



**59<sup>TH</sup> RBAP Charter Anniversary Symposium**  
October 24, 2016  
Grand Ballroom, Marriott Hotel Manila

# STATUS OF RURAL BANKS

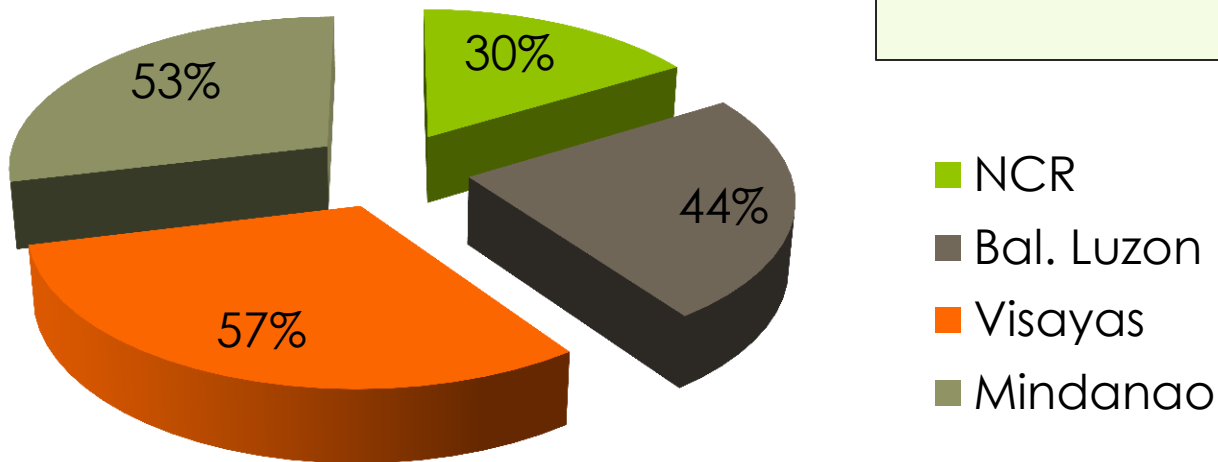
## Challenges and Opportunities

# Rural Banks: Key Driver for Nation Building

- Capable and strong
- Not necessarily BIG but INNOVATIVE
- Knowledge of cultural and local practices

