

## TYPES AND STRUCTURE OF RURAL BANKS FARM CREDIT

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by

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The Need for Farm Credit

Rural poverty in our country extends from Aparri to Tawitawi. A 1955 study of the University of the Philippines' College of Agriculture revealed that the average family farm labor earnings was P375 and family income from all sources was P982, or, for the average size of six persons per farm family, a per capita income from all sources of only  $\frac{1}{2}$  P64. Uneconomic size and management of farm units, seasonal and peasant agriculture, shortage and under-employment of resources, defective land tenure and tenancy system, and unprogressive social values and cultural institutions, singly or in combination, tend to keep the farmer in economic difficulty. He rarely saves enough from his low income to meet his bare necessities from one harvest to another. Under such conditions, he has to rely on credit to finance both family expenses and farm operations.

Dr. E. U. Quintana of the U. P. College of Agriculture cited the shortage of capital or credit as the strongest reason for the inability of farmers to increase production and productivity. Without credit it would be difficult for most farmers to continue farming. With credit, many farmers can improve their farm income. Unfortunately, only those who are proficient in the new practices and enterprises derived more benefits from the use of credit. Those, however,

1/ M. E. Gimenez, "Credit Delinquency," Rural Banker, Vol. XIII, p.45

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who used credit in the absence of improved managerial ability in employing improved farm practices failed. Because of this, the Rural Banking System favors supervised farm credit.

#### Sources of Farm Credit

Today the principal source of farm credit is still the unregistered private money lenders - landlords, usurers, merchants, stores, relatives and friends - who generally charge excessive interests, sometimes as high as 300 per cent. Studies by the U. P. College of Agriculture of the credit situation in Plaridel, Bulacan in 1963 reported that landlords constituted the major source of small loans. Fortunately though farmers can now go to institutionalized and registered credit sources for their credit needs. Government corporations or agencies that extend farm credit are the Development Bank of the Philippines, the Philippine National Bank (PNB), Philippine National Cooperative Bank (PNCB), the Agricultural Credit Administration (ACA), and the Philippine National Cottage Industries Bank (PNCIB). The private institutions that handle farm financing are the private commercial banks and the rural banks. In many cases, however, the registered credit institutions could not meet the credit needs of the small farmers because of the lack of acceptable mortgageable collaterals and the general remoteness of these credit institutions from the type of socio-economic organization in the rural areas. The rural banks however have made institutionalized credit more acceptable to rural farmers by reducing paper requirements to a

minimum and by coming down to the people by setting up banks in the towns instead of just the cities and capital towns.

#### FARM FINANCING BY THE RURAL BANKING SYSTEM

Without minimizing the contribution of other sources of farm credit, whether institutionalized or not, whether public or private, we will limit our discussion to rural banks farm credit for two reasons: (1) the theme of this workshop is rural development and we are therefore concerned mainly with the credit needs of the small farmer which is the rationale of rural banking; and (2) being a rural banker, naturally I would be more competent to talk about rural bank farm credit than the other systems of agricultural financing.

#### Classes of Agricultural Credit

Agricultural credit may be classified into three general types, namely: (1) time, (2) security, and (3) purposes.

Time: As to length of time, credit may be considered as (1) short-term credit, if it covers a period of one year or less; (2) intermediate term credit, if the period covered is from/one <sup>more than</sup> year to five years; and (3) long-term credit, if the period covered is from/five to ten years or more <sup>more than</sup>.

Security: As to type of security, farm credit may be classified as (1) farm mortgage credit or real estate mortgage credit, if secured by land or some other real estate; (2) collateral credit, if secured by a chattel mortgage on growing crops, stored crops, work animals, farm machinery, etc.; and (3) personal credit, if it is unsecured or simply secured by personal notes.

Purpose: As to purpose, farm credit is classified as (1) production and marketing credit; (2) development and equipment credit; and (3) land purchase credit.

Under purpose, loans are further sub-classified as (a) crop; (b) livestock; (c) poultry; (d) fishing; and (e) others, depending on the kind of agricultural activity financed.

(a) Production Credit - This is the most needed credit of farmers. It is needed for working capital, crop storage, short-term debt financing, and family living expenses.

