSE 100	Holiday	10,824.26
DOW JONES	53,185.90	53,559.99
S&P 500	7,686.14	7,711.76
NASDAQ	26,370.89	26,402.42

Various[5/6]	Current	Previous
Brent Crude (USD/bbl)	90.95	88.36
3-M US Treasury Yield	3.91%	3.90%
5-Y US Treasury Yield	4.49%	4.48%
10-Y US Treasury Yield	4.75%	4.73%



PHILIPPINES

~~~ Philippine Markets Were Closed On August 31 Due To Holiday. ~~~

- ✓ **Shares may rise on bargain hunting after slide.** On Friday, the Philippine Stock Exchange index (PSEi) sank by 0.8% or 48.25 points to close at 5,956.33, while the broader all shares index decreased by 0.61% or 20.51 points to end at 3,318.99. This was the PSEi's lowest finish in 11 weeks or since June 11's 5,910.06. Philstocks Financial, Inc. Research Manager Japhet Louis O. Tantiangco said the local bourse could see a technical rebound this week as investors may take advantage of lower prices, although the medium-term outlook remains bearish amid a weaker economic environment. "The BSP (Bangko Sentral ng Pilipinas) raised its policy rate by another 25 basis points last week. The rise in interest rates is expected to temper aggregate demand since it makes borrowing more expensive. Hence, it will pose an additional challenge to the local economy," he said.
https://bworldonline.com/stock-market/2026/08/31/773547/shares-may-rise-on-bargain-hunting-after-slide/

- ✓ **Peso may sink to new lows on inflation woes, Fed hike view.** Its intraday low of P62.27 versus the greenback on Friday is now the lowest level the peso has ever touched. Year to date, the currency is down by 5.58% or P3.475 from its 2025 close. Meanwhile, week on week, the peso weakened by 59.5 centavos or 0.96% from its P61.67 per dollar finish on Aug. 20. "The US dollar/peso (has been) also higher lately, after global crude oil prices corrected slightly higher, with Brent crude oil price at $89-per-barrel levels… on signs that diplomatic efforts toward an agreement over the Strait of Hormuz have hit fresh hurdles," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message. "The peso weakened to new record lows ahead of likely hawkish remarks by Fed Chair Warsh… in the Jackson Hole Symposium," a trader said via Viber message. For this week, the peso's weakness against the dollar may persist as markets turn their attention to the upcoming August inflation report and the Fed's potential rate hike later this year.
https://bworldonline.com/banking-finance/2026/08/31/773346/peso-may-sink-to-new-lows-on-inflation-woes-fed-hike-view/

- ✓ **Debt yields may climb on BSP hike, hawkish hints.** The Monetary Board raised its benchmark rate by 25 bps to an over one-year high of 5%, with BSP Governor Eli M. Remolona, Jr. signaling more hikes as needed to steer inflation back to their 3% target. At the secondary market on Friday, yields on the 35-, 91-, 182- and 364-day bills went up by 12.09 bps, 9.09 bps, 16.6 bps, and 4.24 bps week on week to 4.8853%, 5.0934%, 5.4872%, and 5.7017%, according to the PHP Bloomberg Valuation Service Reference Rates published on the Philippine Dealing System website. For its part, the 20-year bond went down by 17.73 bps week on week to end at 7.3277%, while the five-year debt, the tenor closest to the remaining life of the series on offer on Wednesday, inched down by 0.68 bp to close at 7.0658%. Last week, the Treasury borrowed only P7.665 billion via the 35-day CMBs, below the P20-billion program, despite demand reaching P22.966 billion. The one-month bill fetched an average rate of 4.823%, up by 0.7 bp from the 4.816% quoted on July 20 when they were last offered. Bid yields were from 4.775% to 4.89%. Meanwhile, for the 91-day T-bills, the Treasury borrowed P20 billion as bids for the tenor reached P35.798 billion. The three-month paper fetched an average rate of 5.051%, up by 4.3 bps week on week. Tenders accepted had yields from 4.96% to 5.104%. The government also raised P15 billion via the 182-day papers as tenders hit P42.232 billion. The average yield on the six-month T-bill inched down by 0.9 bp to 5.433%. Bid rates awarded were from 5.399% to 5.4673%. Lastly, the BTr sold P15 billion in 364-day securities as demand for the tenor totaled P21.455 billion. The one-year paper fetched an average rate of 5.64%, climbing by 2.7 bps week on week. Accepted yields ranged from 5.6% to 5.682%.
https://bworldonline.com/banking-finance/2026/09/01/773568/debt-yields-may-climb-on-bsp-hike-hawkish-hints/

