



Philippine Rural and Cooperative Banking System Quarterly Report: 2nd Quarter of 2022

The Philippine Rural and Cooperative Banking System continue to recover as the Philippines implements the new normal in the 2nd Quarter of 2022.

- As of June 30, 2022, the total assets of the Philippine rural and cooperative banking system (RCBs) continue to grow and it expands by 16.50 percent compared to the 2nd Quarter of 2021, to P345.39 billion. This represents 1.54 percent of the total asset of the Philippine Banking System (PBS) of P21.35 trillion. This growth rate is higher than the previous 2nd Quarter of 2021, which has a 6.03 percent growth rate.

Total Assets of RCBs Q2 2022

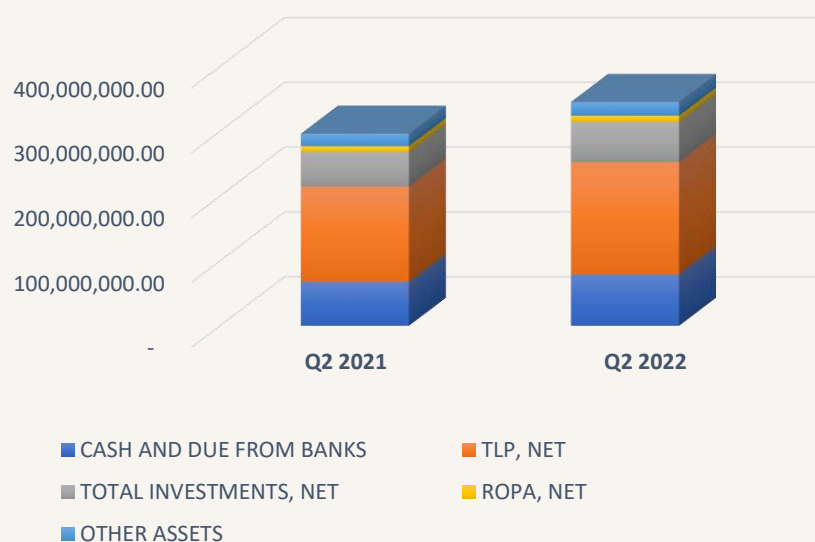


Figure 1. Total Asset of RCBs as of 30 June 2022 (BSP, 2022)

- The growth in total Asset in the 2nd quarter of 2022 is mainly attributed to the growth in Total Loan Portfolio (TLP) in the RCBs, which grew by 18.03 percent compared to the 2nd Quarter of the previous year and followed by cash and due from other banks with 16.75 percent growth rate, total investment with 16.04 percent growth rate, other assets with 9.74 percent growth rate and real and other properties acquired (ROPA) with 6.93 percent growth rate. which means that assets of RCBs posted positive growth rates in the 2nd quarter of 2022.
- Rural and Cooperative Banking System continue to support the credit requirements in the countryside as it recovers from the effects of covid-19 pandemic. The total amount of loans granted by the RCBs during the 2nd Quarter of 2022 stood at P187.89 billion which is 17.32 percent higher compared to the 2nd quarter of 2021 with P160.15 billion. This represents 1.5 percent of the Philippine Banking System TLP of P11.72 trillion in the 2nd



Quarter of 2022. Loans granted by RCBs to private corporations (Agriculture, Industry, and Services) had the largest share at 58 percent (P110.26 billion) followed by loans to individuals (Consumption) at 41 percent (P76.30 billion) and others (IBL and RRP with BSP and Other Banks) at 1 percent (P1.33 billion) as seen in figure 2.

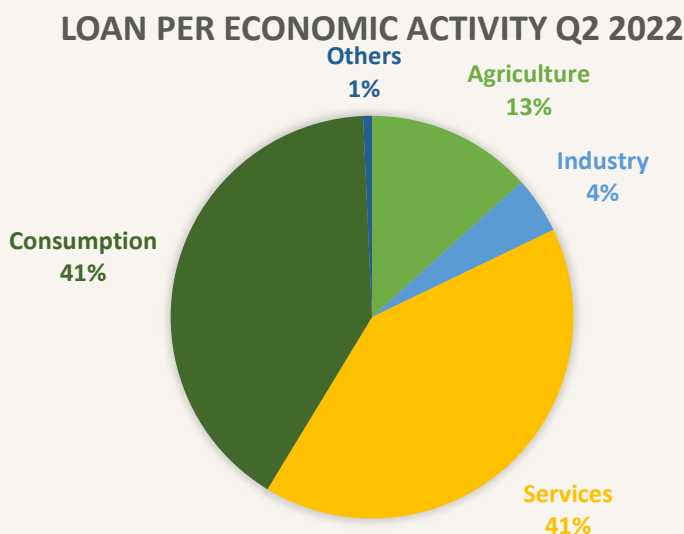


Figure 2. Loan per Economic Activity of RCBs as of 30 June 2022 (BSP, 2022)

