



Philippine Rural & Cooperative Banking System Quarterly Report: 3rd Quarter of 2022

The Philippine Rural & Cooperative Banking System continue to expand as the Philippines maintains its solid position and positive outlook towards full recovery and economic expansion.

- During the period, the total assets of the Philippine Rural & Cooperative Banking System (RCBs) continue to grow. It increased by 17.86 percent compared to the 3rd Quarter of the previous year, to P359.36 billion. This represents 1.63 percent of the total asset of the Philippine Banking System (PBS) of P22.04 trillion. The growth rate for this period is higher compared to the 3rd Quarter of the previous year, which was 11.04 percent.

Total Assets of RCBs (in Thousands Pesos)

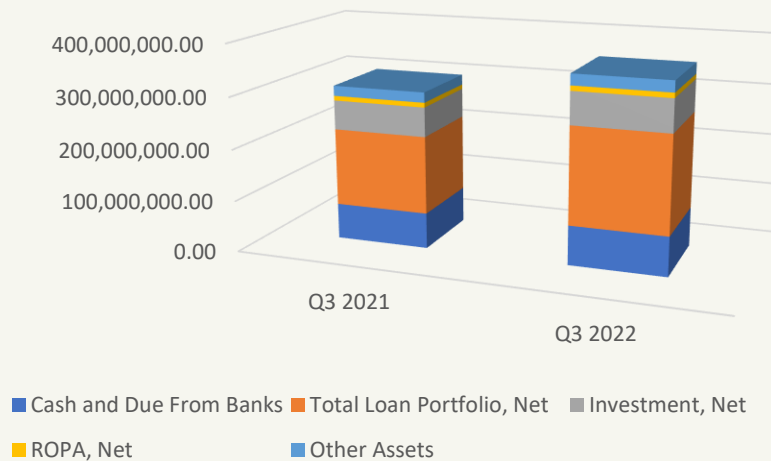


Figure 1. Total Asset of RCBs as of 30 September 2022 (BSP, 2022)

- The growth in the total asset for the 3rd quarter of 2022 is mainly attributed to the growth in Total Loan Portfolio (TLP), which represents 52.42 percent (P188.38 billion) of the total assets of RCBs, where it grew by 25.41 percent compared to the 3rd Quarter of the previous year, followed by Cash & Due From Banks, which represents 21.31 percent (P76.59 billion) of the total assets of RCBs, with 10.83 percent growth rate, Total Investment, which represents 17.50 percent (P62.90 billion) of the total assets of RCBs, with 10.61 percent growth rate, Other Assets, which represent 6.04 percent (P21.70 billion) of the total asset of RCBs, with 10.55 percent growth rate, and Real, and Other Properties Acquired (ROPA), which represents 2.73 percent (P9.80 billion) of the total assets of RCBs, with 7.62 percent growth rate. Which indicates that, the assets of RCBs continue to grow in the 3rd quarter of 2022.



- Rural & Cooperative Banking System lending further improves and continue to support the credit requirements in the countryside as it recovers from the effects of the covid-19 pandemic. The total amount of loans granted by the RCBs during the 3rd Quarter of 2022 stood at P203.59 billion which it expands by 23.62 percent compared to the 3rd quarter of the previous year with P164.69 billion. This represents 1.7 percent of the total loan granted by the Philippine Banking System of P12.11 trillion in the 3rd Quarter of 2022. Furthermore, Loans granted by RCBs for production activities (Agriculture, Industry, and Services) had the largest share at 56 percent (P114.07 billion), followed by consumer loans to households (Consumption) at 43 percent (P87.37 billion), and others (IBL and RRP with BSP and Other Banks) at 1 percent (P2.15 billion) as seen in figure 2.

