



Philippine Rural and Cooperative Banking System Quarterly Report: 4th Quarter of 2022

The Philippine Rural and Cooperative Banking System has shown an impressive growth momentum during 2022, due to improvement on COVID-19 risk management and the easing of mobility restrictions which created a positive economic outlook, boost economic activity, and rebuild consumer confidence to post-pandemic.

- In the 4th Quarter of 2022, the **total assets** of the Philippine rural and cooperative banking system (RCBs) grow and expand by 19.39 percent compared to the prior year, to **PHP 372.54 billion**. This represents 1.62 percent of the total asset of the Philippine Banking System (PBS) of PHP 23.05 trillion. The recorded growth rate for this quarter is slightly lower compared to the 4th quarter of the previous year, which was 19.57 percent.

Total Assets of RCBs (in Thousands Pesos)

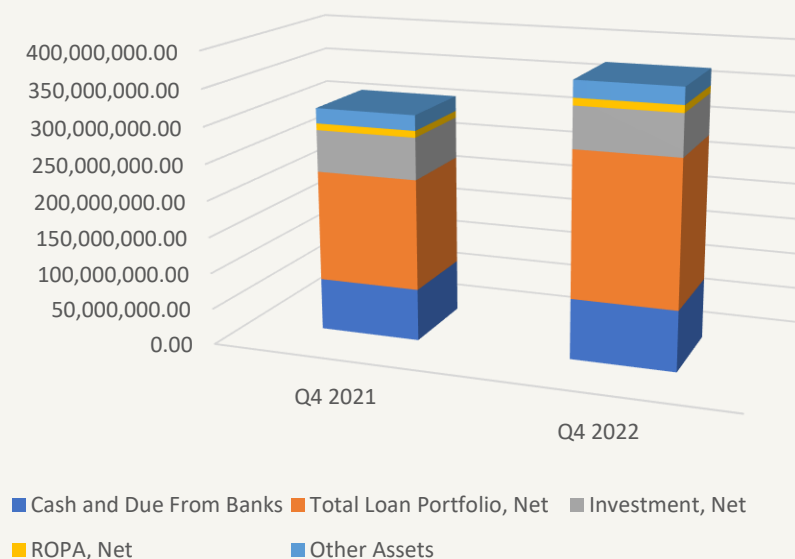


Figure 1. Total Asset of RCBs as of 31 December 2022 (BSP, 2023)

- The growth in the total asset for the 4th quarter of 2022 is mainly attributed to the growth in **Total Loan Portfolio (TLP)**, which represents **53.65 percent (PHP 199.88 billion)** of the total assets of RCBs, which grew by 31.06 percent compared to the 4th Quarter of the previous year, followed by **Cash & Due From Banks**, which represents **22.34 percent (PHP 83.24 billion)** of the total assets of RCBs, which grew by 16.06 percent compared to the prior period, **Total Investment**, which represents **15.15 percent (P56.42 billion)** of the total assets of RCBs, which decline by 2.08 percent compared to the prior period, **Other Assets**, which represent **6.16 percent (PHP 22.95 billion)** of the total asset of RCBs, which grew by 10.55 percent compared to the prior period, and **Real, and Other Properties Acquired (ROPA)**, which represents **2.70 percent (PHP 10.05 billion)** of the total assets of RCBs, which grew 7.62 percent compared to the prior period. This growth rates clearly indicates that, the total assets of RCBs continue to grow in the 4th quarter of 2022 finishing the year with a stronger balance sheet as seen in figure 1.



- Rural & Cooperative Banking System strong lending products continue to support the credit requirements in the countryside. The total amount of loans granted by the RCBs during the 4th quarter of 2022 stood at **PHP 214.93 billion** which it grew by 28.92 percent compared to the 4th quarter of the previous year with **PHP 166.71 billion**. This represents 1.7 percent of the total loan granted by the Philippine Banking System of P12.63 trillion in the 4th Quarter of 2022. In this regard, the total loan granted by RCBs for production activities (**Agriculture, Industry, and Services**) had the largest share at 56 percent (PHP 121.45 billion), followed by consumer loans to households (**Consumption**) at 43 percent (PHP 92.07 billion), and others (**IBL and RRP with BSP and Other Banks**) at 1 percent (PHP 1.41 billion) as seen in figure 2.

