



Philippine Rural and Cooperative banking System Quarterly Report: 1st Quarter of 2023

The Philippine Rural and Cooperative Banking System able to sustain its rapid and inclusive growth as the Philippine economic performance remains solid and stable in the first Quarter of 2023.

- In the 1st Quarter of 2023, the **Total Assets** of the Philippine rural and cooperative banking system (RCBs) posted a growth of **12 percent** compared to the prior year, this amounts to a total asset of **₱ 367.30 billion** as of March 2023. This represents **1.59 percent** of the total asset of the Philippine Banking System (PBS) of **₱ 23.15 trillion**. The recorded growth rate for this quarter is slightly lower compared to the 1st quarter of the previous year, which was **13 percent**.

Philippine Rural and Cooperative Banking System: Total Asset (Q1 2019 - Q1 2023)

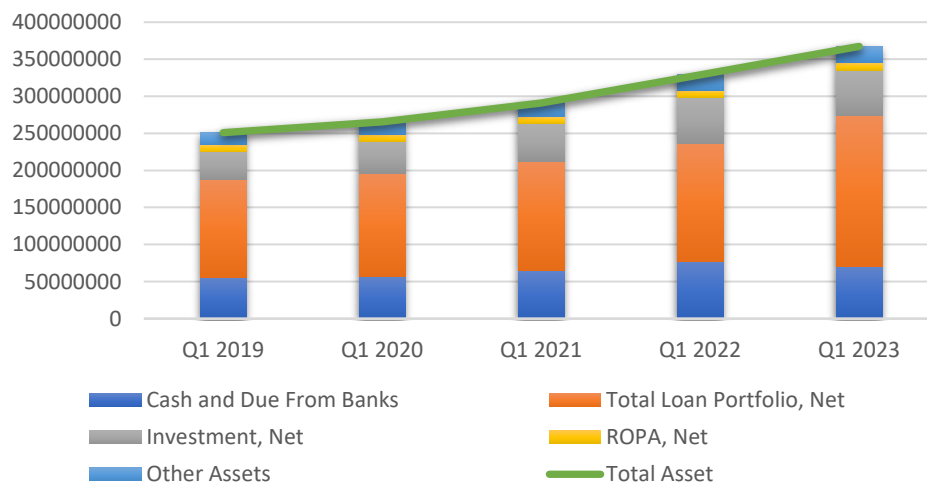


Figure 1. Total Asset of RCBs as of 31 March 2023 (BSP, 2023)

- The growth in the total asset of Rural and Cooperative banking System for the 1st quarter of 2023 is mainly attributed to the growth in **Total Loan Portfolio (net) (TLP-n)**, which represents **55.49 percent (₱ 203.81 billion)** of the total assets of RCBs, which grew by **28.53 percent** compared to the 1st quarter of the prior period, followed by **Cash & Due From Banks**, which represents **19.01 percent (₱ 69.83 billion)** of the total assets of RCBs, which decline by **9.63 percent** compared to the 1st quarter of the prior period, **Total Investment**, which represents **16.83 percent (₱ 61.83 billion)** of the total assets of RCBs, which decline by **1.84 percent** compared to the 1st quarter of the prior period, **Other Assets**, which represent **6.03 percent (₱ 22.15 billion)** of the total asset of RCBs, which grew by **5.95 percent** compared to the 1st Quarter of the prior period, and **Real, and Other Properties Acquired (ROPA)**, which represents **2.64 percent (₱ 9.69 billion)** of the total assets of RCBs, which grew **4.90 percent** compared to the prior period. This growth rates clearly indicates that, overall, the total assets of RCBs continue to grow in the 1st quarter



of 2023 beginning the year with a stronger balance sheet compared to the 1st quarter of the prior period as seen in figure 1.