Working capital is needed for the purchase of seeds, stocks, fertilizers, feeds, inexpensive farm implements, supplies, and for the payment of wages. By enabling the farmer to operate under an economy of scale, this type of credit lowers cost of production and improves farm methods, thereby resulting in increased output and higher income.

Credit is also needed for the processing, transporting and storage of crops and products. A farmer who mills his own palay or corn or dries his own copra and transports the same to the market eliminates some middlemen and keeps more of the profits for himself. Assistance in the storage of crops relieves the farmers of the need of selling their produce immediately after harvest and allows orderly marketing - the rationing of the market in order not to break the price. Most farmers also need credit for the subsistence of the family before harvest, and even after harvest, if they are not to sell their produce at the low price obtaining during the harvest season.

Consumption credit at reasonable terms greatly strengthens the farmers' economic staying power and relieves them of the excessive interests asked by loan sharks.

(b) Development Credit - Though designed also to increase farm production efficiency, development credit is primarily intended to maintain a high level of production to meet the increasing needs of a growing population. This type of credit is used to finance long-maturing crops like coconuts, coffee, cacao, citrus, etc., the purchase of heavy farm machinery like tractors, disc plows, threshers, huller, irrigation pumps, livestock and fishing equipment, etc., and the financing of rural industries which contribute materially to rural income. In addition to increasing personal income and gross national product, this type of credit enables a farm family to cope with an increase in number and the nation for growth in population.

(c) Land Purchase Credit - To encourage the growth of owner-cultivator farmers as envisioned by the Land Reform Code and to enable the small farmers to benefit from the land redistribution program of the government, capital should be made available to tenant-farmers and small farmers for the purchase of land. In addition, credit for the development of lands so acquired should also be made available. This kind of credit requires special terms and plan of payments inasmuch as the amount involved is usually relatively large and will require quite some time before the small farmer is in a position to start repayments.

The types of credit discussed are not mutually exclusive. Frequently, a loan belongs to two or even the three types of credit. Accordingly, production credit may be short or medium-term and secured. Generally intermediate-term is for development and equipment purposes. Long-term credit is usually for the purchase of land and secured by a real estate mortgage.

#### FARM LOANS

##### Trend of Growth

The participation of rural banks in financing the development of the rural economy has been generally remarkable during the last thirteen years. During the period, the Rural Banking System had poured into agriculture a total amount of P912 million broken down as follows: P712 million for crop production, P67 million for livestock, P44 million for poultry, P41 million for fish, and P48 million for miscellaneous purposes.

Agricultural loans show a continuous increasing pattern of all-time high levels. The rate of growth is impressive as shown in Figure 1 (attached). For the first five years (1954-1958) the rate of growth was 85% with peak levels of more than 100% in 1956 and 1957. In 1958 the rate of growth decreased to 49% and continued to go down to a record low of 15% in 1960. During the next four years (1961-1964), however, loans picked up at an average rate of growth of 41%. Apprecensively, 1965 hit the all-time low rate of growth of 7%. Considering the all-time high levels of growth for the twelve previous years and the over-all average rate of growth of 53% for the entire

period of rural banking operations covering 1953-1965, the performance of Rural Banking System for 1965 requires serious study. The Central Bank may have to re-examine its credit policy towards the Rural Banking System, more particularly in rediscounting, which may be the major cause of the big slump. This matter calls for deep concern because a loss of momentum in rural financing may mean a greatly disproportionate decrease in rural development due to the stoppage or reduction of financing of vital projects. (For comparative yearly summary of loans granted and yearly rates of growth, please refer to Table 1, attached).

Significantly, the bulk of agricultural loans is for crop production which constitutes 78.1% of the over-all total. Livestock production comes second with 7.4%, followed by poultry production with 4.9%. Fish production is 4.4% and all others make up the remaining 5.2%. This distribution of agricultural loans according to crops is graphically represented by Figure 2 (attached).

It may be noted that the loans for crop production increased in direct proportion to the over-all yearly rate of growth of agricultural loans. The loans for livestock, poultry and fish production increased steadily from 1954 to 1962 after which a decreasing trend may be noted. For the actual figures, please refer to Table 1.