LOAN PER ECONOMIC ACTIVITY Q4 2022

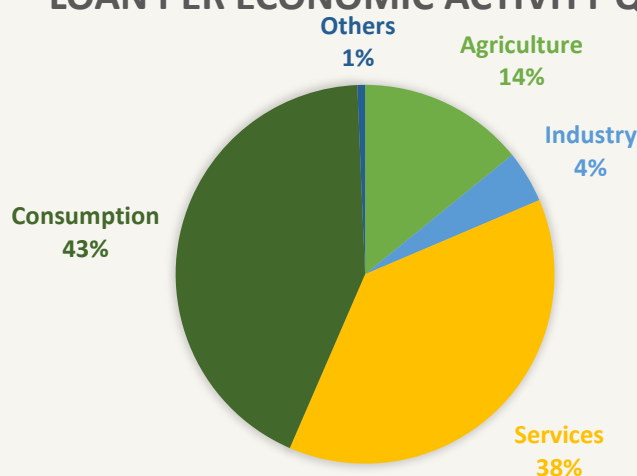


Figure 2. Loan per Economic Activity as of 31 December 2022 (BSP, 2023)

- It is also shown that in the 4th 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 **20.12 percent** and **10.35 percent** respectively, which were also exceeded the credit compliance ratios of universal, commercial, and thrift banks as seen in Table 1.

	U/KBs	TBs	RCBs
Compliance with MS-ME			
Percentage of Compliance with MSE	1.53%	4.27%	20.12%
Percentage of Compliance with ME	2.95%	5.32%	10.35%

Table 1. Mandated Credit Compliance of U/KBs, TBs, and RCBs as of 31 December 2022 (BSP, 2023)



- As the Philippine economy is in the way for full recovery 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 **8.87 percent** in the 4th quarter of 2022, which is far better than last year's **12.84 percent**, and have a better ratio than previous quarter at **9.73 percent** as of period ended September 2022. And if everything is held constant, the 2023 year will begin with a much better loan quality as seen in figure 3.

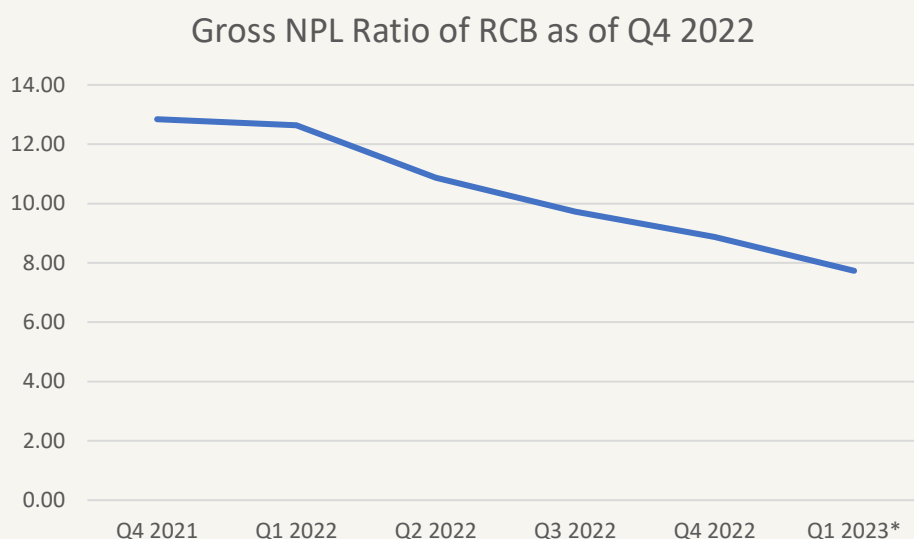


Figure 3. Gross NPL Ration of RCBs as of 31 December 2022 (BSP, 2023)