- Credit and lending activity of the Rural and Cooperative Banking System has improved as the **Total Loan Portfolio (Gross) (TLP-G)** expanded by **25.70 percent** y-o-y to **₱218.09 billion** as of end March 2023 (Figure 2). This growth rate, marks the eleventh consecutive quarter of positive y-o-y growth rate in gross TLP-G, this was an improvement from the **8.35 percent** growth rate in march 2022 Y-o-Y. As to economic activity, the loan for the Philippine Rural and Cooperative Banking System, was primarily driven by **Salary-Based General-Purpose Consumption (up by 59 percent or ₱33.60 billion)**, **Agriculture, Forestry and Fishing (up by 20 percent or ₱5 billion)**, **Activities of Households as Employers and Undifferentiated Goods-and-Services-Producing Activities of Households for Own Use (up by 79 percent or ₱2.94 billion)**, **real estate activities (up by 13 percent or ₱2.06 billion)**, **Accommodation and Food Service Activities (up by 32% or ₱1.05 billion)**, **Other Service Activities (up by 10 percent or ₱1.0 billion)**, **motor vehicle loans (up by 23% or ₱0.71 billion)**, **Information and Communication (up by 412 % or ₱0.65 billion)**, **Transportation and Storage (up by 27% or ₱ 0.52 billion)**, and **Manufacturing (up by 21% or ₱0.50 billion)**. Collectively, these sectors accounted for about **68.5 percent (₱170 billion)** of the RCB' gross TLP as of end-March 2023. Furthermore, as for the major economic activities, the total loan granted by RCBs for **Production Activities (Agriculture, Industry, and Services)** had the largest share at **55 percent (₱ 199.95 billion)**, and followed by **Consumer Loans of Households (Consumption)** at **45 percent (₱ 98.14 billion)**, as seen in figure 2.

LOAN PER MAJOR ECONOMIC ACTIVITY Q1 2023

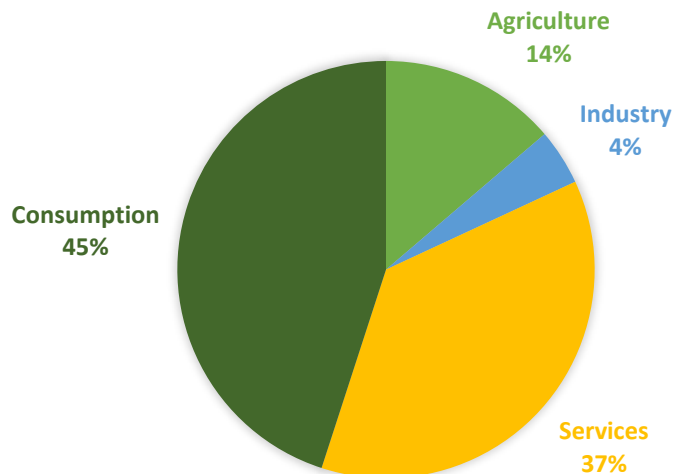


Figure 2. Loan per Economic Activity as of 31 March 2023, (BSP, 2023)



- With the continued recovery in the Philippine economy, 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 8.36 percent** in the 1st quarter of 2023, which is far better than last year's **12.64 percent**, and have a better ratio than previous quarter at **8.87 percent** as of period ended December 2022. And if everything is held constant, we will see a much better loan quality in the second half of 2023 as seen in figure 3.

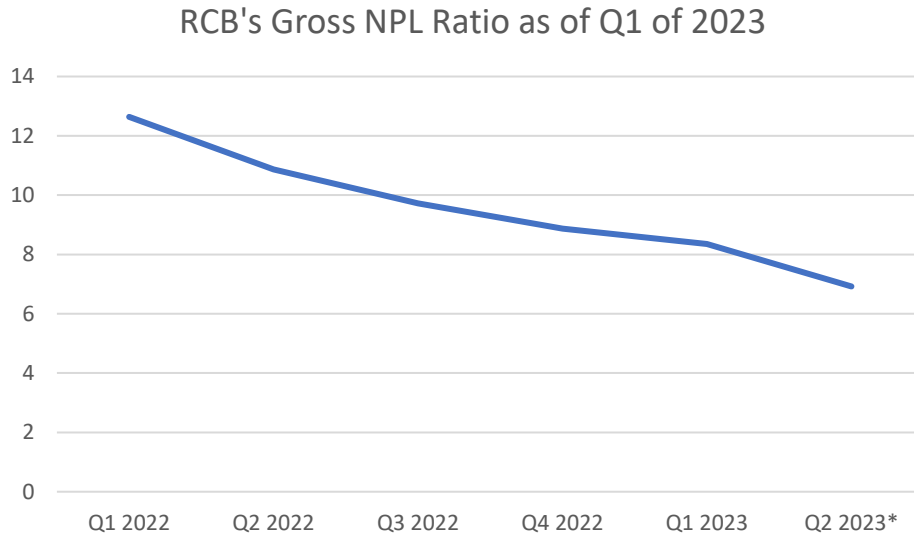


Figure 3. Gross NPL Ration of RCBs as of 31 March 2023 (BSP, 2023)