- It is also shown that in the 2nd Quarter of 2022, RCBs continue to cater the needs of Agri-Agra borrowers compared to other banking system. RCBs recorded significant credit compliance ratios for the agrarian reform and agricultural credit compliance at 7.01 percent and 11.43 percent respectively, which far exceeded the credit compliance ratios of universal, commercial, and thrift banks. As for the MS and ME compliance, as of March 31, 2022, RCB's reached compliance ratios of 22.32 percent and 11.53 percent respectively, which were also exceeded the credit compliance ratios of universal, commercial, and thrift banks as seen in Table 1.

As of June 30, 2022	U/KBs	TBs	RCBs
Compliance with AGRI-AGRA			
Percentage of Compliance with AGRA	0.65%	0.93%	7.01%
Percentage of Compliance with AGRI	9.66%	5.80%	11.43%
Compliance with MS-ME			
Percentage of Compliance with MSE	1.46%	4.51%	22.32%
Percentage of Compliance with ME	2.79%	5.78%	11.53%

Table 1. Mandated Credit Compliance of U/KBs, TBs, and RCBs as of 30 June 2022 (BSP, 2022)



- As the Philippine economy continue to recover from the covid-19 pandemic, loan quality in RCBs is getting much better, more manageable and exceeds the industry's expectations. The RCBs' gross non-performing loan (NPL) ratio stood at 10.87 percent as of end-June 2022, which is far better than last year's 14.13 percent ratio, and have a better ratio than the 12.64 percent ratio as of end-March 2022. And if everything held constant, we will see a much a better NPL Ration for Q3 2022 as seen in figure below.

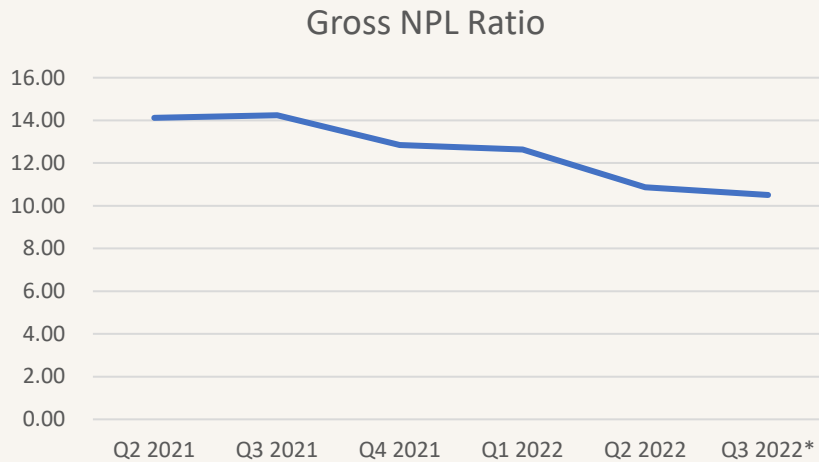


Figure 3. Gross NPL Ratio of RCBs (BSP, 2022)

- Total deposit liabilities of RCBs grew by 17.34 percent YoY to P258.97 billion as of the 2nd Quarter of 2022. This represents 1.57 percent of the total deposit liabilities of the Philippine Banking System (PBS) of P16.49 trillion. The recorded growth rate is higher than the 11.96 percent growth rate recorded in 2nd Quarter of 2021 which means that the deposits in RCBs is recovering and growing as Philippines adapts the new normal due to covid-19 pandemic. In terms of Deposit type in the 2nd Quarter of 2022, savings deposits had the biggest share of total deposits at 71.82 percent (P185.99 billion), followed by Time Deposit at 25.86 percent share (P66.98 billion) and Demand deposit at 2.51 percent share (P6 billion). In addition, LTNCD has no contribution in RCBs total deposit as seen figure 4.