# How many Filipinos perceived themselves as poor?

**42%**



Source: Social Weather Station Survey, April 2016

# Achieving Balance



Why  
You've  
got it  
Wrong,  
& How to  
Get it Right

# Number 1 Concern



# Rural Bank Industry Statistics

1-3 branches  
Single-unit

=

389

Capital  
20-45M



67%

<

50M



Asset  
82-238M



70%

<

50-500M



## Rural Bank of Juan

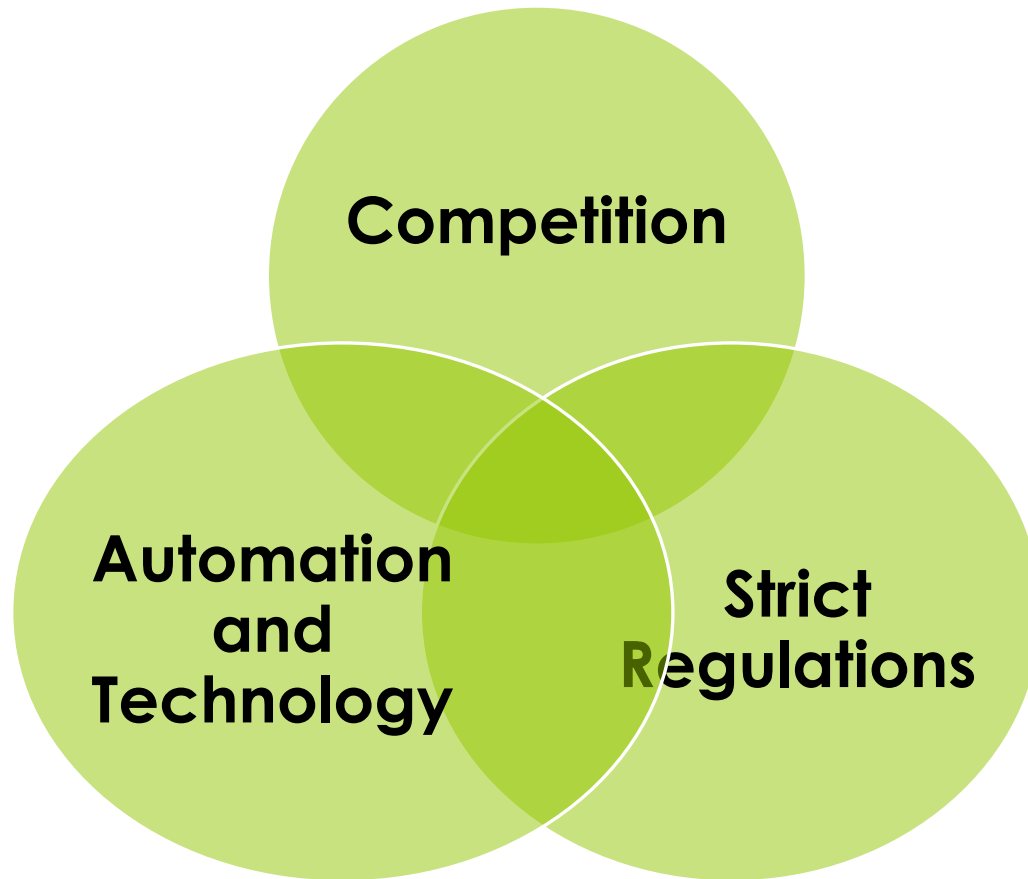


Rural Bank Size	Count
Single - unit	177
Less than 4 branches	212

**80%**

Rural Bank Size	Average	
	Capital	Asset
Single - unit	20M	81M
Less than 4 branches	45M	238M

# Concerns





# Some Indicators

## NPL Ratio

Non-Performing Loans to Total Loans

10.94%



## Loan Loss Reserves

Loan Loss Reserves / TLP

7.81%



## Covered Loans

Loan Loss Reserves / Gross NPL

71.35%



# Some Indicators

**Return on Assets**

**1.79%**

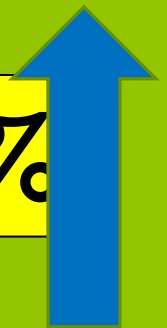
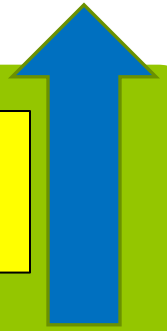
**Return on Equity**