- In connection with savings mobilization, the **total deposit liabilities** of RCBs continue to expand. It grew by **7.24 percent** Year-over-Year to **₱ 263.25 billion** in the 1st Quarter of 2023. This represents **1.49 percent** of the total deposit liabilities of the Philippine Banking System (PBS) of **₱ 17.71 trillion**. The recorded growth rate for this period is lower than the **14.29 percent** Y-o-Y growth rate recorded in the 1st Quarter of the prior period. In terms of type of Deposits, in the 1st Quarter of 2023, **Savings Deposit** had the biggest share which represents **73.10 percent (₱ 192.45 billion)** of the total deposit, followed by **Time Deposit** which represents **24.25 percent (₱ 64.11 billion)** of total deposit and **Demand Deposit** which represents **2.55 percent (₱ 6.70 billion)** of the total deposit. In addition, **LTNCD** has no contribution in RCBs total deposit as seen in figure 4.



Q1 2023 DEPOSIT LIABILITIES

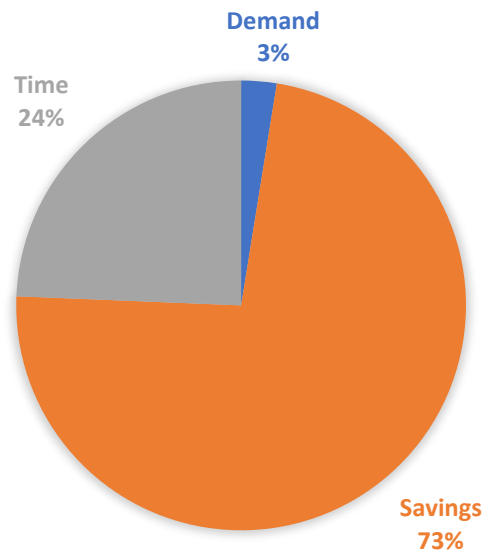


Figure 4. Deposit Liabilities of RCBs as of 31 March 2023 (BSP, 2023)

- As of March 31, 2023, there are a total of **17.90 million deposit accounts** handled by the RCBs which represents **16.61 percent** of total deposit accounts handled by the Philippine Banking System of **107.77 million accounts**. In addition, it grew by **10.31 percent** compared to last year's number of accounts with a total of **16.23 million deposit accounts**. In terms of account size of total deposit for the 1st Quarter of 2023, Majority of account handled by the RCBs have an account size of "**₱15,000 and below**" which represents **93.75 percent (16.78 million deposit accounts)** of the total number of accounts, followed by "**₱15,000.01 – ₱50,000**" which represents **3.24 percent (580.12 thousand deposit accounts)** of the total number of accounts, then "**₱50,000.01 – ₱100,000**" which represents **1.08 percent (194.10 thousand deposit accounts)** of the total number of accounts, then "**₱100,000.01 - ₱250,000**" which represents **0.99 percent (177.88 thousand deposit accounts)** of the total number of accounts, and lastly "**₱250,000.01 and above**" which represents for **less than 1 percent (166.77 thousands deposit accounts)** of the total number of accounts handled by the RCBs. As seen in figure 5.



NUMBER OF ACCOUNT HANDLED BY RCB BY SIZE AS OF Q1 2023

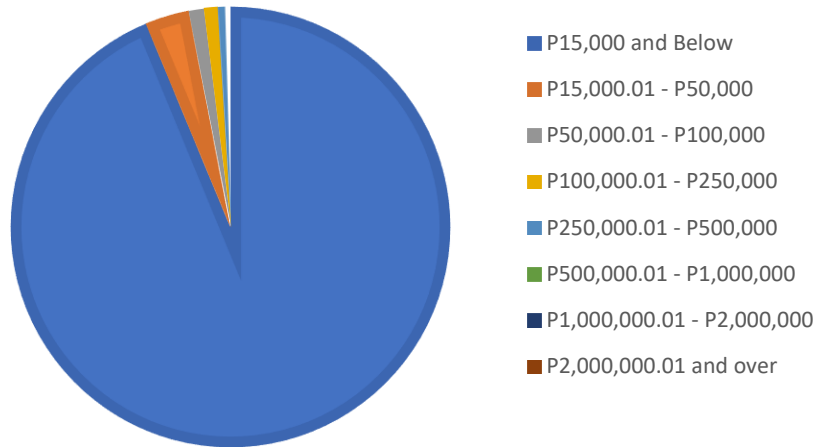


Figure 5. Number of Account by Deposit Size of RCBs as of 31 March 2023 (BSP, 2023)