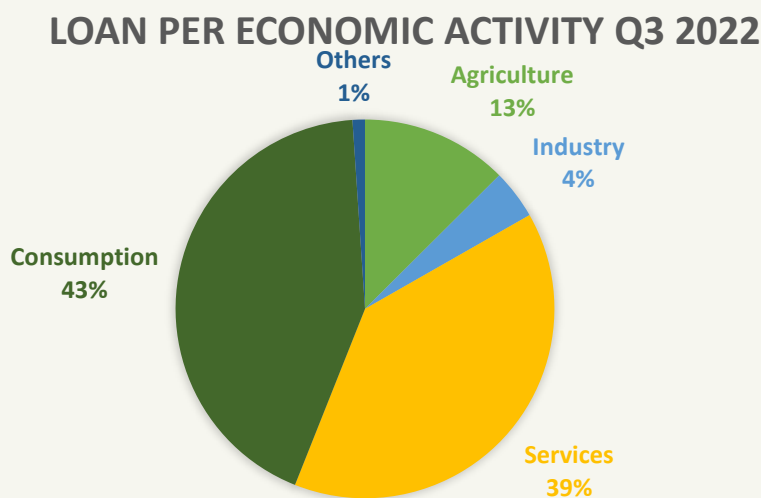


Figure 2. Loan per Economic Activity of RCBs as of 30 September 2022 (BSP, 2022)

- It is also shown that in the 3rd Quarter of 2022, RCBs continue to cater the credit needs of Micro-Small (MSE), and Medium Enterprise (ME) borrowers effectively compared to other banking system. RCBs recorded significant credit compliance ratios for the MS and ME compliance, as of September 30, 2022, RCB's reached compliance ratios of 20.29 percent and 10.74 percent respectively, which were also exceeded the credit compliance ratios of universal, commercial, and thrift banks as seen in Table 1.

As of September 30, 2022	U/KBs	TBs	RCBs
Compliance with MS-ME			
Percentage of Compliance with MSE	1.46%	4.38%	20.29%
Percentage of Compliance with ME	2.67%	5.31%	10.74%

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



- As the Philippine economy continue to recover from the effect of covid-19 pandemic, the asset quality of RCBs generally improved, becomes more manageable, and exceeds the industry’s expectations. The RCBs’ gross non-performing loan ratio stood at 9.73 percent as of the 3rd Quarter of 2022, which is far better than last year’s 14.24 percent ratio, and have a better ratio than previous quarter at 10.87 percent ratio as of end-June 2022. And if everything is held constant, the year will end with a much better loan quality as seen in the figure below.

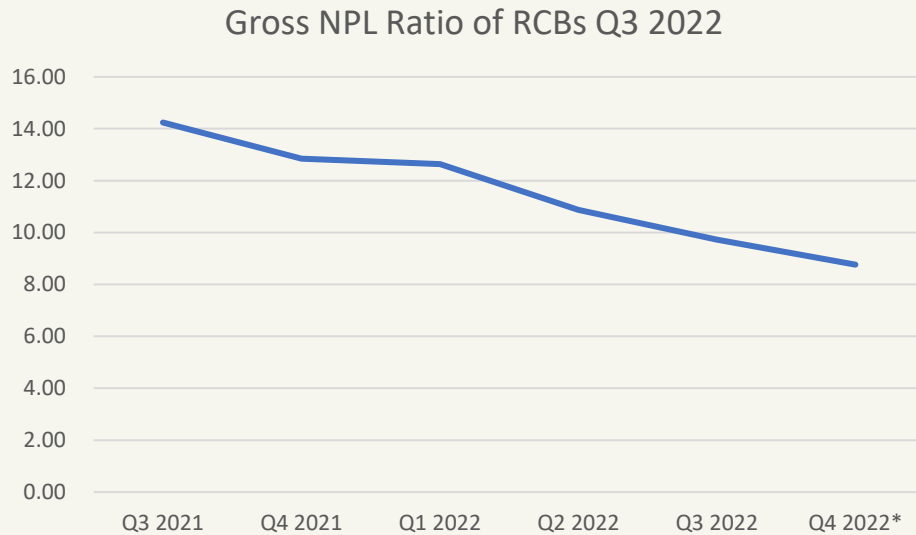


Figure 3. Gross NPL Ratio of RCBs (BSP, 2022)

- In terms of Savings Mobilization, the total deposit liabilities of RCBs continue to expand. It grew by 17.18 percent Year-over-Year to P266.62 billion in the 3rd Quarter of 2022. This represents 1.59 percent of the total deposit liabilities of the Philippine Banking System (PBS) of P16.72 trillion. The recorded growth rate for this period is higher than the 14.11 percent growth rate recorded in the prior 3rd Quarter of 2021. In terms of type of Deposits, in the 3rd Quarter of 2022, Savings Deposit had the biggest share which represents 70.14 percent (P187.02 billion) of the total deposit, followed by Time Deposit which represents 27.51 percent (P73.35 billion) of total deposit and Demand Deposit which represents 2.34 percent share (P6.25 billion). In addition, LTNCD has no contribution in RCBs total deposit as seen figure 4.