- ✓ **NG gross borrowings surge in July.** The National Government's (NG) gross borrowings surged in July, reflecting the timing and front-loading of debt issuances to finance its deficit and maturing obligations, analysts said. Data from the Bureau of the Treasury showed that the total gross borrowings jumped by 75.4% to P291.375 billion in July from P166.107 billion in the same month in 2025. Domestic debt, which accounted for 93.1% of the total gross borrowings for the month, reached P271.321 billion. This was a 77.9% increase from P152.54 billion in July 2025. Domestic borrowings consisted of P133.2 billion in net Treasury bill issuances and P138.121 billion in fixed-rate Treasury bonds. On the other hand, gross external borrowings jumped by 47.81% to P20.054 billion in July from P13.567 billion a year earlier. External financing during the month consisted of P18.641 billion in new project loans and P1.413 billion in program loans. There were no global bonds in July.

- ✓ **Philippines saw net inflows of hot money drop sharply in July.** The Philippines saw short-term foreign investment inflows drop sharply in July amid persistent volatility, central bank data showed. Transactions on foreign investments registered with the Bangko Sentral ng Pilipinas (BSP) through authorized agent banks yielded a net inflow of $66.47 million in July, plunging by 91.05% from $742.56 million a year earlier. Month on month, this was 60.93% lower than the $170.12-million net inflow in June. Still, July marked the third month in a row that foreign portfolio investments (FPIs) posted a net inflow. FPIs are also referred to as "hot money" due to the ease with which these flows enter or leave the country. Based on BSP data posted on its website, gross outflows of hot money jumped by 33.21% year on year to $2.301 billion in July from $1.727 billion. However, it declined by 16.99% from the $2.772-billion outflows in the previous month. On the other hand, total hot money inflows amounted to $2.368 billion during the month, declining by 4.15% from $2.47 billion a year prior and by 19.53% from $2.942 billion in June. Lingering volatility in global markets likely kept foreign investors cautious about channeling funds into short-term investments in the country, analysts said.
https://bworldonline.com/top-stories/2026/09/01/773560/philippines-saw-net-inflows-of-hot-money-drop-sharply-in-july/

- ✓ **Philippine inflation likely cooled to 6% in August — poll.** Headline Inflation may have eased to a five-month low in August but stayed above the central bank's target as the bad weather drove up food prices and transport costs remained elevated year on year, analysts said. The median estimate of 20 analysts polled by BusinessWorld showed inflation, as measured by the consumer price index, likely eased to 6% in August from 6.2% in July but accelerated from 1.5% a year ago. If realized, the August headline print would cool to its slowest pace in five months or since the 4.1% in March. However, August would mark the sixth consecutive month that inflation breached the Bangko Sentral ng Pilipinas' (BSP) 3% target. At 6%, the Philippines' eight-month average inflation would reach 5.1%. The central bank expects August's headline inflation to settle between 5.5% and 6.5%, with weather-sensitive food prices and still high oil costs emerging as key risks. The Philippine Statistics Authority will release the August inflation report on Sept. 4.
https://bworldonline.com/top-stories/2026/08/31/773410/philippine-inflation-likely-cooled-to-6-in-august-poll/

- ✓ **BSP looks to ease banks' access to discount window facility.** Philippine banks may soon be able to tap temporary emergency liquidity faster and easier as the Bangko Sentral ng Pilipinas (BSP) plans to ease the requirements to access to its discount window facility (DWF). In a draft circular, the central bank said it plans to enhance the DWF by amending the regulations governing it to ensure banks can access support more efficiently during times of need. "In line with the BSP's continuing efforts to strengthen the effectiveness of the facility, the proposed amendments to Sections 281 and 282 of the Manual of Regulations for Banks seek to enhance the accessibility of the DWF; promote operational readiness; and facilitate the timely delivery of liquidity support when warranted," the BSP said in a statement. Under its proposed amendments, the BSP wants to streamline the application process by eliminating most of the existing administrative requirements needed to access the DWF. Based on the planned changes, banks will only have to electronically submit a signed board resolution authorizing their application and availment of the facility, including their asset collateralization and at least two designated signing officers.
https://bworldonline.com/banking-finance/2026/08/31/773347/bsp-looks-to-ease-banks-access-to-discount-window-facility/