- The liquidity ratios for Rural and Cooperative Banking System for the 1st quarter of 2023 were likewise great and above the industry expectations, having a **liquidity ratio for Cash & Due from Banks to Deposits** of **26.52 percent** in the 1st quarter of 2023, which decreased by **495 basis points** compared to last year's Cash & Due from Banks to Deposits ratio which was **31.48 percent**. While **Liquid Assets to Deposits Ratio** have a **49.73 percent** in the 1st Quarter of 2023, which also decreased by **720 basis points** compared to last year's Liquid assets to deposit ratio which was **56.93 percent**. And lastly the **loans(gross) to deposits liquidity ratio** have a liquidity ratio of **82.87 percent** in the 1st Quarter of 2023, it increased by **1,219 basis points** compared to last year loans to deposit liquidity ratio which was **70.68 percent**.
- RCBs' Industry **Capital Adequacy Ratio (CAR)** remains well and above international and regulatory standards. The Industry CAR during the period, the CAR of RCBs slightly increased by **5 basis points** to **18.68 percent** in the current quarter from **18.63 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 economy sustained its rapid, and inclusive economic development, as a result **the net profit** of the RCBs industry went up



by **44.81 percent** Y-o-Y to **₱ 6.90 billion** for the period-ended March 31, 2023. As seen in the figure below:

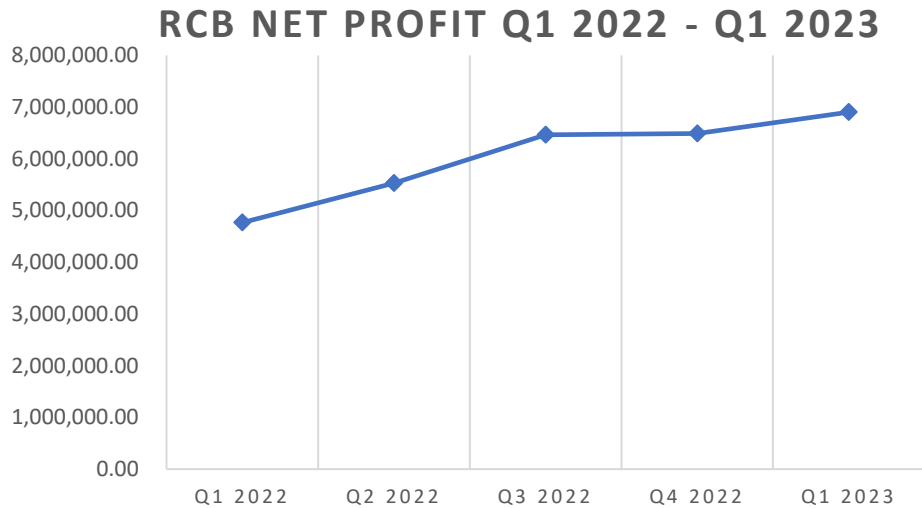


Figure 6. Quarterly net profit of RCBs from Q1 2022 to Q1 2023 (BSP, 2023)

- Meanwhile the **Return on Assets (RoA)** for the 1st quarter of 2023 registered a **1.98 percent**, which is higher than the **1.54 percent recorded** a year ago. Meanwhile, the **Return on equity (RoE)** increased to **10.67 percent** during the period compared to **8.21 percent** recorded a year ago. The **net interest margin (NIM)** also went up to **10.11 percent** during the period compared to **9.64 percent** recorded in the previous year, and lastly the **Cost-to-Income ratio** stood at **72.35 percent** during the period compared to **78.51 percent** recorded in the previous year.
- Rural & Cooperative Bank's Physical network continue to grow, however the total number of RCB decline to **399 head offices** in the end of the 1st quarter dated March 31, 2023, below is the list of Rural and Cooperative Banks that has been open, closed and merged during the period, from January 1, 2023 to March 31, 2023:
 - **Closed**
 - Rural Bank of San Agustine
 - Rural Bank of San Marcelino
 - Rural Bank of Palauig (Zambales), Inc.
 - **Merged**
 - Consolidated Cooperative Bank
 - One Cooperative Bank (Bataan Cooperative Bank) (surviving bank)
 - Metro South Cooperative Bank
 - **Opened**
 - People's Hawak Kamay Bank, Inc. – A Rural Bank

