



# RURAL BANKERS ASSOCIATION OF THE PHILIPPINES

April 3, 2023

**Dear Fellow Rural Bankers,**

Greetings and I pray that you have had a meaningful first quarter of the year!

Time flies and just in a jiffy, the first quarter of the year is done! Time, indeed, is a rare resource because it is something that we cannot gain back. For me, however, as long as we have been able to do what we ought to do; to live the days as God would have wanted us to, time is only "done" but NOT "gone".

Among the things "done" since my last report:

1. The biggest ticket is our 1st ever National Convention for CO and IA. It was attended by 291 delegates from 153 banks and the homework given to them is to work in clusters, including those who failed to attend, and support each other in matters of compliance and audit. As to its substance, the banks who participated would be the best judge, and I hope that you communicate your feedback, both good and bad, so that RBAP and the COIAG can progress even more.
2. Also by now, we should all be on track with the plans we submitted on or before March 21 in compliance with the directive of Circular 1151. In relation to this, RBAP has been networking with various agencies and regulatory bodies in order for us to gather more solutions and options towards achieving our respective plans and goals.
3. Among the more recent and promising update is found in the implementing rules (IRR) of the new Agri Agra law: (a) compliance has been easier with the inclusion of more alternative compliances; and (b) Equity investments and or deposit in Rural Banks, being an alternative, we can begin to collaborate with our bigger counterparts for equity investment which clearly is a better option for them rather than the penalties they pay and throw. The estimated total capital deficiency of the Rural Banking industry amounts to 4.1 billion pesos from 194 capital deficient Rural banks as of the third quarter 2022<sup>1</sup>, while on the average banks, specially the Universal and Commercial banks, pays 2 billion pesos per annum<sup>2</sup> for non-compliance with the Agri Agra mandatory credit allocation.
4. We have also started a dialogue with the Agricultural Policy Council to streamline their accreditation and reconsider the management fee rates among other things. Based on bank's participation in their programs, we proposed that the download of funds be by way of equity investment through the LBP, using ACPC funds.
5. A round table meeting with the PDIC was fruitful as we jointly manifest to minimize the disruption of financial services, protecting the image of the industry and restoring the trust of

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<sup>1</sup> <https://www.bsp.gov.ph/SitePages/Statistics/BSFinancialStatements.aspx?TabId=1>

<sup>2</sup>

<https://www.bworldonline.com/editors-picks/2021/03/19/351351/banks-pay-p2b-yearly-for-failure-to-meet-agri-agra-quotas-bsp-says/>

the banking public. There are also opportunities presented and we await the various guidelines so that we can consider them in our respective strategic plans.

6. On the AFD and ADB matching grants under the FIT or Fintech for Inclusion and Transformation, I am pleased to announce that we are finally on a roll. While I cannot preempt its launching and its onboarding details, I encourage you to start thinking of your support needs in your digital transformation roadmap: CBS, migration to the cloud, innovative fintech products and by special reference, including agricultural fintech. The program is on a per-bank basis and we have requested for a simple process including templates to make it easier for each bank to apply.
7. As of press time, we already have nine (9) potential investors listed in our pairing platform which you can find on the RBAP/RBRDFI website.
8. Upon visiting our website, you will find it updated with relevant information including all past SORA, members corner, the angel network even the recent listings for AMLA reference.
9. In between the symposium and the convention, the RBAP also continues to personally reach out to federations as we did in Gensan, Clark, and CDO.
10. All these, we can accomplish with the joint efforts of the RBAP and RBRDFI board and staff, sharing resources and talents under "One Team. One Vision" and with the end in view, of better serving all members.

Before closing, I also would like to personally invite you to the upcoming National Convention to be held at Widus Hotel at Clark Airfield in Pampanga on June 7-8, 2023. Despite all our challenges, our existence as a rural bank is enough success that calls for a celebration especially that we have reached "70 years of touching lives and inclusive development". I suggest that you read through the convention circular and the schedule of events both during and pre or post-convention. Allot time for these and participate in sports, socials, cultural as well as study tours. After all, we continue to prevail over covid by living our lives fully.

For more information visit our official pages [www.rbap.org](http://www.rbap.org) and [www.facebook.com/ruralbankersph](https://www.facebook.com/ruralbankersph)  
For the National Convention teaser, click on this link [www.youtube.com/watch?v=7ygcrmFJNSY](https://www.youtube.com/watch?v=7ygcrmFJNSY)  
and click on the [www.youtube.com/watch?v=MzfOGNGp43g](https://www.youtube.com/watch?v=MzfOGNGp43g) link for the Great Gatsby fellowship night or call our RBAP office.

Thank you very much and more power to you, **your Rural Bank**, and to our RBAP. See you in Clark!

Very truly yours,

**ATTY. MARY ANN TUPASI-SADDUL**  
President, FY 2022-2023