Q2 2022 Deposit Liabilities

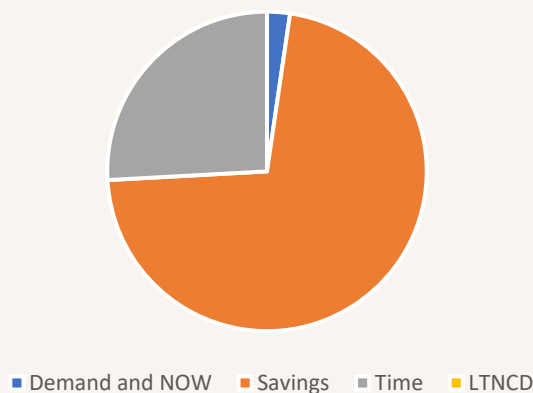


Figure 4. Deposit Liabilities of RCBs as of 30 June 2022 (BSP, 2022)



- As of June 30, 2022, there are 16.71 million accounts handled by the RCBs which represents 18.37 percent of total accounts handled by the Philippine Banking System of 90.97 million accounts and it grew by 10.41 percent compared to last year's number of accounts with the value of 15.13 million accounts. In terms of account size of total deposit for the 2nd Quarter of 2022, Majority of account handled by the RCBs have an account size of "P15,000 and below" which accounted for 93.03 percent of the total number of accounts (15.55 million accounts), followed by "P15,001 – P50,000" which accounted for 3.65 percent of the total number of accounts (610.58 thousand accounts), then "P50,001 – 100,000" which accounted for 1.37 percent of the total number of accounts (229.67 thousand accounts), then "P100,000.01 - P250,000" which accounted for 1.00 percent of the total number of accounts (166.28 thousand accounts), and lastly P250,000 and above is accounted for less 1 percent of the total number of accounts handled by the RCBs (157.33 thousands accounts). As seen in figure below

Number of Account by Deposit Size Q2 2022

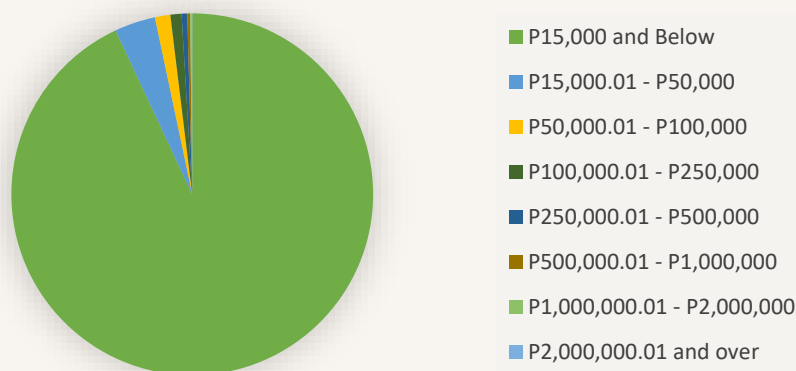


Figure 5. Number of Account by Deposit Size of RCBs as of 30 June 2022 (BSP, 2022)

- The liquidity ratios for rural and cooperative banking system on the 2nd Quarter of 2022 were likewise well and above the minimum thresholds having a liquidity ratio for Cash and Due from Banks to Deposits of 30.65 percent ratio which decreased by 0.50 percent compared to last year's Cash and Due from Banks to Deposits ratio which is 30.80 percent ratio. While Liquid Assets to Deposits Ratio have a 54.45 percent ratio which decreased by 0.76 percent compared to last year's Liquid assets to deposit ratio which is 54.86 percent ratio. And lastly the loans to Deposits have a liquidity ratio of 72.55 percent ratio, it almost remained unchanged compared to last year loans to deposit liquidity ratio of 72.56 percent ratio.



Rural Bankers Research & Development Foundation, Inc.

- The RCBs becomes more profitable as the Philippine starts to loosen up its covid-19 restrictions, as a result the net profit of the RCBs system went up by 40.64 percent YoY to P3.57 billion for the period-ended June 30, 2022. Meanwhile the Return on assets (RoA) for the period-ended June 30, 2022 registered a 1.72 percent ratio, which is higher than the 1.38 percent ratio recorded a year ago. Return on equity (RoE) increased up to 9.42 percent ratio during the period. Net interest margin (NIM) went up to 9.76 percent ratio for the period-ended June 2022. The cost-to-income ratio stood at 73.35 percent ratio for the period-ended June 2022.