In addition, the **total number of other offices**, which includes branches and branch-lite units, rose to **3,105**. This resulted to an increase in the total number of RCBs offices to



3,504 as of period ended March 31, 2023 from **3,402** offices y-o-y and **3,478** offices recorded in the end of 2022.

	Head Offices	Branches	Branch lite	Total
NCR	13	37	48	98
Ilocos Region	31	136	104	271
Cagayan Valley	26	135	85	246
Central Luzon	63	256	127	446
CALABARZON	74	263	222	559
MIMAROPA	20	56	97	173
Bicol Region	19	80	205	304
Western Visayas	39	92	156	287
Central Visayas	27	123	120	270
Eastern Visayas	14	48	65	127
Zamboanga Peninsula	13	37	35	85
Northern Mindanao	21	62	58	141
Davao Region	11	94	63	168
SOCCSKSARGEN	8	62	31	101
CARAGA	5	67	50	122
CAR	15	51	36	102
BARMM	0	0	4	4
Nationwide	399	1599	1506	3504

Regional Distribution of Rural and Cooperative Banks in the Philippines

Number of Rural Banks
4 559



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Rural and Cooperative Bank Movement Q1 2023

Total Number of Rural and Cooperative Banks
(December 31, 2022)

403

Opened (Including MCA)

1

Closed (Including MCA)

5

Net

-4

Total Number of Rural and Cooperative Banks
(March 31, 2023)

399



RBAP MEMBERS DATA

Total Number of Members	381
Rural Banks	361
Cooperative Banks	20
Total Number of Branches	1,946
Total Number of Branch-lites	1,412

BRANCH COMPOSITION

Stand Alone	125
2-3 branches	111
4-6 branches	66
7-10 branches	32
11-20 branches	25
21 and above	22

REGIONAL DISTRIBUTION

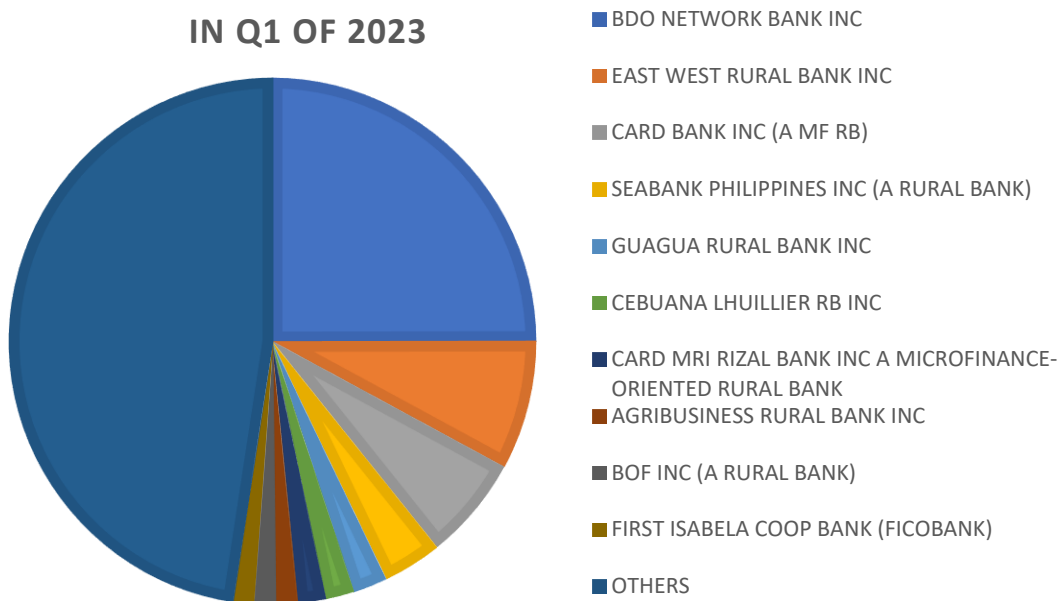
National Capital Region	9	Region 7	24
Region 1	42	Region 8	13
Region 2	27	Region 9	20
Region 3	59	Region 10	18
Region 4	95	Region 11	10
Region 5	19	Region 12	8
Region 6	37		