- In respect of mobilizing savings, the total deposit liabilities of RCBs continue to expand. It grew by 15.93 percent Year-over-Year to **PHP 269.56 billion** in the 4th Quarter of 2022. This represents 1.51 percent of the total deposit liabilities of the Philippine Banking System (PBS) of P17.77 trillion. The recorded growth rate for this period is higher than the 13.04 percent growth rate recorded in the previous 4th Quarter of 2021. In terms of type of Deposits, in the 3rd Quarter of 2022, **Savings Deposit** had the biggest share which represents **70.61 percent (PHP 190.33 billion)** of the total deposit, followed by **Time Deposit** which represents **26.93 percent (PHP 72.60 billion)** of total deposit and **Demand Deposit** which represents **2.34 percent share (PHP 6.64 billion)**. In addition, LTNCD has no contribution in RCBs total deposit as seen in figure 4.



DEPOSIT LIABILITIES OF RCBS AS OF Q4 2022

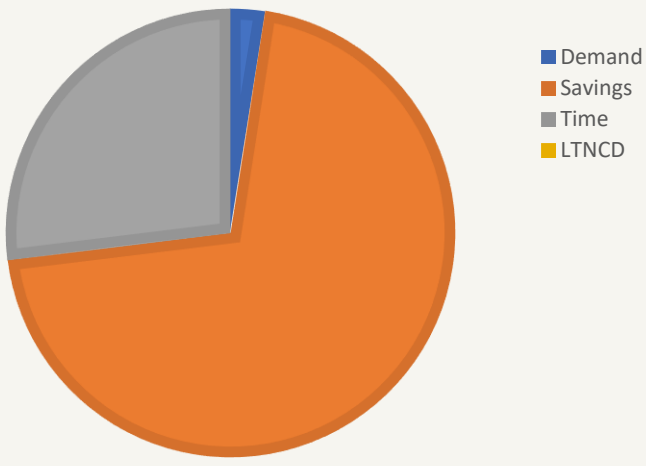


Figure 4. Gross NPL Ratio of RCBS as of 31 December 2022 (BSP, 2023)

- As of December 31, 2022, there are a total of 16.74 million accounts handled by the RCBS which represents 16.47 percent of total accounts handled by the Philippine Banking System of 101.61 million accounts. In addition, it grew by 5.98 percent compared to last year’s number of accounts with a total of 15.79 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 **93.04 percent (15.57 million accounts)** of the total number of accounts, followed by **“P15,000.01 – P50,000”** which represents **3.50 percent (585.14 thousand accounts)** of the total number of accounts, then **“P50,000.01 – P100,000”** which represents **1.42 percent (236.82 thousand accounts)** of the total number of accounts, then **“P100,000.01 - P250,000”** which represents **1.06 percent (176.89 thousand accounts)** of the total number of accounts, and lastly **P250,000.01 and above** which represents for **less 1 percent (165.84 thousands accounts)** of the total number of accounts handled by the RCBS. As seen in figure 5.

NUMBER OF ACCOUNT BY DEPOSIT SIZE Q4 2022



Figure 5. Number of Account by Deposit Size of RCBS as of 31 December 2022 (BSP, 2023)