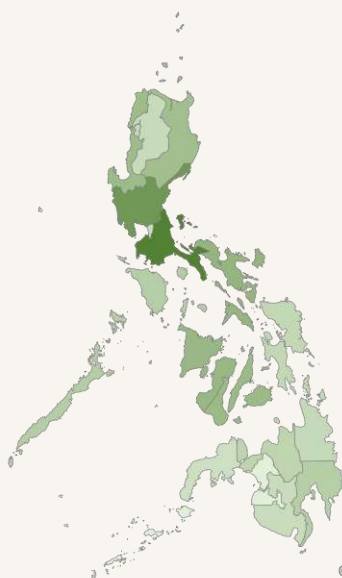
- Rural and Cooperative Bank's Physical network continue to grow, however the total number of RCB decline to 405 head offices in period ended June 30, 2022, below is the list of Rural and Cooperative Banks that has been closed/merged from January 31, 2022 to June 30, 2022:
 - Masuwerte Rural Bank of Bacoor (Cavite), Inc.
 - Rural Bank of San Nicolas (Pangasinan), Inc.
 - Rural Bank of San Lorenzo Ruiz (Siniloan), Inc.
 - Rural Bank of Salcedo (Ilocos Sur)
 - Rural Bank of Mahaplag (Leyte), Inc.
 - Malaybalay Rural Bank, Inc.
 - Banco Rural de General Tinio (BRGT), Inc.

In addition, the total number of other offices, comprised of branches and branch-lite units, rose to 3,015. This resulted to an increase in the total number of RCBs offices to 3,426 as of period ended June 30, 2022.



Regional Distribution of Rural and Cooperative Banks in the Philippines

Number of Rural and Coop Banks



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Figure 6. Regional Distribution of RCBs as of 30 June 2022 (BSP, 2022)

	Head Offices	Branches	Branch lite	Total
NCR	13	36	46	95
Ilocos Region	32	136	92	260
Cagayan Valley	27	140	78	245
Central Luzon	66	253	119	438
CALABARZON	74	273	201	548
MIMAROPA	20	59	91	170
Bicol Region	19	79	196	294
Western Visayas	40	89	153	282
Central Visayas	27	121	120	268
Eastern Visayas	14	48	59	121
Zamboanga Peninsula	12	37	34	83
Northern Mindanao	21	61	56	138
Davao Region	12	89	66	167
SOCCKSARGEN	8	61	28	97
Caraga	5	65	46	116
CAR	15	51	36	102
BARMM	0	0	2	2
Nationwide	405	1598	1423	3426

Table 2. Number of Rural and Cooperative Banks as of 30 June 2022 (BSP, 2022)



Rural and Cooperative Banking System: Top 10 Banks as to Total Assets as of 2nd Quarter of 2022 (in million pesos)

RANK	NAME OF BANK	TOTAL ASSETS
1	BDO NETWORK BANK INC	69,242.74
2	EAST WEST RURAL BANK INC	30,253.26
3	CARD BANK INC (A MF RB)	22,080.19
4	TONIK DIGITAL BANK INC	10,813.18
5	GUAGUA RURAL BANK INC	6,889.15
6	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	6,395.15
7	CEBUANA LHUILLIER RB INC	5,987.59
8	BOF INC (A RURAL BANK)	4,711.84
9	FIRST ISABELA COOP BANK (FICOBANK)	4,685.85
10	AGRIBUSINESS RURAL BANK INC	4,363.75

Table 3. Rural and Cooperative System: Top 10 Banks as to Total Assets 30 June 2022 (BSP, 2022)