**Rural and Cooperative Banking System: Top 10 Banks as to Total Assets in the 1st Quarter of
2023 (in millions)**

RANK	NAME OF BANK	TOTAL ASSETS
1	BDO NETWORK BANK INC	91,723.13
2	EAST WEST RURAL BANK INC	29,135.28
3	CARD BANK INC (A MF RB)	23,354.07
4	SEABANK PHILIPPINES INC (A RURAL BANK)	13,282.21
↑ 5(+1)	GUAGUA RURAL BANK INC	7,758.02
↑ 6(+1)	CEBUANA LHUILLIER RB INC	6,533.75
↑ 7(+1)	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	6,284.61
↑ 8(+3)	AGRIBUSINESS RURAL BANK INC	4,937.47
↑ 9(+1)	BOF INC (A RURAL BANK)	4,803.52
↓ 10(-1)	FIRST ISABELA COOP BANK (FICOBANK)	4,675.18

**TOP 10 BANKS AS TO TOTAL ASSETS
IN Q1 OF 2023**



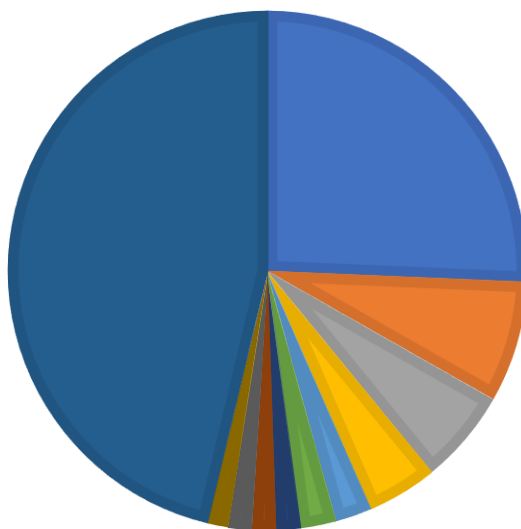
As seen in the table and figure above, the top 10 banks based on total asset in the Philippine Rural and Cooperative Banking system as of the 1st Quarter of 2023 represents more than half (**52.41%**) of the total asset of RCBs industry. Furthermore, the top 4 rankings remain unchanged since the 3rd Quarter of 2022. Due to Digital banks has been removed from the rankings of rural and cooperative banking system, **Guagua rural bank** moved up in rankings to 5th place. Furthermore, the top 1 Rural bank in terms of assets is still **BDO Network Bank** with a total asset of **₱ 91.72 billion** which grew by **5 percent** compared to the previous quarter which was **₱ 87.6 billion**. Then followed by **East West Bank** and **Card Bank Inc** with a total deposit of **₱ 24.28 billion** and **₱ 22.27 billion** respectively



Rural and Cooperative Banking System: Top 10 Banks as to Total Assets in the 1st Quarter of 2023 (in millions)

RANK	NAME OF BANK	TOTAL DEPOSIT
1	BDO NETWORK BANK INC	67,585.54
2	EAST WEST RURAL BANK INC	19,917.69
3	CARD BANK INC (A MF RB)	15,449.17
4	SEABANK PHILIPPINES INC (A RURAL BANK)	11,535.61
↑ 5(+1)	GUAGUA RURAL BANK INC	5,987.14
↑ 6(+1)	CEBUANA LHUILLIER RB INC	5,823.77
↑ 7(+1)	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	3,982.14
↑ 8(+2)	AGRIBUSINESS RURAL BANK INC	3,889.18
9	BOF INC (A RURAL BANK)	3,790.35
↑ 10(+1)	QUEZON CAPITAL RB INC	3,475.38