- The liquidity ratios for Rural and Cooperative Banking System on the 4th quarter of 2022 were likewise great and above the industry expectations, having a liquidity ratio for **Cash & Due from Banks to Deposits** of **30.88 percent** in the 4th quarter of 2022, which increased by 0.03 percent compared to last year's **Cash & Due from Banks to Deposits ratio** which was **30.85 percent**. While **Liquid Assets to Deposits Ratio** have a **51.58 percent** in the 4th Quarter of 2022, which increased by 3.03 percent compared to last year's **Liquid assets to deposit ratio** which was **55.40 percent**. And lastly the **loans to deposits liquidity ratio** have a liquidity ratio of **79.74 percent** in the 4th quarter of 2022, it increased 8.04 percent by compared to last year **loans to deposit liquidity ratio** which was **71.70 percent**.
- RCBs' Industry **Capital Adequacy Ratio (CAR)** remains well and above international and regulatory standards. The Industry CAR during the period, on a solo basis, slightly increased by 0.91 to **19.99 percent** compared to the 19.08 percent posted a year before. Meanwhile, on a consolidated basis, the CAR of RCBs slightly increased by 0.46 to **18.81 percent** in the current quarter from **18.35 percent** recorded in the previous year. 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 loosen up its covid-19 restrictions, as a result the **net profit** of the RCBs industry went up by 44.23 percent YoY to **PHP 6.49 billion** for the year-ended December 31, 2022. Meanwhile the **Return on assets (RoA)** for the 4th quarter of 2022 registered a **1.90 percent**, which is higher than the **1.51 percent** recorded a year ago. Meanwhile, the **Return on equity (RoE)** increased to **10.23 percent** during the period compared to **8.10 percent** recorded a year ago. While **net interest margin (NIM)** also went up to **9.94 percent** during the period compared to **9.86 percent** recorded in the previous year, and the **cost-to-income ratio** stood at **72.64 percent** during the period compared to **76.43 percent** recorded in the previous year.
- Rural & Cooperative Bank's Physical network continue to grow, however the total number of RCB decline to **403 head offices** in the year ended December 31, 2022, below is the list of Rural and Cooperative Banks that has been closed/merged from January 1, 2022 to December 31, 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.
 - Rural Bank of Polomolok (South Cotabato), Inc.
 - Rural Bank of Galimuyod (Ilocos Sur), Inc.

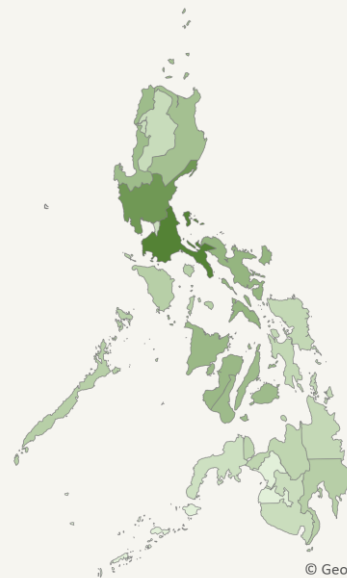
In addition, the **total number of other offices**, which includes branches and branch-lite units, rose to **3,075**. This resulted to an increase in the total number of **RCBs offices** to **3,478** as of period ended December 31, 2022 from 3,378 offices in the previous year and 3,450 offices recorded a quarter before.



	Head Offices	Branches	Branch lite	Total
NCR	13	36	46	95
Ilocos Region	31	137	98	266
Cagayan Valley	27	136	83	246
Central Luzon	66	255	125	446
CALABARZON	74	266	214	554
MIMAROPA	20	56	94	170
Bicol Region	19	79	203	301
Western Visayas	39	91	153	283
Central Visayas	27	122	118	267
Eastern Visayas	14	48	63	125
Zamboanga Peninsula	12	37	35	84
Northern Mindanao	21	62	58	141
Davao Region	12	92	68	172
SOCCSKSARGEN	8	61	29	98
Caraga	5	67	50	122
CAR	15	51	38	104
BARMM	0	0	4	4
Nationwide	403	1596	1479	3478

Regional Distribution of Rural and Cooperative Banks in the Philippines

Number of Rural Banks  4 554



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RBAP MEMBERS DATA

Total Number of Members	384
Rural Banks	364
Cooperative Banks	20
Total Number of Branches	1,565
Total Number of Branch-lites	1,212

BRANCH COMPOSITION

Stand Alone	126
1-3 branches	112
4-6 branches	67
7-10 branches	33
11-20 branches	24
21 and above	22

RBAP MEMBER REGIONAL DISTRIBUTION

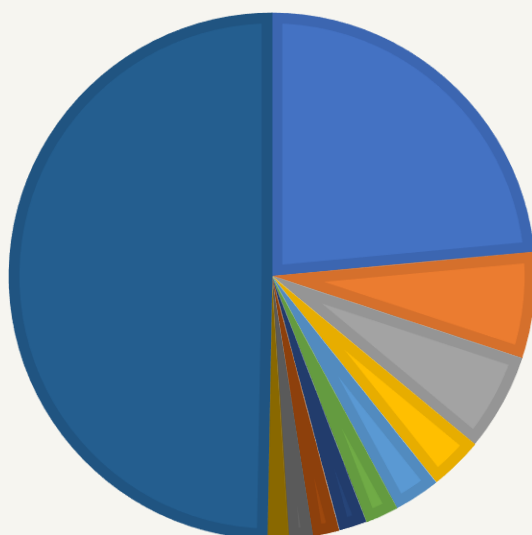
National Capital Region	10	Region 7	24
Region 1	43	Region 8	14
Region 2	27	Region 9	19
Region 3	59	Region 10	18
Region 4	96	Region 11	10
Region 5	19	Region 12	8
Region 6	37		