**Top 10 Banks as to Total Assets
Q2 of 2022**

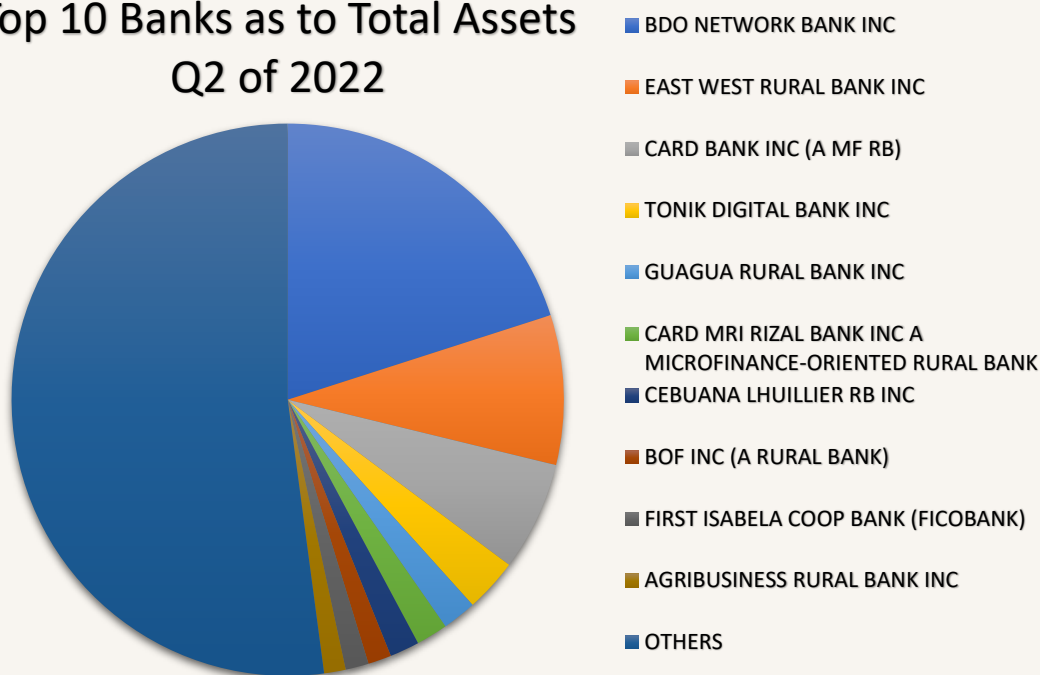


Figure 7. Top 10 Banks as to Total Asset as of 30 June 2022 (BSP, 2022)

As seen in the figure above the top 10 banks as to total assets in the Philippine Rural and Cooperative Banking system as of the 2nd Quarter of 2022 represents almost half of the total RCB system (48%). The top 1 is BDO Network with a total asset of P69.2 billion which grew by 15% compared to the previous quarter which was P60.0 billion. Then it's followed by East west bank and Card bank Inc with a total asset of P30.2 billion and P22 billion respectively. The Ranking remains unchanged as compared to the 1st quarter of 2022.

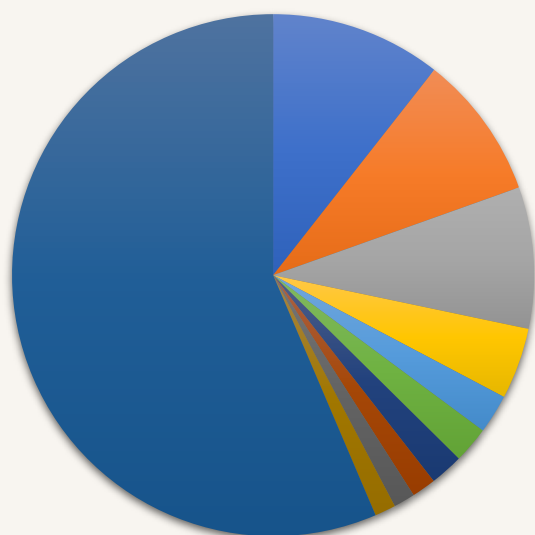


Rural and Cooperative Banking System: Top 10 Banks as to Total Capital as of 2nd Quarter of 2022 (In Million Pesos)

RANK	NAME OF BANK	TOTAL CAPITAL
▲ (+1) 1	BDO NETWORK BANK INC	6,492.70
▼ (-) 2	EAST WEST RURAL BANK INC	5,485.19
3	CARD BANK INC (A MF RB)	5,366.59
4	TONIK DIGITAL BANK INC	2,711.90
▲ (+1) 5	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	1,486.60
▼ (-) 6	FIRST ISABELA COOP BANK (FICOBANK)	1,380.29
7	GUAGUA RURAL BANK INC	1,258.03
8	MARAYO BANK INC (A RURAL BANK)	916.12
9	METRO SOUTH COOP BANK	814.51
10	BOF INC (A RURAL BANK)	795.56