**TOP 10 BANKS AS TO TOTAL DEPOSIT
Q1 OF 2023**



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

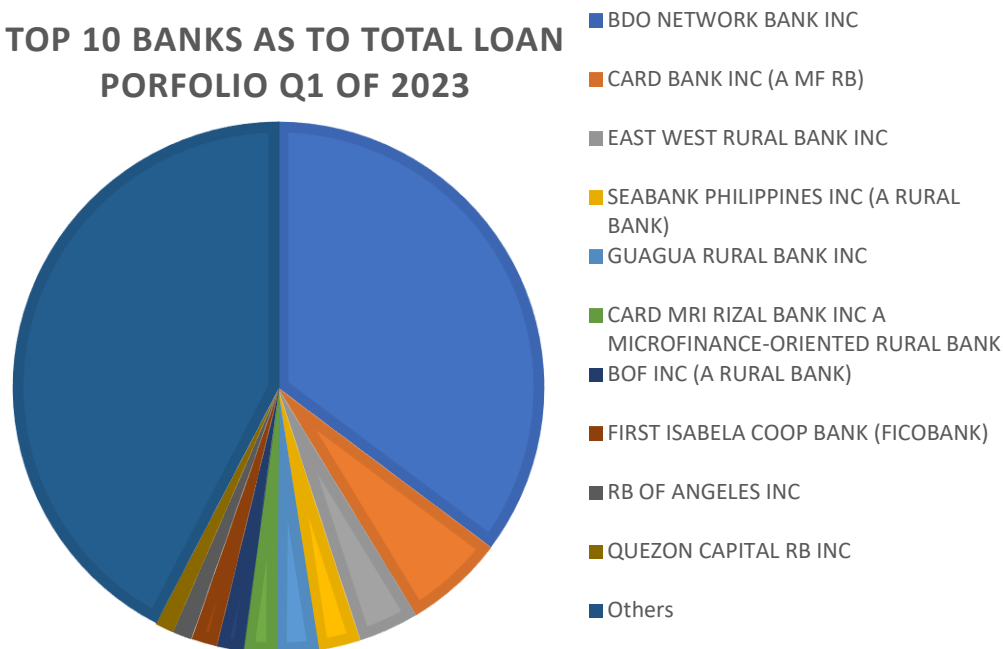
As seen in the table and figure above, the top 10 banks based on total deposit in the Philippine Rural and Cooperative Banking system as of the 1st Quarter of 2023 represents more than half of the total deposit in the RCBs industry (**54%**). Furthermore, the top 4 rankings remain unchanged since the last Quarter, except for the 5th to 10th place where Digital banks have been removed in the rankings resulting to banks move up by 1 except for **Agribusiness Rural Bank** which moved up by 2 while **BOF Inc.** remains unchanged. Additionally, the top 1 is still **BDO Network Bank** with a total deposit of **₱ 67.59 billion** which grew by **0.90** percent compared to the previous quarter which was **₱ 66.98 billion**. Then followed by **East West Bank** and **Card bank Inc** with a total deposit of **₱ 19.92 billion** and **₱ 15.45 billion** respectively.



**Rural and Cooperative Banking System: Top 10 Banks as to Total Loans (Net) in the 1st Quarter
of 2023 (in millions)**

RANK	NAME OF BANK	TOTAL LOAN (NET)
1	BDO NETWORK BANK INC	71,853.29
2	CARD BANK INC (A MF RB)	12,406.02
3	EAST WEST RURAL BANK INC	7,462.82
↑4(+5)	SEABANK PHILIPPINES INC (A RURAL BANK)	5,276.31
↓5(-1)	GUAGUA RURAL BANK INC	5,167.02
↓6(-1)	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	4,041.11
↓7(-1)	BOF INC (A RURAL BANK)	3,312.83
8	FIRST ISABELA COOP BANK (FICOBANK)	3,187.40
↑9(+4)	RB OF ANGELES INC	2,405.34
↑10(+1)	QUEZON CAPITAL RB INC	2,326.78