Q3 2022 Deposit Liabilities

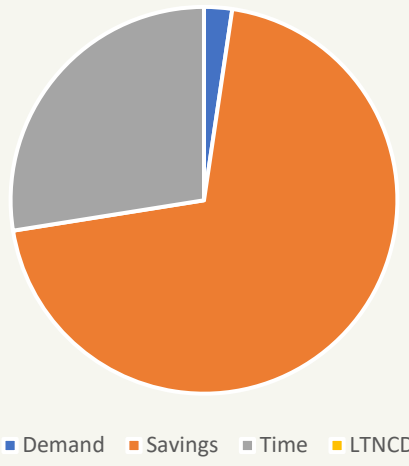


Figure 4. Deposit Liabilities of RCBs as of 30 September 2022 (BSP, 2022)

- As of September 30, 2022, there are 17.31 million accounts handled by the RCBs which represents 18.57 percent of total accounts handled by the Philippine Banking System of 93.21 million accounts. It grew by 10.86 percent compared to last year’s number of accounts with a total of 15.61 million accounts. In terms of account size of total deposit for the 3rd Quarter of 2022, Majority of account handled by the RCBs have an account size of “P15,000 and below” which represents 93.34 percent (16.15 million accounts) of the total number of accounts, followed by “P15,000.01 – P50,000” which represents 3.35 percent (580.44 thousand accounts) of the total number of accounts, then “P50,000.01 – 100,000” which represents 1.36 percent (234.98 thousand accounts) of the total number of accounts, then “P100,000.01 - P250,000” which represents 1.01 percent (174.06 thousand accounts) of the total number of accounts, and lastly P250,000.01 and above which represents for less 1 percent (163.80 thousands accounts) of the total number of accounts handled by the RCBs. As seen in figure below

Number of Account by Deposit Size Q3 2022

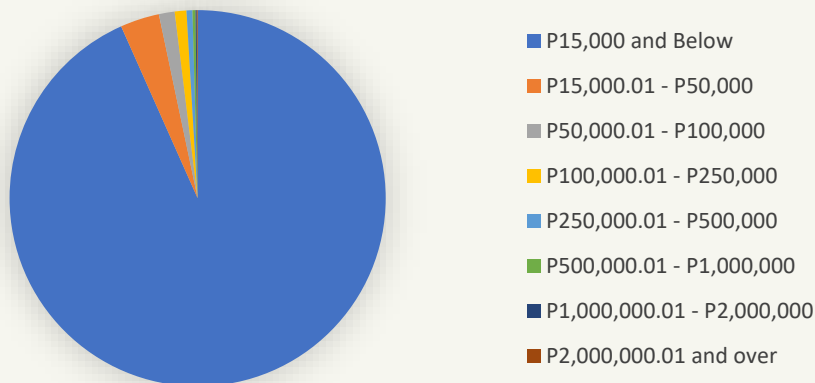


Figure 5. Number of Account by Deposit Size of RCBs as of 30 September 2022 (BSP, 2022)



Rural Bankers Research & Development Foundation, Inc.

- The liquidity ratios for Rural and Cooperative Banking System on the 3rd quarter of 2022 were likewise great and above the industry expectations, having a liquidity ratio for Cash & Due from Banks to Deposits of 28.73 percent ratio in the 3rd quarter of 2022, which decreased by 1.65 percent compared to last year's Cash & Due from Banks to Deposits ratio of 30.37 percent ratio. While Liquid Assets to Deposits Ratio have a 52.1 percent ratio in the 3rd Quarter of 2022, which decreased by 3.03 percent compared to last year's Liquid assets to deposit ratio which is 55.13 percent ratio. And lasty the Loans to Deposits ratio have a liquidity ratio of 76.36 percent ratio in the 3rd quarter of 2022, it increased 3.97 percent by compared to last year loans to deposit liquidity ratio of 72.39 percent ratio.
- RCBs' Capital Adequacy Ratio (CAR) remains well and above international and regulatory standards. The CAR of RCBs during the period, on a solo basis, slightly decreased to 16.0 percent compared to the 18.78 percent posted a quarter before. Meanwhile, on a consolidated basis, the CAR of RCBs slightly increased to 18.27 percent in the current quarter from 17.83 percent recorded in the previous quarter. Furthermore, these figures remained well above the BSP's regulatory standard of 10.0 percent and international standard of 8.0 percent.
- 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 57.56 percent YoY to P5.38 billion for the period-ended September 30, 2022. Meanwhile the Return on assets (RoA) for the 3rd quarter of 2022 registered a 1.95 percent ratio, which is higher than the 1.38 percent ratio recorded a year ago. Meanwhile, the Return on equity (RoE) increased to 10.56 percent ratio during the period compared to 6.64 percent recorded a year ago. While net interest margin (NIM) also went up to 9.83 percent ratio during the period compared to 9.65 percent ratio recorded a year ago, and the cost-to-income ratio stood at 72.64 percent ratio during the period compared to 77.36 percent ratio recorded a year ago.
- Rural & Cooperative Bank's Physical network continue to grow, however the total number of RCB decline to 404 head offices in the period ended September 30, 2022, below is the list of Rural and Cooperative Banks that has been closed/merged from January 31, 2022 to September 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.



