

AGRICULTURAL GUARANTEE FUND POOL



A Presentation to:

THE RURAL BANKERS ASSOCIATION OF THE PHILIPPINES

60th Charter Anniversary Forum

October 23-24, 2017

Manila Hotel

The RBAP has remained true to its mandate as provided for in:

- *R.A. 720 of 1952, and*
- *RA 7353 of 1992*

These laws established and strengthened the Rural Banking System to make needed credit in the rural areas:

- ✓ *Available*
- ✓ *Readily Accessible*
- ✓ *On reasonable terms*

Compliance to Agri-Agra Law (RA 10000)

(in billion peso)

As of June 30, 2017	All Banks	Uni / Com	Thrift	RB/Coop
A. Total Loanable Funds	3,813.986	3,578.941	178.810	56.235
B. Minimum Requirement:				
10% Agra	381.399	357.894	17.881	5.624
15% Agri	572.098	536.841	26.822	8.435
Total	953.497	894.735	44.703	14.059
C. Agra Compliance				
Amount	39.519	28.531	3.132	7.856
Rate	1.04%	0.80%	1.75%	13.97%
D. Agri Compliance				
Amount	504.439	472.255	16.816	15.369
Rate	13.22%	13.20%	9.27%	27.34%
E. Total Compliance				
Amount	543.959	500.787	19.948	23.224
Rate	14.26%	13.99%	11.16%	41.30%
Direct: Alternative	50: 50	47:53	68:32	92:8

Congratulations to the Rural Banks for compliance to the required agri-agra credit

AGRA

- 12% direct compliance
- 2% alternative compliance

AGRI

- 26% direct compliance
- 1% alternative compliance

“We would have not been able to extend unsecured loans to small farmers and fisherfolk without the guarantee.”

– Rural Banks

Loans Extended by Rural Banks that were guaranteed by AGFP

- ✓ ***570,134 loans***
- ✓ ***P26.179 Billion***



Partner Lending Institutions (PLIs)

Performance (in billion pesos)

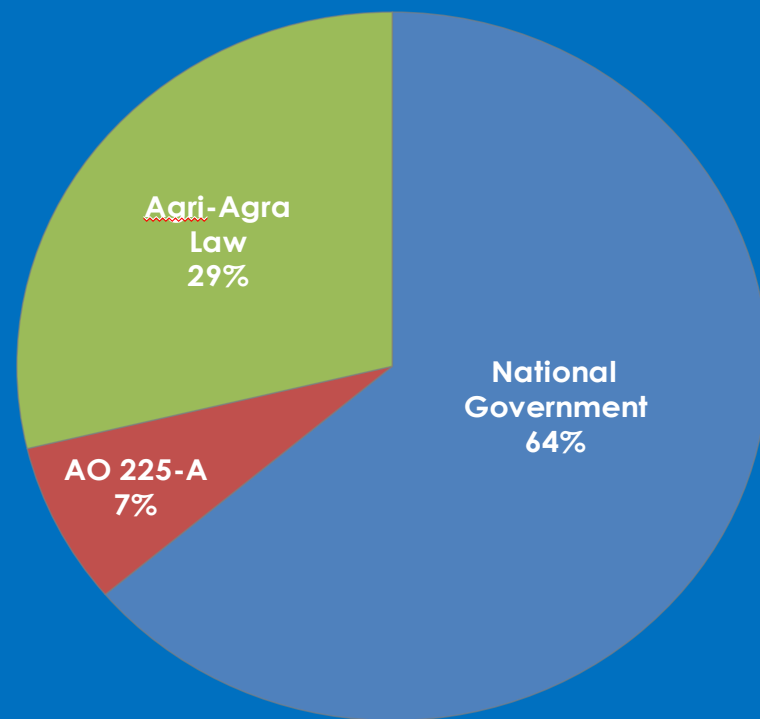
As of Sept. 30, 2017	TOTAL	BANKS	COOPS	FOs/MFIs	SMEs
A. Claims Paid	1.484	1.040	0.151	0.114	0.179
B. Recoveries	0.610	0.523	0.045	0.032	0.010
C. Net Claims (A-C)	0.873	0.518	0.105	0.082	0.168
D. Guaranteed Loans	42.263	26.179	4.704	5.469	5.911
E. Claims Rate (A/D)	3.51%	3.98%	3.20%	2.08%	3.02%
F. Net Claims Rate (C/D)	2.07%	1.98%	2.24%	1.50%	2.84%
G. Recovery Efficiency (B/A)	41.15%	50.24%	30.18%	28.00%	5.79%

• Sources of AGFP Funds

(As of October 23, 2017)

✓ AO 225-A - P0.488 Billion

- PAGCOR
- PCSO
- NAPOCOR
- PEZA
- LWUA
- NEA
- DBP
- LANDBANK
- TIDCORP
- TRANSCO
- MWSS



✓ National Government - P4.0 Billion

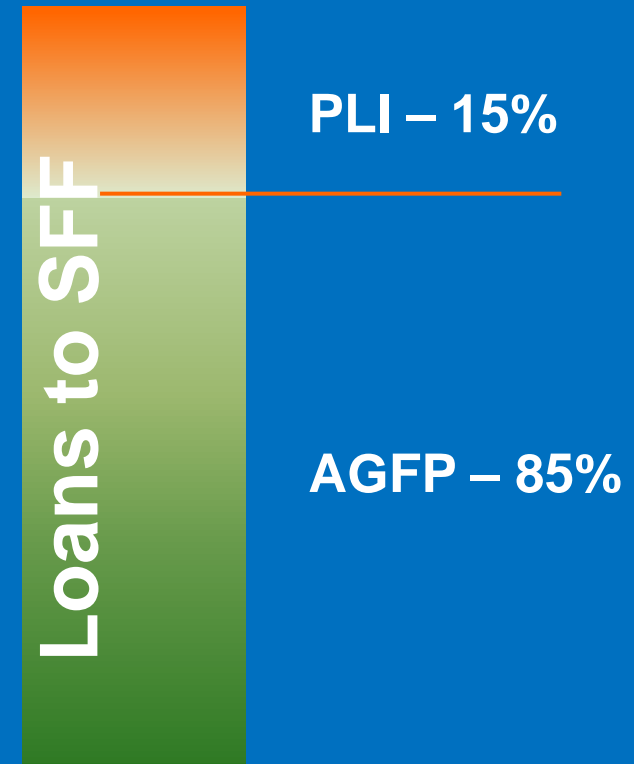
✓ Agri-agra Penalties - P1.853 Billion

Total Seed Fund of P6.34 Billion can guarantee up to P19 Billion
(3x the seed fund)

- **Other Sources of Funds: Guarantee Fees, Recoveries, Investment Income**


- ***Features of the AGFP Guarantee***

- Eligible loans
 - Crop Production
 - Poultry Production
 - Livestock Production
 - Fisheries Production
- Guarantees:
 - all risks, except fraud on the part of the partner lending institution
 - 85% of the principal balance at the time of claim
- 2% guarantee fee per annum
- 20% risk-weighted by BSP





- **Update**


✓ ***GCG endorsed for PRRD's approval the consolidation of Agricultural Guarantee Fund Pool (AGFP), Industrial Guarantee and Loan Fund (IGLF), Home Guaranty Corp. (HGC) and Small Business (SB) Corp. into PhilExim***

INQUIRER.NET 

Merger of state guarantee firms up for Palace OK

Philippine Daily Inquirer 3 weeks ago



Budget Secretary Benjamin E. Diokno. FILE PHOTO



Agricultural Guarantee Fund Pool (AGFP)

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