Table 4. Rural and Cooperative System: Top 10 Banks as to Total Capital 30 June 2022 (BSP, 2022)

Top 10 Banks as to Total Capital Q2 of 2022



- BDO NETWORK BANK INC
- EAST WEST RURAL BANK INC
- CARD BANK INC (A MF RB)
- TONIK DIGITAL BANK INC
- CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK
- FIRST ISABELA COOP BANK (FICOBANK)
- GUAGUA RURAL BANK INC
- MARAYO BANK INC (A RURAL BANK)
- METRO SOUTH COOP BANK
- BOF INC (A RURAL BANK)
- OTHERS

Figure 8. Top 10 Banks as to Total Capital as of 30 June 2022 (BSP, 2022)

As seen in the figure above the top 10 banks as to total Capital in the Philippine Rural and Cooperative Banking system as of the 2nd Quarter of 2022 represents 44 percent of the total Capital in RCBs system. The top 1 is BDO Network with a total capital of P6.5 billion which grew by 5 percent compared to the previous quarter which was P6.2 billion. Then it's followed by East West bank which their capital decrease by 20 percent to 5.5 billion and then Card bank Inc with a total asset of P 5.4 billion. Aside from the changes for 1st and 2nd place, CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK moves up in ranking to 5th place while FIRST ISABELA COOP BANK (FICOBANK) decline to 6th place.

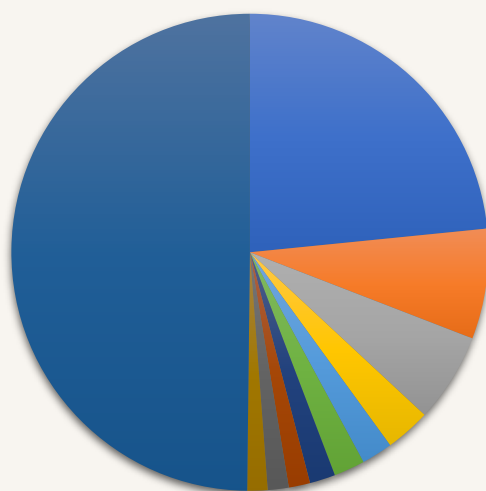


Rural and Cooperative Banking System: Top 10 Banks as to Total Deposits as of 2nd Quarter of 2022 (In Million Pesos)

RANK	NAME OF BANK	TOTAL DEPOSIT
1	BDO NETWORK BANK INC	60,628.50
2	EAST WEST RURAL BANK INC	19,343.42
3	CARD BANK INC (A MF RB)	15,674.30
4	TONIK DIGITAL BANK INC	7,930.10
▲(+1) 5	CEBUANA LHUILLIER RB INC	5,459.01
▼(-1) 6	GUAGUA RURAL BANK INC	5,439.22
7	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	4,495.78
8	BOF INC (A RURAL BANK)	3,753.20
9	QUEZON CAPITAL RB INC	3,675.35
10	AGRIBUSINESS RURAL BANK INC	3,555.64

Table 5. Rural and Cooperative System: Top 10 Banks as to Total Deposit 30 June 2022 (BSP, 2022)

**Top 10 Banks as to Total Deposit
Q2 of 2022**



- BDO NETWORK BANK INC
- EAST WEST RURAL BANK INC
- CARD BANK INC (A MF RB)
- TONIK DIGITAL BANK INC
- CEBUANA LHUILLIER RB INC
- GUAGUA RURAL BANK INC
- CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK
- BOF INC (A RURAL BANK)
- QUEZON CAPITAL RB INC
- AGRIBUSINESS RURAL BANK INC
- OTHERS

Figure 9. Top 10 Banks as to Total Deposit as of 30 June 2022 (BSP, 2022)

As seen in the figure above the top 10 banks as to total deposit in the Philippine Rural and Cooperative Banking system as of the 2nd Quarter of 2022 represents half of the total Deposits in RCBs system (50%). The top 1 is BDO Network with a total deposit of P60.6 billion which grew by 17% compared to the previous quarter which was P51.9 billion. Then it's followed by East west bank and Card bank Inc with a total deposit of P19.3 billion and P15.7 billion respectively. CEBUANA LHUILLIER RB INC moves up in ranking to 5th place while GUAGUA RURAL BANK INC decline to 6th place.