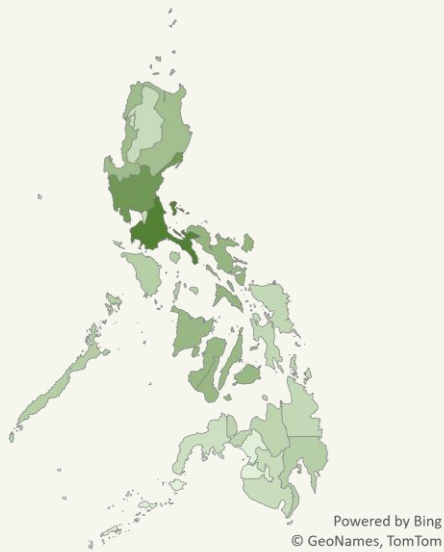
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- Banco Rural de General Tinio (BRGT), Inc.
- Rural Bank of Polomolok (South Cotabato), Inc.
- Rural Bank of Galimuyod (Ilocos Sur), Inc.

In addition, the total number of other offices, comprised of branches and branch-lite units, rose to 3,046 This resulted to an increase in the total number of RCBs offices to 3,450 as of period ended September 30, 2022 from 3,378 offices in the preceding year and 3,430 offices recorded a quarter before.

Regional Distribution of Rural and Cooperative Banks in the Philippines

Number of Rural Banks
 2 551



	Head Offices	Branches	Branch lite	Total
NCR	13	37	46	96
Ilocos Region	31	137	92	260
Cagayan Valley	27	138	82	247
Central Luzon	66	254	120	440
CALABARZON	74	275	202	551
MIMAROPA	20	57	91	168
Bicol Region	19	79	199	297
Western Visayas	40	90	153	283
Central Visayas	27	122	126	275
Eastern Visayas	14	48	61	123
Zamboanga Peninsula	12	37	34	83
Northern Mindanao	21	62	56	139
Davao Region	12	89	66	167
SOCCSKSARGEN	8	61	29	98
Caraga	5	66	47	118
CAR	15	51	37	103
BARMM	0	0	2	2
Nationwide	404	1603	1443	3450

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



Rural & Cooperative Banking System: Top 10 Banks as to Total Assets as of 3rd Quarter of 2022 (in million pesos)

RANK	NAME OF BANK	TOTAL ASSETS
1	BDO NETWORK BANK INC	80,040.94
2	EAST WEST RURAL BANK INC	24,664.75
3	CARD BANK INC (A MF RB)	22,109.33
▲(+10) 4	SEABANK PHILIPPINES INC (A RURAL BANK)	11,129.01
▼ (-1) 5	TONIK DIGITAL BANK INC	10,895.44
▼ (-1) 6	GUAGUA RURAL BANK INC	6,992.23
▼ (-1) 7	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	6,149.22
▼ (-1) 8	CEBUANA LHUILLIER RB INC	6,067.40
▼ (-1) 9	BOF INC (A RURAL BANK)	4,729.38
▼ (-1)10	FIRST ISABELA COOP BANK (FICOBANK)	4,616.39