- ✓ **BSP may wait until February to deliver final rate increase as growth stays weak.** The Bangko Sentral ng Pilipinas (BSP) may stand pat for the remainder of the year as it steps back to monitor inflation developments amid a weak macroeconomic environment before potentially delivering its final rate hike for this tightening cycle early next year, Deutsche Bank Research said. In an Aug. 28 report, the German bank said the BSP may deliver one last 25-basis-point (bp) increase in February. "We keep our call for a further 25-bp hike, as the BSP's inflation forecasts are still above target in 2026-27, but move it to February 2027 from October 2026 previously, as we think the BSP would prefer to watch for potential changes in inflation expectations or second-round effects from earlier shocks before making its next move," Deutsche Bank Research Economist Junjie Huang said. Last week, the Monetary Board tightened for a third straight meeting in a preemptive move to temper inflation risks from the looming severe El Niño, wage hikes, and volatile global oil prices.
https://bworldonline.com/banking-finance/2026/09/01/773567/bsp-may-wait-until-february-to-deliver-final-rate-increase-as-growth-stays-weak/

- ✓ **Trade gap widens by 34.9% to $5.97B in July 2026.** The Philippines' trade deficit continued to widen in July 2026 as growth of imports outpaced export growth, preliminary data released by the Philippine Statistics Authority (PSA) on Friday showed. The balance of trade in goods—the difference between the value of exports and imports— stood at $5.97 billion last month, up 34.9% from $4.43 billion in July 2025. This was the highest trade in goods shortfall recorded since May 2026's $6.10-billion trade gap, which was the widest since August 2022. The wider trade deficit resulted from higher import receipts at $14.12 billion, up 19.8% from $11.79 billion year-on-year; still outpacing exports despite growing by 10.8% to $8.15 billion, from $7.95 billion a year ago.
https://www.gmanetwork.com/news/money/economy/1000218/trade-gap-widens-by-34-9-to-5-97b-in-july-2026/story/

- ✓ **Gov't budget utilization hits 94.6% at end of July.** Government agencies posted a cash utilization rate of 94.6% at the end of July, running ahead of the 94% year-earlier pace, the Department of Budget and Management (DBM) said. In its latest Notice of Cash Allocations (NCAs) Utilization Report, the DBM said the National Government, local government units (LGUs), and government-owned and -controlled corporations (GOCCs) used P2.956 trillion of their P3.126 trillion in allocations by the end of July. Unused NCAs amounted to P169.943 billion, the DBM said. NCAs are disbursement authorities issued by the DBM to agencies, allowing them to withdraw funds from the Bureau of the Treasury for their spending needs. Government departments and other agencies used P1.988 trillion, or 92.2%, of their allocations by the end of July, leaving P168.09 billion unused. This was also slightly higher than the year-earlier 92% utilization rate. At the end of July, the Office of the Vice-President and the Commission on Audit posted utilization rates at 99.7% each. These were followed by the departments of Foreign Affairs (99.3%), Energy (99.1%) and National Defense (98.4%). The Office of the President posted a 69.4% utilization rate. The rest of the laggards were the Presidential Communications Office (72%), Civil Service Commission (73.3%), the Department of Labor and Employment (76.8%) and Commission on Elections (76.9%). The Department of Public Works and Highways saw its utilization rate fall to 86.2% from 94% a year earlier. Its cash allocations also nearly halved to P320.1 billion at the end of July from P610 billion a year earlier. On the other hand, Department of Energy NCA releases surged to P31.66 billion at the end of July from P1.65 billion a year earlier. Its utilization rate rose to 99.1% from 63%.
https://bworldonline.com/economy/2026/08/31/773635/govt-budget-utilization-hits-94-6-at-end-of-july/

- ✓ **17 firms eye P10-B geothermal de-risking facility.** Seventeen companies have expressed interest in tapping a P10-billion government facility aimed at reducing risks associated with geothermal exploration, according to the Department of Energy (DoE). Energy Undersecretary Rowena Cristina L. Guevara told reporters last week that 12 companies are already in the pipeline for the facility, while five others are ready to participate should any of the initial applicants withdraw. She said the DoE had identified the interested companies for presentation to the Asian Development Bank (ADB), Department of Finance (DoF), and Department of Economy, Planning, and Development (DEPDev). "The ADB will soon issue a tender for experts who will assist the DoE in evaluating the applications," she said. In July, the Economy and Development Council under DEPDev approved the Philippine Geothermal Resource De-Risking Facility proposed by the DoE. The facility seeks to reduce financial risks during geothermal exploration, which requires significant upfront spending before developers can determine whether a resource is commercially viable. The program involves a cost-sharing arrangement for exploration drilling. "Geothermal development requires significant investment long before a single kilowatt is delivered to consumers," Energy Secretary Sharon S. Garin said. "Through the Philippine Geothermal Resource De-Risking Facility, the government is helping de-risk the exploration stage so that viable prospects can move more quickly from resource confirmation to project development," she added. Geothermal energy can provide baseload power, but exploration carries significant financial risks because developers must make large upfront investments before confirming whether a resource is commercially viable.