Rural and Cooperative Banking System: Top 10 Banks as to Total Assets in the 4th Quarter of 2022 (in millions)

RANK	NAME OF BANK	TOTAL ASSETS
1	BDO NETWORK BANK INC	87,679.80
2	EAST WEST RURAL BANK INC	24,282.73
3	CARD BANK INC (A MF RB)	22,272.76
4	SEABANK PHILIPPINES INC (A RURAL BANK)	12,237.80
5	TONIK DIGITAL BANK INC	10,579.10
6	GUAGUA RURAL BANK INC	7,596.00
↑ (+1)7	CEBUANA LHUILLIER RB INC	6,297.43
↓ (-1)8	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	6,175.85
↑ (+1)9	FIRST ISABELA COOP BANK (FICOBANK)	5,513.43
↓ (-1)10	BOF INC (A RURAL BANK)	4,726.23

TOP 10 BANKS AS TO TOTAL ASSETS
IN THE 4th QUARTER 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
- FIRST ISABELA COOP BANK (FICOBANK)
- BOF INC (A RURAL BANK)
- OTHERS

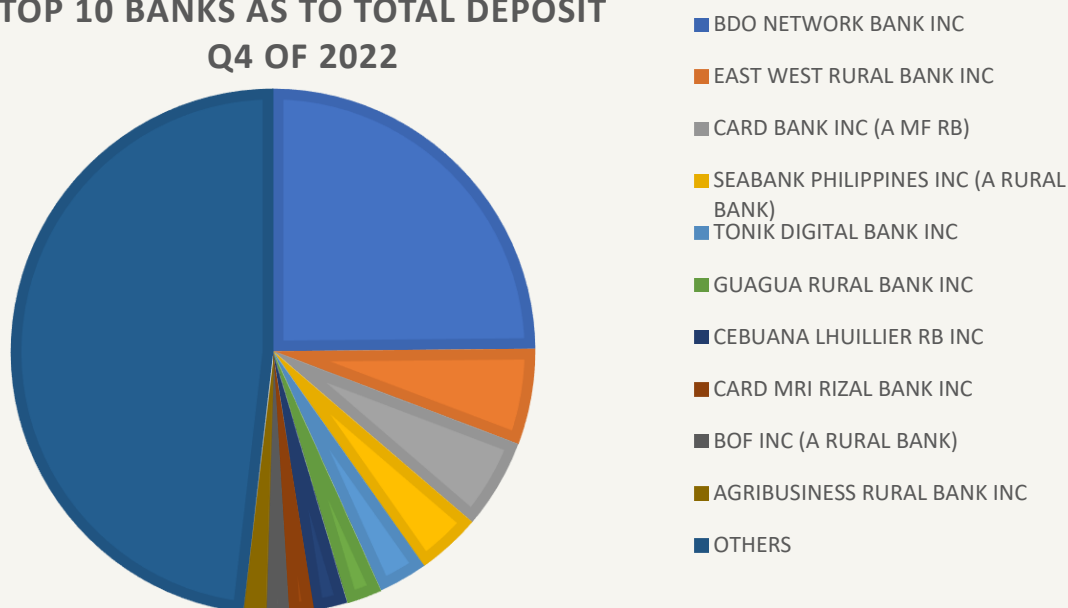
As seen in the table and figure above, the top 10 banks based on total asset in the Philippine Rural and Cooperative Banking system as of the 4th Quarter of 2022 represents half of the total asset of RCBs industry. Furthermore, the top 5 rankings remain unchanged since the 3rd Quarter of 2022, except for **Cebuana Lhuillier RB Inc.** where it moves up 7th place while **Card MRI Rizal Bank Inc** Decline to 8th place, and **FICO Bank** moves up to 9th place while **BOF Inc.** decline to 10th place. In this regards, the top 1 is still **BDO Network Bank** with a total capital of P87.68 billion which grew by 9.54 percent compared to the previous quarter which was PHP 80.04 billion. Then followed by **East West Bank** and **Card Bank Inc** with a total deposit of PHP 24.28 billion and PHP 22.27 billion respectively.