**TOP 10 BANKS AS TO TOTAL LOAN
PORFOLIO Q1 OF 2023**



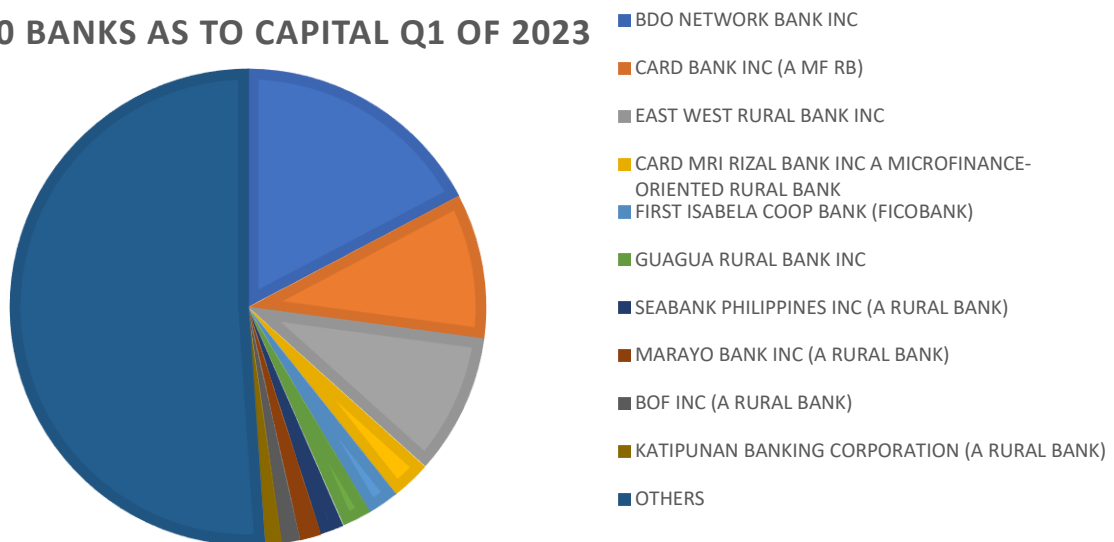
As seen in the table and figure above, the top 10 banks based on total loans(net) in the Philippine Rural and Cooperative Banking system as of the 1st Quarter of 2023 represents more than half of the total loan(net) of the RCBs industry (**58%**). The top 3 remains unchanged since the previous quarter, Furthermore, **Seabank Philippines Inc** moves up to 4th place while **Guagua Rural Bank, Card MRI and BOF Inc.** decline by 1 to 5th, 6th and 7th place respectively. Furthermore, **FICO BANK** remains unchanged while **RB of Angeles** and **Quezon Capital RB** enter the top 10 rankings. Additionally, the top 1 is still **BDO Network Bank** with a total Loans (net) of **₱ 71.85 billion** which grew by **9.14 percent** compared to the previous quarter which was **₱ 65.84 billion**. Then followed by East West Bank and Card bank Inc with a total Loans (Net) of **₱ 12.41 billion** and **₱ 7.46 billion** respectively.



Rural and Cooperative Banking System: Top 10 Banks as to Total Capital in the 1st Quarter of 2023 (in millions)

RANK	NAME OF BANK	TOTAL CAPITAL
1	BDO NETWORK BANK INC	11,807.72
↑2(+1)	CARD BANK INC (A MF RB)	6,729.37
↓3(-1)	EAST WEST RURAL BANK INC	6,509.31
↑4(+1)	CARD MRI RIZAL BANK INC A MICROFINANCE-ORIENTED RURAL BANK	1,835.33
↑5(+1)	FIRST ISABELA COOP BANK (FICOBANK)	1,473.90
↑6(+1)	GUAGUA RURAL BANK INC	1,349.90
↑7(+1)	SEABANK PHILIPPINES INC (A RURAL BANK)	1,104.83
↑8(+1)	MARAYO BANK INC (A RURAL BANK)	988.47
↑9(+1)	BOF INC (A RURAL BANK)	861.10
↑10(+2)	KATIPUNAN BANKING CORPORATION (A RURAL BANK)	765.78

TOP 10 BANKS AS TO CAPITAL Q1 OF 2023



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 1st Quarter of 2023 represents almost half of the total Capital of RCBs industry (**49%**). Furthermore, the rankings based on total capital move up by 1 except for the **BDO Network bank** which remain in the top 1, While **East west Rural Bank** which move down by 1, and **Katipunan Banking Corp.** entered the top 10 and move up by 2. Furthermore, the top 1 is still **BDO Network Bank** with a total capital of **₱ 11.81 billion** which declined by **1.27 percent** compared to the previous quarter which was **₱ 11.96 billion**. Then followed by **Card Bank Inc.** and **East west Rural Bank** with a total deposit of **₱ 6.73 billion** and **₱ 6.51 billion** respectively.