https://bworldonline.com/corporate/2026/09/01/773630/17-firms-eye-p10-b-geothermal-de-risking-facility/

- ✓ **DTI 'cautiously optimistic' export growth may exceed 3% this year.** Philippine Merchandise exports are expected to outpace the government's 3% projection, amid a strong performance so far this year, the Department of Trade and Industry (DTI) said. "We're optimistic that of course, we're going to grow," Bianca Pearl R. Sykimte, director of the DTI-Export Marketing Bureau (EMB), told reporters on the sidelines of an event last week. "We've seen the DBCC (Development Budget Coordination Committee) forecast, which is about 3% growth in exported goods… We are cautiously optimistic that we'll surpass that," she said. Ms. Sykimte noted that the double-digit growth in exports signals that export growth will remain strong this year. In the first seven months of the year, exports climbed by 12.9% to $54.92 billion from $48.69 billion last year, driven by exports of electronic products. Electronics accounted for 21.1% of total exports in the January-to-July period at $30.92 billion, as semiconductor exports rose amid the global boom in artificial intelligence (AI). Sought for comment, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the AI boom is expected to continue driving Philippine export growth. "A bright spot for Philippine exports has been the boom in AI-related spending and demand worldwide, especially with the large investments by the world's biggest tech companies," he said in a Viber message.
https://bworldonline.com/top-stories/2026/08/31/773408/dti-cautiously-optimistic-export-growth-may-exceed-3-this-year/

- ✓ **DA proposes geofencing 3-M hectares as renewables encroach on farmland.** Agriculture Secretary Francisco P. Tiu Laurel, Jr. proposed geofencing around 3 million hectares of agricultural land, particularly areas planted to rice, to prevent losing key growing areas to solar farms. Mr. Laurel met with Energy Secretary Sharon S. Garin to discuss ways to expand solar energy capacity without losing land deemed critical to food production. The DA said it plans to

digitally map and establish geographic boundaries around priority agricultural areas, guiding energy developers on where their projects should not be located. Mr. Laurel said the DA wants flat land suitable for growing rice to be reserved for agricultural use. The DA will also identify between 1,000 to 2,000 priority agricultural areas and cross-check them against current and awarded energy projects to prevent conflict and overlaps, with Mr. Laurel asking the DoE to provide a list of such projects. The DA and the DoE are planning to sign a memorandum of agreement in October to formalize the partnership. Potential beneficiaries of the partnership include irrigation systems, post-harvest facilities, rice mills, cold storage plants, slaughterhouses, farms, fishponds, and other food production operations. Agriculture Undersecretary Roger V. Navarro and Energy Undersecretary Rowena Cristina L. Guevarra have been tasked to develop a Farm-to-Energy Framework with the ERC to explore how farmers and fisherfolk could benefit from renewable energy.
https://bworldonline.com/economy/2026/08/31/773637/da-proposes-geofencing-3-m-hectares-as-renewables-encroach-on-farmland/

- ✓ **Favorable Q2 weather behind agri PPI decline.** The continuing decline of the producer price index (PPI) for agriculture is thought to have been driven by favorable weather in the second quarter, which boosted supply and pulled down farmgate prices, former Agriculture Secretary William D. Dar said. Mr. Dar said the trend may have been arrested in the coming quarters due to the weather disturbances this month. "I don't see a further decline this third quarter due to increasing weather disturbances which include typhoons and flooding which will reduce agricultural production … Food inflation will also be higher," Mr. Dar told BusinessWorld via Viber. The Philippine Statistics Authority reported that the PPI for agriculture fell 11.7% year on year in the second quarter, after a 13.2% decline in the first quarter. Month on month, PPI fell 3.6%, after a 5.1% decline in the preceding quarter. The PPI for livestock and poultry posted a 13.2% decline during the period, with livestock falling 16.5% and poultry dropping at 7.8%. The PPI for crops contracted 12.4% during the quarter, with many commodity groups retreating, including leafy vegetables (-55.7%), condiments (-39.4%), commercial crops (-22.6%), fruit and vegetables (-19.5%), fruits (-17.6%), and beans and legumes (-11.6%). The PPI for fisheries fell 6.9% year on year during the period, with declines seen in marine municipal fisheries (-12.8%), aquaculture (-2.1%), and inland municipal fisheries (-17.8%). Meanwhile, the PPI for commercial fisheries grew 10.7%.