**9.57%**

**Capital Adequacy Ratio**

**Net Income to Total Revenues**

**17.83%**

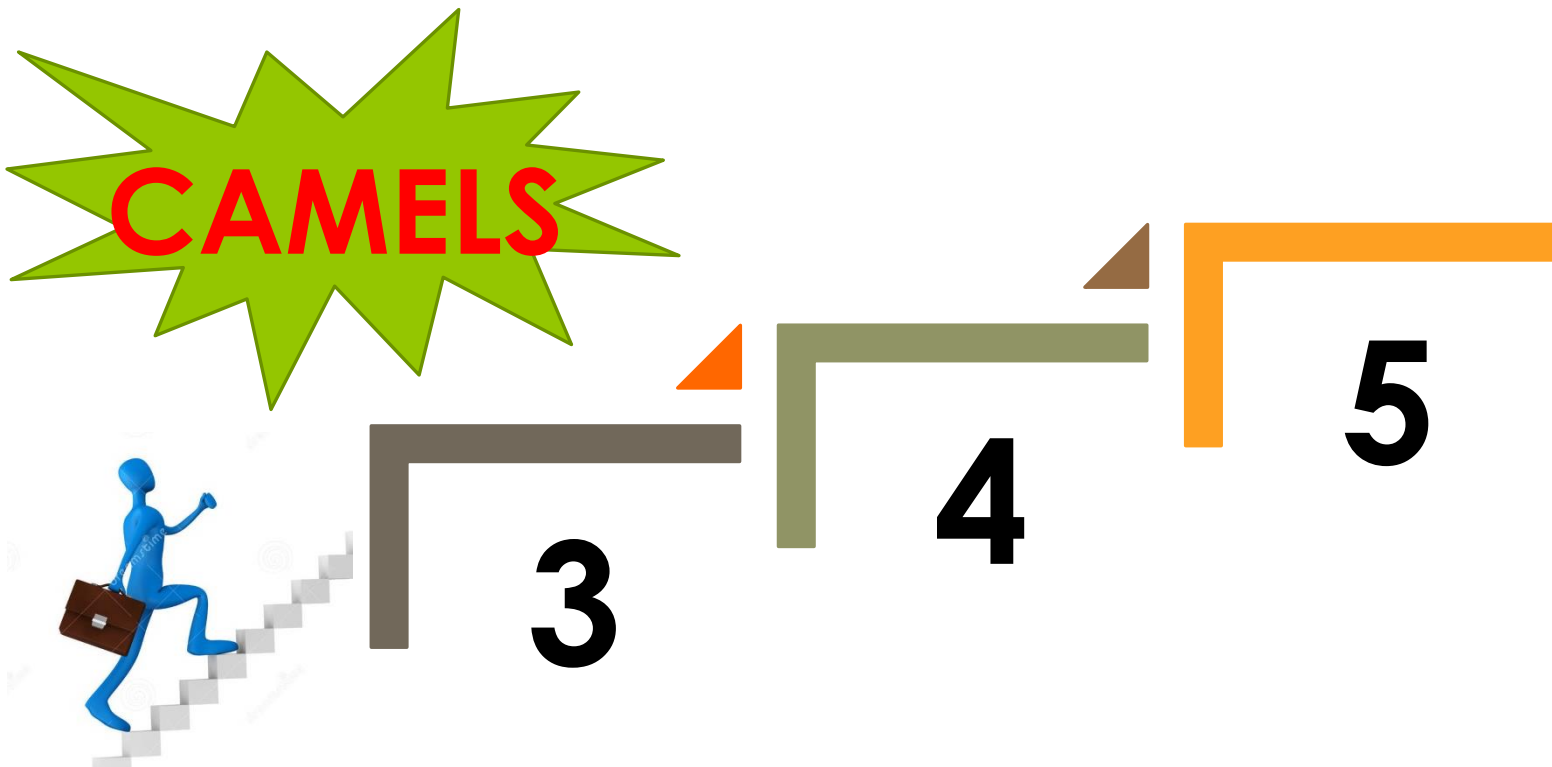


Ratio which the RB is best able to determine:

Loans to Deposit

**82.38%**

**CAMELS**



I'M GETTING  
REPORTS AGAIN THAT  
YOU'RE RESISTANT  
TO CHANGE.