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

**Top 10 Banks as to Total Assets
Q3 of 2022**

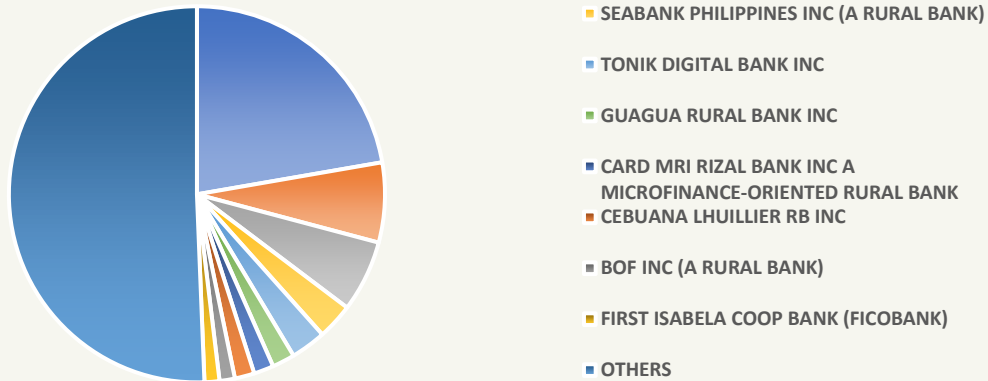


Figure 7. Top 10 Banks as to Total Asset as of 30 September 2022 (BSP, 2022)

As seen in the table and figure above the top 10 banks based on their total assets in the Philippine Rural and Cooperative Banking system as of the 3rd Quarter of 2022 represents almost half of the total RCB system (49%). The top 1 is BDO Network with a total asset of P80.0 billion which grew by 16% compared to the previous quarter which was P69.2 billion. Then it's followed by East west bank and Card bank Inc with a total asset of P24.7 billion and P22.1 billion respectively. The top 3 ranking remains unchanged since the 1st quarter of 2022. However, the rankings from top 4-10 changed, due to a significant increase in the total asset of SEABANK PHILIPPINES INC., their asset increased from P3.4 billion in Q2 of 2022 to P11.1 billion in Q3 of 2022, this recorded an increase of 226 percent from the previous quarter. Moving the SEABANK PHILIPPINES INC to have the 4th biggest asset in the Philippines rural and cooperative banking system as of the 3rd Quarter of 2022.

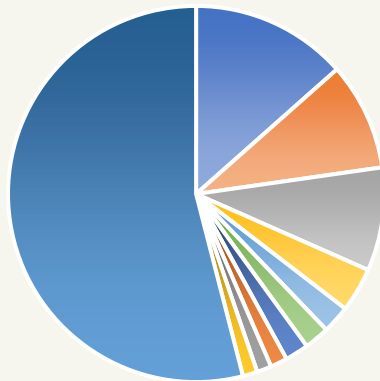


Rural & Cooperative Banking System: Top 10 Banks as to Total Capital as of 3rd Quarter of 2022 (In Million Pesos)

RANK	NAME OF BANK	TOTAL CAPITAL
1	BDO NETWORK BANK INC	8,808.90
2	EAST WEST RURAL BANK INC	6,058.93
3	CARD BANK INC (A MF RB)	5,813.42
4	TONIK DIGITAL BANK INC	2,494.77
5	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	1,567.32
6	FIRST ISABELA COOP BANK (FICOBANK)	1,411.57
7	GUAGUA RURAL BANK INC	1,325.63
8	MARAYO BANK INC (A RURAL BANK)	952.47
9	METRO SOUTH COOP BANK	823.77
10	BOF INC (A RURAL BANK)	822.63

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

**Top 10 Banks as to Total Capital
Q3 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 September 2022 (BSP, 2022)

As seen in the table and figure above the top 10 banks as to total Capital in the Philippine Rural and Cooperative Banking system as of the 3rd Quarter of 2022 represents 46 percent of the total Capital in RCBs system. The top 10 rankings remain unchanged since the 2nd Quarter of 2022. Furthermore, the top 1 is BDO Network with a total capital of P8.8 billion which grew by 36 percent compared to the previous quarter which was P6.5 billion. Then followed by East West bank and Card bank Inc with a total deposit of P6.1 billion and P5.8 billion respectively. The top 10 rankings