https://bworldonline.com/economy/2026/08/31/773634/favorable-q2-weather-behind-agri-ppi-decline/

- ✓ **AUB to raise capital stock to P72.5 billion.** Asia United Bank Corp. (AUB) will increase its authorized capital stock to strengthen its balance sheet for long-term expansion. AUB's capital will be increased by 393% to P72.5 billion from P14.7 billion previously, subject to regulatory approvals, the bank said in a disclosure to the stock exchange on Friday. The bank said the capital increase will let them pursue "organic growth," support its growing commercial and consumer lending operations, and expand its digital platforms, such as its e-wallet HelloMoney and cross-border payment system AUB PayMate. These digital expansion plans are in line with AUB's "future-ready" roadmap. "As financial landscapes rapidly evolve, we are doubling down on expanding our digital ecosystem by embedding cutting-edge technology into every facet of our operations to deliver frictionless banking experiences, capture new growth corridors, and maintain our trajectory of sustainable, technology-led profitability," AUB President Manuel A. Gomez said. AUB's net income inched up by 0.17% to P2.99 billion in the second quarter. For the first half, its profit rose by 1.01% year on year to P6.19 billion.
https://bworldonline.com/banking-finance/2026/09/01/773566/aub-to-raise-capital-stock-to-p72-5-billion/

- ✓ **CitySavings to get P1-B capital infusion.** Union Bank of the Philippines (UnionBank) will inject P1 billion in fresh funding into its thrift banking subsidiary to fuel its expansion. The bank's board of directors approved the capital infusion for City Savings Bank, Inc. (CitySavings) in a meeting on Aug. 28, it said in a disclosure to the stock exchange on Friday. The funds will support CitySavings' growth and ongoing business operations, UnionBank said. "The infusion is subject to applicable regulatory approvals," it said. As of end-March, CitySavings was the third largest thrift bank in the Philippines in terms of assets with P171.953 billion, the latest Bangko Sentral ng Pilipinas data showed. Based on its balance sheet posted on its website, its assets grew to P181.9 billion as of June. CitySavings' total net loan portfolio stood at P149.465 billion as of June. Its gross nonperforming loan (NPL) ratio was at 9.2%, with a gross NPL coverage ratio of 35.58%. Net interest margin was at 7.5% as of the first half. Return on equity and return on assets stood at 0.63% and 0.44%, respectively. CitySavings booked a net loss of P605.11 million in 2025, a reversal of the P1.28-billion profit it recorded in 2024, its annual report showed.
https://bworldonline.com/banking-finance/2026/09/01/773570/citysavings-to-get-p1-b-capital-infusion/

- ✓ **Globe Telecom boosts 5G spending to ₱26.3 billion as data demand surges.** Globe Telecom Inc. increased capital expenditure by 39 percent in the first half of the year to ₱26.3 billion as the local wireless carrier accelerated network expansion and data infrastructure investments to meet growing digital demand. In a statement, Globe said the spending boost reflects an ongoing strategy anchored on expanding infrastructure capacity while maintaining capital discipline. Globe reaffirmed its guidance to keep full-year capital outlay below $1 billion, signaling a balanced approach between network execution and balance sheet flexibility. About 91 percent of the total first-half outlay went into data-related assets, including core digital infrastructure and capacity additions. Capital expenditure represented 31 percent of service revenues during the six-month period. The carrier broadened its 5G network footprint, expanding outdoor population coverage to more than 98 percent across Metro Manila and key cities in the Visayas and Mindanao regions. The high-speed wireless service now reaches at least 80 percent of the population in secondary cities nationwide, extending next-generation mobile connectivity beyond traditional urban centers.
https://mb.com.ph/2026/08/31/globe-telecom-boosts-5g-spending-to-263-billion-as-data-demand-surges

REST OF THE WORLD