Rural and Cooperative Banking System: Top 10 Banks as to Total Loans Portfolio as of 2nd Quarter of 2022 (In Million Pesos)

RANK	NAME OF BANK	TOTAL LOAN
1	BDO NETWORK BANK INC	51,039.12
2	CARD BANK INC (A MF RB)	11,403.87
3	EAST WEST RURAL BANK INC	6,539.25
4	GUAGUA RURAL BANK INC	4,734.60
5	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	3,869.95
6	BOF INC (A RURAL BANK)	3,059.02
7	FIRST ISABELA COOP BANK (FICOBANK)	2,900.15
8	METRO SOUTH COOP BANK	2,809.11
▲ (+2) 9	AGRIBUSINESS RURAL BANK INC	2,189.22
▼ (-1) 10	QUEZON CAPITAL RB INC	2,179.21

Table 6. Rural and Cooperative System: Top 10 Banks as to Total loan portfolio 30 June 2022 (BSP, 2022)

Top 10 Banks as to Total Loan Portfolio Q2 of 2022

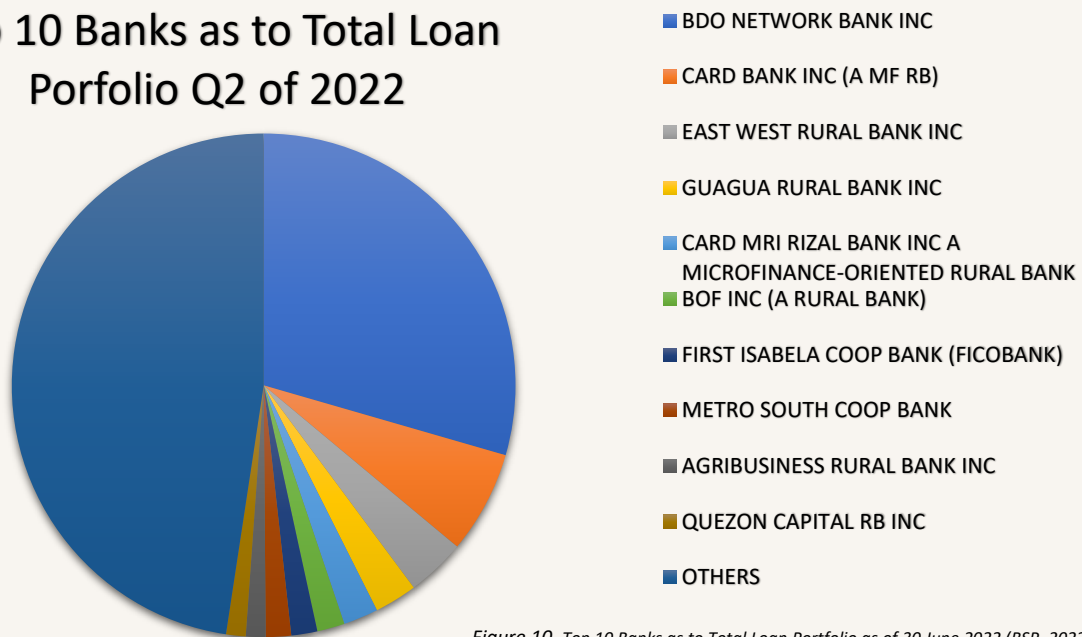


Figure 10. Top 10 Banks as to Total Loan Portfolio as of 30 June 2022 (BSP, 2022)

As seen in the figure above the top 10 banks as to total Loans in the Philippine Rural and Cooperative Banking system as of the 2nd Quarter of 2022 represents more than half of the total Deposits in RCBs system (52%). The top 1 is BDO Network Bank Inc with a total loan portfolio of P51 billion which grew by 24% compared to the previous quarter which was P41.1billion. Then it's followed by Card bank Inc and East West Rural Bank Inc with a total loan portfolio of P11.4 billion and P6.5 billion respectively AGRIBUSINESS RURAL BANK INC enter to top 10 in the 2nd quarter of 2022 at 9th place from 11th place last quarter while QUEZON CAPITAL RB INC decline to 10th place.