Rural and Cooperative Banking System: Top 10 Banks as to Total Deposit in the 4th Quarter of 2022 (in millions)

RANK	NAME OF BANK	TOTAL DEPOSIT
1	BDO NETWORK BANK INC	66,983.20
2	EAST WEST RURAL BANK INC	15,888.35
3	CARD BANK INC (A MF RB)	14,890.99
4	SEABANK PHILIPPINES INC (A RURAL BANK)	10,768.75
5	TONIK DIGITAL BANK INC	8,120.21
6	GUAGUA RURAL BANK INC	5,859.75
7	CEBUANA LHUILLIER RB INC	5,687.43
8	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	4,068.47
9	BOF INC (A RURAL BANK)	3,726.49
↑(+1)10	AGRIBUSINESS RURAL BANK INC	3,696.20

TOP 10 BANKS AS TO TOTAL DEPOSIT
Q4 OF 2022



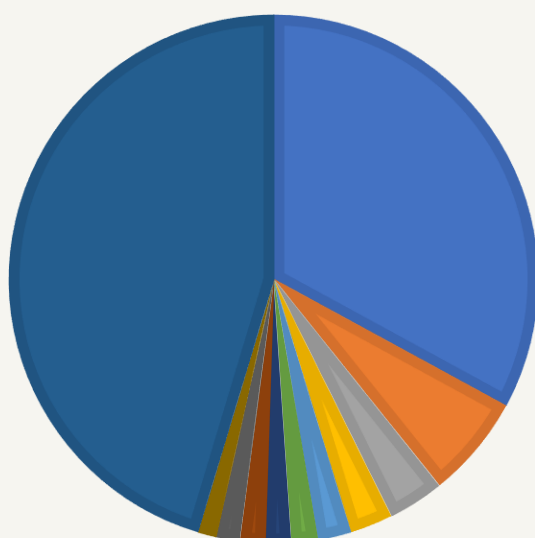
As seen in the table and figure above, the top 10 banks based on total deposit in the Philippine Rural and Cooperative Banking system as of the 4th Quarter of 2022 represents more than half of the total deposit in the RCBs industry (52%). Furthermore, the top 10 rankings almost remain unchanged since the last Quarter, except for the 10th place where **Agribusiness Rural Bank** entered the top 10 rankings in this quarter. Additionally, the top 1 is still **BDO Network Bank** with a total deposit of PHP 66.98 billion which grew by 1.68 percent compared to the previous quarter which was PHP 65.88 billion. Then followed by **East West Bank** and **Card bank Inc** with a total deposit of PHP 15.89 billion and PHP 14.89 billion respectively.



Rural and Cooperative Banking System: Top 10 Banks as to Total Loans (Net) in the 4th Quarter of 2022 (in millions)

RANK	NAME OF BANK	TOTAL LOAN (NET)
1	BDO NETWORK BANK INC	65,836.43
2	CARD BANK INC (A MF RB)	12,576.79
3	EAST WEST RURAL BANK INC	6,813.67
4	GUAGUA RURAL BANK INC	5,271.47
5	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	4,162.08
↑ (+2)6	BOF INC (A RURAL BANK)	3,181.06
↓ (-1)7	METRO SOUTH COOP BANK	3,108.81
↓ (-1)8	FIRST ISABELA COOP BANK (FICOBANK)	3,066.13
↑ (+36)9	SEABANK PHILIPPINES INC (A RURAL BANK)	2,853.02
10	AGRIBUSINESS RURAL BANK INC	2,313.20