~~~ London Markets Were Closed On August 31 Due To Holiday. ~~~

- ✓ **Most Asian stocks advance as attention turns to Warsh speech**. Asian stocks mostly rose on Friday (Aug 28) ahead of a closely watched speech by Federal Reserve boss Kevin Warsh that investors will be parsing for clues about the outlook for interest rates amid elevated inflation and no sign of an end to the Middle East crisis. With the euphoria following Nvidia's blistering earnings report petering out, the attention is back on the economy as debate surrounds if or when the US central bank will tighten monetary policy. Last month's Fed meeting saw policymakers keep borrowing costs on hold but with three of them dissenting in favour of a hike, and while the latest figures showed inflation easing slightly, it remains well above the 2 per cent target.
https://www.channelnewsasia.com/asia/stocks-advance-federal-reserve-warsh-speech-6346781

- ✓ **European shares rise as French stocks rebound; markets digest Warsh speech.** European shares rose on Friday (Aug 28), as French stocks rebounded from the previous session's selloff, while investors assessed Federal Reserve Chair Kevin Warsh's speech at Jackson Hole. The pan-European Stoxx 600 index closed 0.5 per cent higher at 655.16 points, posting a modest weekly gain after two consecutive weekly declines. France's CAC 40 firmed about 1 per cent after sliding to a one-month low in the previous session, when worries over the government's ability to rein in public finances ahead of next year's elections rattled investors. EssilorLuxottica gained 2.4 per cent after announcing a share buyback plan. Luxury stocks firmed 2.3 per cent, recording their best day in more than a month. Still, fresh data underscored the challenges facing France's economy. Second-quarter GDP growth was revised down to flat from a preliminary 0.2 per cent expansion, signalling weaker-than-expected momentum in the euro zone's second-largest economy.
  https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/european-shares-rise-french-stocks-rebound-markets-digest-warsh-speech

- ✓ **US stocks: Wall Street ends lower after Fed Chair Warsh reaffirms inflation fight.** Wall Street's main indexes ended lower on Friday (Aug 28), with investors turning cautious after Federal Reserve Chair Kevin Warsh reiterated the central bank's focus on fighting inflation, increasing prospects for a rate hike. Without confidence that inflation is heading clearly and with sufficient speed to the Fed's 2 per cent goal, the central bank would have "more work to do," Warsh said in his first Jackson Hole speech. Traders added to bets on a September rate hike after Warsh also said he felt recent inflation data did not suggest a change in trend. Traders are now split between a rate hike and a hold in September, as they were before inflation data this month painted a mixed picture. The S&P 500 lost 19.23 points, or 0.25 per cent, to 7,711.76 and the Nasdaq Composite lost 138.93 points, or 0.52 per cent, to 26,402.42. The Dow Jones Industrial Average closed 9.45 points, or 0.02 per cent, lower to 53,559.99.
  https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/us-stocks-wall-street-ends-lower-after-fed-chair-warsh-reaffirms-inflation-fight

- ✓ **Oil settles lower on clues about Fed policy, rumours of Hormuz deal.** Oil prices settled lower on Friday (Aug 28), also down for the week as traders evaluated hints about the US Federal Reserve Bank's inflation-fighting policy and rumours of a possible agreement on shipping through the Strait of Hormuz. Brent crude futures settled at US$89.31 a barrel, down 39 cents, or 0.43 per cent. West Texas Intermediate crude futures finished at US$83.40 a barrel, down 13 cents, or 0.16 per cent. For the week Brent settled down by more than 5 per cent and WTI by more than 4 per cent. "The (global) products markets are looking strong on further Ukraine strikes on Russian refineries," Flynn said. "But there is a lot of rumbling, rumours we might see a deal to reopen the Strait of Hormuz over the weekend." The US-Israeli war with Iran completed its sixth month on Friday. Traders were watching as flows of oil through the strait made a choppy recovery, through which 20 per cent of global oil production flowed before the war started.
  https://www.businesstimes.com.sg/companies-markets/energy-commodities/oil-settles-lower-clues-about-fed-policy-rumours-hormuz-deal

- ✓ **Gold Slips as Warsh's Hawkish Tone Boosts Rate-Hike Bets.** Gold prices fell toward $4,560 an ounce on Friday, their lowest level in a week, as investors digested what was perceived as hawkish commentary from Federal Reserve Chair Kevin Warsh. In his first major speech since becoming chair in May, Warsh warned that inflation is not meaningfully slowing and said policymakers need to be confident that underlying price pressures are easing; otherwise, the central bank still has "work to do." He reiterated that the Fed remains committed to returning inflation to its 2% goal, which he described as a "firm and fixed" target, and said financial conditions are not currently restrictive. His closely watched remarks provided greater clarity on his economic and policy views after criticism that his more limited communication strategy had left markets with little guidance on the near-term outlook.
  https://tradingeconomics.com/commodity/gold/news/579154