cartoonist@gmail.com

**TAKE  
ACTION!**

Dilbert

***THINK ABOUT IT...***



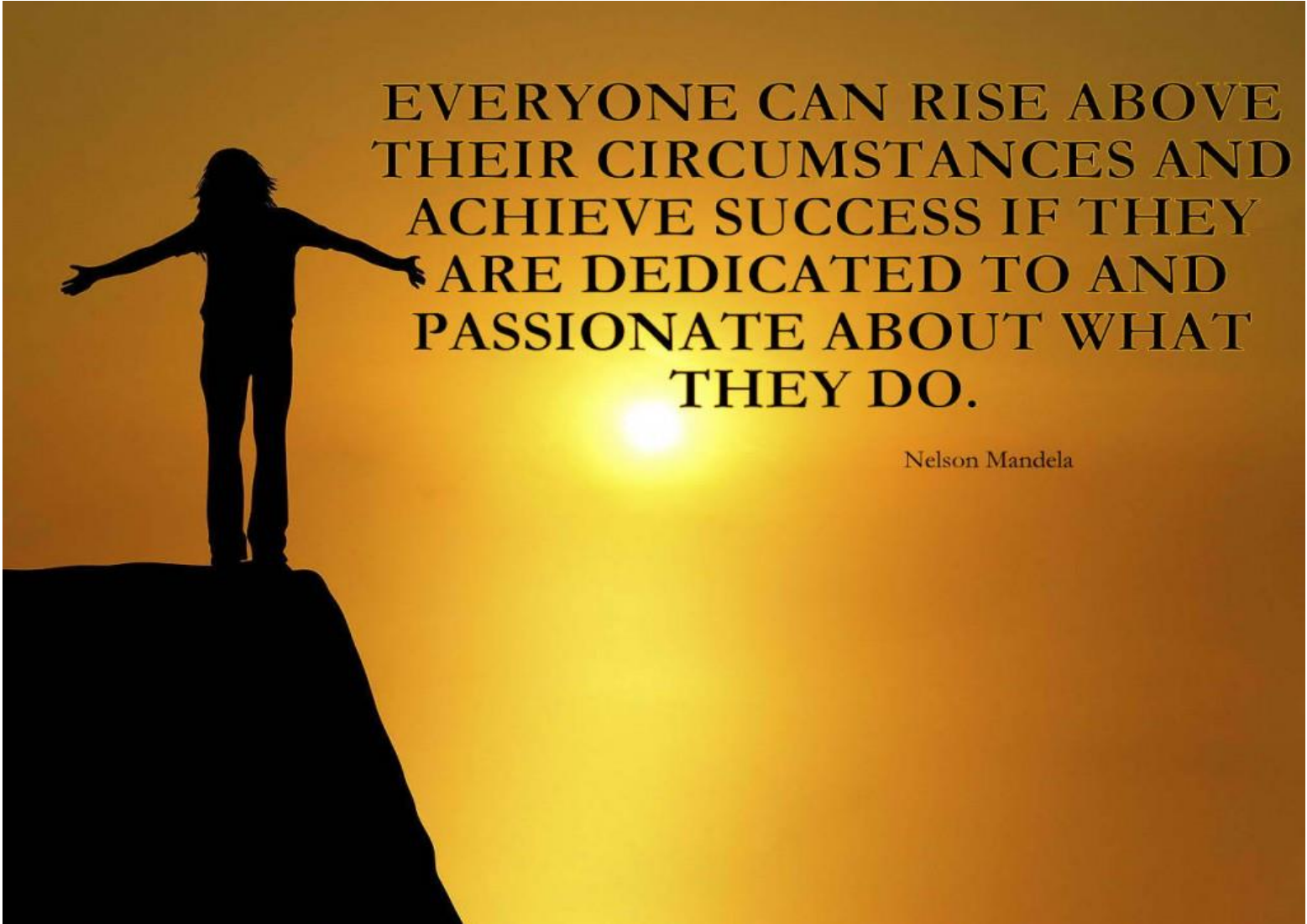
**FRAUD**

**UNSAFE/UNSOUND  
PRACTICE**

**COMPETITIVENESS**

capital research office management  
profit work employees focus strategy  
marketing process target  
target goals organization competition  
work capital **BUSINESS** employees goals  
office management vision market success motivation target  
strategies team **SUCCESS**  
employee finance money  
decision office strategy market  
strategy competition vision



A silhouette of a person standing on a cliff with arms outstretched against a sunset background. The person is on the left side of the image, facing right. The background is a gradient of orange and yellow, with a bright sun low on the horizon. The text is positioned to the right of the person.

**EVERYONE CAN RISE ABOVE  
THEIR CIRCUMSTANCES AND  
ACHIEVE SUCCESS IF THEY  
ARE DEDICATED TO AND  
PASSIONATE ABOUT WHAT  
THEY DO.**

Nelson Mandela





Thank you for  
your attention!