TOP 10 BANKS AS TO TOTAL LOAN PORTFOLIO Q4 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
- BOF INC (A RURAL BANK)
- METRO SOUTH COOP BANK
- FIRST ISABELA COOP BANK (FICOBANK)
- SEABANK PHILIPPINES INC (A RURAL BANK)
- AGRIBUSINESS RURAL BANK INC
- Others

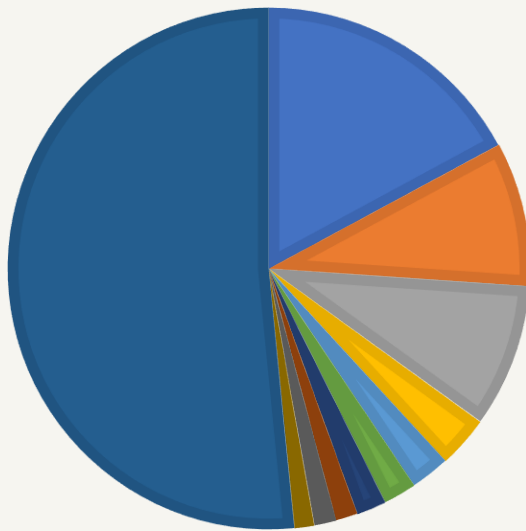
As seen in the table and figure above, the top 10 banks based on total loans(net) in the Philippine Rural and Cooperative Banking system as of the 4th Quarter of 2022 represents more than half of the total loan(net) provided by RCBs industry (55%). Furthermore, only 6th to 9th place change since the previous quarter, Where, **BOF Inc.** moves up to 6th place in this quarter while **Metro South Coop Bank** and **FICO Bank** decline to 7th and 8th place respectively and **Seabank Philippines Inc.** enter the top 10 rankings to 9th place from 45th place in the previous quarter. Additionally, the top 1 is still **BDO Network Bank** with a total deposit of PHP 65.84 billion which grew by 7.54 percent compared to the previous quarter which was PHP 61.22 billion. Then followed by **East West Bank** and **Card bank Inc** with a total deposit of PHP 12.58 billion and PHP 6.81 billion respectively.



Rural and Cooperative Banking System: Top 10 Banks as to Total Capital in the 4th Quarter of 2022 (in millions)

RANK	NAME OF BANK	TOTAL CAPITAL
1	BDO NETWORK BANK INC	11,959.50
2	EAST WEST RURAL BANK INC	6,245.62
3	CARD BANK INC (A MF RB)	6,210.20
4	TONIK DIGITAL BANK INC	2,236.82
5	CARD MRI RIZAL BANK INC	1,703.36
6	FIRST ISABELA COOP BANK (FICOBANK)	1,433.57
7	GUAGUA RURAL BANK INC	1,288.27
↑ (+3)8	SEABANK PHILIPPINES INC (A RURAL BANK)	955.22
↓ (-1)9	MARAYO BANK INC (A RURAL BANK)	937.85
10	BOF INC (A RURAL BANK)	850.46

TOP 10 BANKS AS TO CAPITAL Q4 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
- FIRST ISABELA COOP BANK (FICOBANK)
- GUAGUA RURAL BANK INC
- SEABANK PHILIPPINES INC (A RURAL BANK)
- MARAYO BANK INC (A RURAL BANK)
- BOF INC (A RURAL BANK)
- OTHERS

As seen in the table and figure above, the top 10 banks based on total capital in the Philippine Rural and Cooperative Banking system as of the 4th Quarter of 2022 represents almost half of the total Capital of RCBs industry (48%). Furthermore, the rankings based on total capital almost remain unchanged since the previous quarter. Where, **Seabank Philippines Inc.** enter the top 10 rankings to 8th place from 11th place in the previous quarter while **Marayo Bank Inc** decline to 9th place. Additionally, the top 1 is **BDO Network Bank** with a total capital of PHP 11.96 billion which grew by 35.77 percent compared to the previous quarter which was PHP 8.81 billion. Then followed by **East West Bank** and **Card bank Inc** with a total deposit of PHP 6.25 billion and PHP 6.21 billion respectively.