- ✓ **Insight: The battle to build a global defence bank.** Canadian Prime Minister Mark Carney has thrown his weight behind a new global defence bank intended to help allies rearm, but other major economies have yet to commit just weeks before prospective members are due to sign up. The Defence, Security and Resilience Bank (DSRB) has been seeking to raise around €100 billion ($116 billion) and use the money to lend at low cost to governments and contractors for defence projects. It will also offer guarantees for lenders financing smaller firms seen as riskier borrowers. Two officials from countries involved in the project said the DSRB had secured about €5 billion in commitments by August. It is aiming for around €20 billion in paid-in capital and a further €80 billion it can tap when needed, one of them said. But Germany, Britain and other G7 countries have so far declined to join, raising questions over whether the DSRB can achieve the triple-A credit rating it wants to help secure the lowest funding costs. "To make a good impression on the ratings agencies, they would need to have several other substantial governments participating," said William Perraudin, managing director at Risk Control, an analytics firm specialising in multilateral institutions.
  https://www.reuters.com/business/finance/battle-build-global-defence-bank-2026-08-30/

- ✓ **China's factory activity shrinks for second straight month, contracting less than expected.** China's manufacturing activity in August shrank for a second straight month, though by less than market estimates, keeping the pressure on Beijing to support the economy as growth loses momentum. The official purchasing managers' index reading came in at 49.8, compared with 49.2 in July, National Bureau of Statistics data showed Monday, better than Reuters-polled economists' forecast of 49.6. China's economy has come under mounting strain, with growth slowing to 4.3% in the second quarter, the weakest pace since late 2022, as soft domestic demand and a prolonged property slump continue to weigh on activity.
  https://www.cnbc.com/2026/08/31/china-pmi-august-economy-slowdown.html

- ✓ **Malaysia's PM Anwar unveils measures to tackle living costs, support local businesses.** Malaysian Prime Minister Anwar Ibrahim on Sunday (Aug 30) introduced measures to address rising living costs and support businesses, including restoring higher quotas for subsidised petrol and diesel purchases, as well as more funding for schools and small traders. The measures are expected to take effect on Sep 1, Anwar said in a televised address. "The economic growth of the country must be returned to the people," he added. The prime minister has been under pressure to tackle higher living costs, even as Malaysia's economy has outperformed most of its regional peers. The quota for diesel purchases for certain categories of users would be similarly raised to 400 litres per month, he added.
  https://www.businesstimes.com.sg/international/asean/malaysias-pm-anwar-unveils-measures-tackle-living-costs-support-local-businesses

- ✓ **France is becoming the 'poster child' of sovereign debt problems as government borrowing costs hit near 2008 highs.** France's deteriorating public finances and political deadlock are becoming a growing concern for bond investors, with borrowing costs near financial-crisis-era highs as another difficult budget battle looms. The European Union's second-largest economy has endured recurring political

instability and mounting fiscal strain in recent years. It has repeatedly broken European Commission rules on budget deficits and debt limits, and successive prime ministers have been ousted after failed attempts at reform, spending cuts and tax rises to bring the situation under control. France is subject to the EU's excessive deficit procedure, with the Council recommending that it end its excessive deficit by 2029 — but it has a long way to go. EU treaties set reference values of 3% of GDP for government deficits and 60% for government debt. Last year, France's deficit reached 5.1% of GDP, while the debt-to-GDP ratio surpassed 115%. The IMF projected in July that France's gross government debt would reach about 118.5% of GDP in 2026 and exceed 120% in 2027, remaining above that level through 2030.
https://www.cnbc.com/2026/08/31/france-debt-bond-yields-budget.html?&qsearchterm=europe

- ✓ **Hold rates or defy Trump? US Fed chair Warsh faces 'no-win' inflation dilemma.** Kevin Warsh cleared a crucial hurdle at his first appearance as the US Federal Reserve's chair at its annual conference in Jackson, Wyoming. He offered his most comprehensive views to date about the state of the US economy. He cleared up confusion about the US central bank's commitment to getting inflation down to its 2 per cent target after sending mixed messages in July. And he acknowledged that the US Fed might have "work to do" to make good on that pledge, suggesting a readiness to raise interest rates if price pressures do not ease. But the path ahead for Warsh is a precarious one. Financial markets now see a quarter-point increase at the US central bank's Sep 15-16 meeting as more likely than not, leaving Warsh with a tough decision whether to follow through with action. Warsh on Friday (Aug 28) sounded like many of his fellow policymakers at the US Fed who had grown impatient about the slow pace of progress on taming inflation after half a decade of it overshooting the target. He not only dismissed data that showed easing price pressures this summer, but also suggested that there was not much restraint on an economy that has been growing at a robust pace. He also made clear that with the labour market stable, the US Fed's focus was chiefly on tackling inflation.
https://www.businesstimes.com.sg/international/global/hold-rates-or-defy-trump-us-fed-chair-warsh-faces-no-win-inflation-dilemma