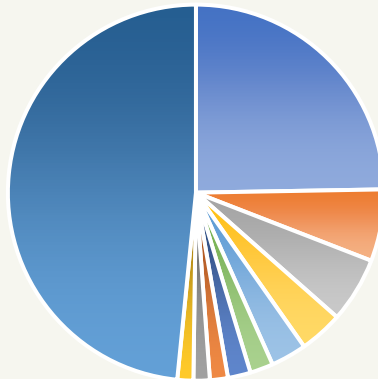


Rural & Cooperative Banking System: Top 10 Banks as to Total Deposits as of 3rd Quarter of 2022 (In Million Pesos)

RANK	NAME OF BANK	TOTAL DEPOSIT
1	BDO NETWORK BANK INC	65,875.43
2	EAST WEST RURAL BANK INC	16,447.75
3	CARD BANK INC (A MF RB)	14,959.28
▲ (+14) 4	SEABANK PHILIPPINES INC (A RURAL BANK)	9,957.49
▼ (-1) 5	TONIK DIGITAL BANK INC	8,187.61
▲ (+1) 6	GUAGUA RURAL BANK INC	5,310.92
▼ (-2) 7	CEBUANA LHUILLIER RB INC	5,211.52
▼ (-1) 8	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	4,111.82
▼ (-1) 9	BOF INC (A RURAL BANK)	3,743.78
▼ (-1) 10	QUEZON CAPITAL RB INC	3,650.65

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

**Top 10 Banks as to Total Deposit
Q3 of 2022**



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

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

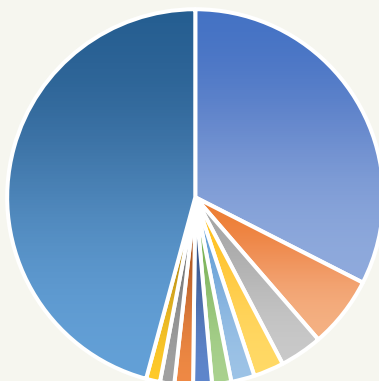
As seen in the table and figure above the top 10 banks based on total deposit in the Philippine Rural and Cooperative Banking system as of the 3rd Quarter of 2022 represents more than half of the total Deposits in RCBs system (52%). The top 1 is BDO Network with a total deposit of P65.9 billion which grew by 9% compared to the previous quarter which was P60.6 billion. Then followed by East west bank and Card bank Inc with a total deposit of P16.4 billion and P15.0 billion respectively. Furthermore, the rankings from top 4-10 changed, due to the significant increase in the total deposit of SEABANK PHILIPPINES INC., their total deposits increased from P2.2 billion in Q2 of 2022 to P9.96 billion in Q3 of 2022 this recorded an increase of 357 percent from the previous quarter. Moving the SEABANK PHILIPPINES INC to 4th biggest deposit in the Philippines rural and cooperative banking system as of the 3rd Quarter of 2022.

Rural & Cooperative Banking System: Top 10 Banks as to Total Loans Portfolio as of 3rd Quarter of 2022 (In Million Pesos)

RANK	NAME OF BANK	TOTAL LOAN
1	BDO NETWORK BANK INC	61,217.90
2	CARD BANK INC (A MF RB)	11,588.51
3	EAST WEST RURAL BANK INC	6,898.66
4	GUAGUA RURAL BANK INC	4,906.23
5	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	3,791.13
▲ (+2) 6	METRO SOUTH COOP BANK	3,095.29
7	FIRST ISABELA COOP BANK (FICOBANK)	3,050.36
▼ (-2) 8	BOF INC (A RURAL BANK)	3,000.59
▲ (+12) 9	TONIK DIGITAL BANK INC	2,314.46
▼ (-1) 10	AGRIBUSINESS RURAL BANK INC	2,261.38

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

Top 10 Banks as to Total Loan Portfolio Q3 of 2022



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

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

As seen in the table and figure above the top 10 banks based on total Loans in the Philippine Rural and Cooperative Banking system as of the 3rd Quarter of 2022 represents more than half of the total Deposits in RCBs system (54%). The top 1 is BDO Network Bank Inc with a total loan portfolio of P61.2 billion which grew by 20 percent compared to the previous quarter which was P51.0 billion. Then it's followed by Card bank Inc and East West Rural Bank Inc with a total loan portfolio of P11.6 billion and P6.9 billion respectively. TONIK DIGITAL BANK INC enter to top 10 in the 3rd quarter of 2022 at 9th place from 21st place last quarter while AGRIBUSINESS RURAL BANK INC decline to 10th place and QUEZON CAPITAL RB INC move out of the top 10.