- ✓ **Fed Chairman Warsh expresses concern about inflation, advocates for 'quieter' central bank.** Federal Reserve Chairman Kevin Warsh expressed concern Friday about elevated inflation while hinting that interest rates could need to move higher if more progress isn't made on easing price pressures. Warsh's closely watched remarks at the Fed's annual symposium in Jackson Hole, Wyoming, avoided committing either to forward guidance — or verbal cues about the Fed's intentions — or reaction function, the economic signals that would warrant an adjustment in rates. Traders also raised the probability for a rate hike at the September policy meeting to 55.7%, or about 20 percentage points higher than a day ago, according to the CME Group's FedWatch tool. Warsh "opened the door to a Fed rate hike. A hike probably won't come in September, but it will by October or December," said Heather Long, chief economist at Navy Federal Credit Union. "Warsh explicitly said this summer's encouraging inflation readings don't indicate 'meaningful' improvement on inflation. Bond markets reacted swiftly by pricing in a hike."
https://www.cnbc.com/2026/08/28/kevin-warsh-jackson-hole-federal-reserve-inflation.html

- ✓ **Bond market may be pricing AI productivity gains as yields rise: JPMorgan Private Bank.** Rising long-term bond yields may reflect investor expectations of an AI-driven productivity boom, rather than just concerns over inflation and swelling government debt, according to Jacob Manoukian, JPMorgan Private Bank's U.S. head of investment strategy. The optimism also extends to semiconductors, a major beneficiary of the AI investment cycle, where the firm remains bullish despite a more than 20% correction. But while the discount between two-year forward and trailing 12-month price-to-sales multiples for semiconductors has widened to 40%-50%, from a typical 20%, suggesting investors are already pricing in weaker earnings, Manoukian said this creates an opportunity for investors. "We believe that a peak in earnings is already priced in, and we don't think that earnings have yet peaked.
https://www.reuters.com/world/bond-market-may-be-pricing-ai-productivity-gains-yields-rise-jpmorgan-private-2026-08-28/

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	Overview of ICAAP	September 25, 2026	PROGRAM DETAILS	REGISTER HERE
	Auditing the Cybersecurity Function	October 30, 2026	PROGRAM DETAILS	REGISTER HERE
	Accounting for Non-Accountants (With Financial Statement Analysis)	November 4 - 5, 20	PROGRAM DETAILS	REGISTER HERE
	Overview of ICAAP	November 20, 2026	PROGRAM DETAILS	REGISTER HERE
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	Fraud & Forgery Detection and Prevention Program	December 17, 2026	PROGRAM DETAILS	REGISTER HERE
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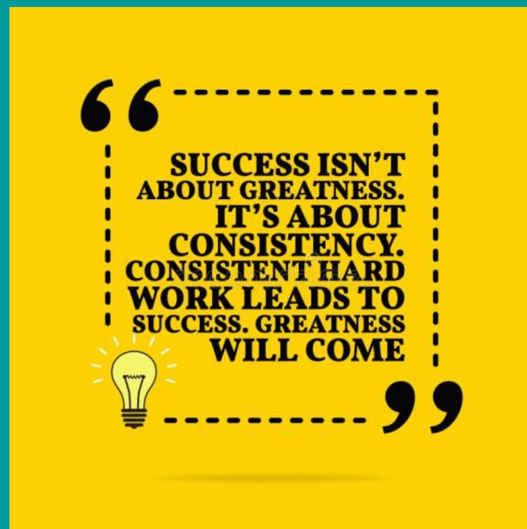

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5 Bloomberg: https://www.bloomberg.com/markets/commodities
6 CNN Money: https://money.cnn.com/data/bonds/

OTHER REFERENCES / EXTERNAL LINKS

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- *Philippine Dealing System: http://www.pds.com.ph/*
- *GMA News Online: http://www.gmanetwork.com/news/*
- *BPI Asset Management: https://www.bpiassetmanagement.com/*
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