#### Regional Distribution of Agricultural Loans

Regionally, the pattern of growth varied considerably. In 1953 loans granted by four rural banks in the Visayas exceeded the loans granted by rural banks in the other regions by over 2,000, totalling

close to three quarters of a million pesos, or more than 40% of the loans granted by the System during the period. <sup>1/</sup> By the end of 1964 however, Central Luzon's 85 rural banks granted the highest number of loans totalling 457,104. Southern Luzon's 96 rural banks were second with 363,032 loans, followed by Visayas with 208,462, Mindanao with 83,239, Northern Luzon with 69,847, and Bicol with 65,997.

Peso-wise, however, Southern Luzon reversed the ratio on Central Luzon with an aggregate of P299.3 million as against the latter's P199.8 million, or a difference of P99.5 million. The loans granted by the Southern Luzon rural banks constitute 43% of the total loans granted by the System for the entire period. The Visayas was third with P84.7 million, followed by Mindanao with P49.5 million, Northern Luzon with P34.6 million, and Bicol Region with P28.5 million (please refer to Table 2 and Figure 3 for regional distribution of agricultural loans.)

Just as significant, loans for crop production were mostly concentrated in Central and Southern Luzon, whose aggregate total topped that of other regions combined. Being the principal rice producing area Central Luzon beat all other regions in the number of loans granted. Its rural banks extended a total of 347,597 loans as of 1964. Peso-wise, however, the rural banks of Southern Luzon granted the biggest amount, P240 million, although it ranked only second in number of loans granted. In the same period, the Visayas granted 169,708 loans amounting to P67.2 million, Mindanao 64,814 loans

<sup>1/</sup> Data taken from "The Rural Banker" July-August, 1965, Vol. 13, p. 11.

amounting to P39.7 million, Northern Luzon 56,640 loans amounting to P28.0 million, and the Bicol region 60,103 loans with a total value of P26.4 million. (Please refer to Table 3 for the breakdown of agricultural loans granted by regions according to crops.)

#### Size of Loans

Most rural banks' loans were small, with average size slightly over P550.00. Almost one million loans, constituting over 75% of the total number of loans granted by the System, ranged from P500 to P1,000; 9.6% from P1,000 to P2,000; and 2.5% were loans of over P2,000.00.

Average loans by regions varied. Southern Luzon had the highest average-close to P820.00; the Visayas the lowest - about P400.00. Mindanao loans had an average of slightly over P590; Northern Luzon had an average of P494; Central Luzon - P437; and Bicol - P433. (See Table 4 for size of loans.)

#### Dumaguete Rural Bank, Inc. Farm Financing

It will not be amiss to include here for purposes of comparative study the farm credit operations of the Dumaguete Rural Bank, Inc. The Dumaguete Rural Bank, Inc. / which started operations in the middle of 1958 serves the cities of Dumaguete and Canlaon and the twenty-eight towns of Negros Oriental. Starting with 302 agricultural loans amounting to P163,131 in 1958, it has at the end of 1965 a current loan portfolio of 1,554 of the same kind with a money value of P2,441,648.00. For the whole period its cumulative total of agricultural loans was 7,256 with an aggregate value of P7,793,442.50. (Please see Table 5.)

The agricultural financing of the Dumaguete Rural Bank constitutes 93.1% of its total lending operations. This is because Negros Oriental is mostly agricultural, with but little commerce and even lesser industries. (Please see Figure 4, attached).

Its agricultural loans, have an all-time high rate of growth, with an average of 39.2% for the period 1959-1965 which is 8.2% higher than the national average of 31% for the same period. (Please see Figure 5 for the DRBI rate of growth in farm credit.)

In size of loans, the Dumaguete Rural Bank average is P1,000, almost double that of the national average of P550. About 60% of its farm loan ranged from P100 to P1,000. Loans ranging from P200 to P500 topped the other brackets, followed by loans ranging from P500 to P1,000, then by loans ranging from P1,000 to P2,000.

#### PROBLEMS OF FARM CREDIT

In our limited experience in farm credit, we have identified some common problems which have undermined the success of past rural financing programs. These are:

- (1) negative socio-economic institutions and practices;
- (2) lack of credit education and information;
- (3) lack of credit programming;
- (4) diversion and mismanagement of credit funds;
- (5) indiscriminate lending; and
- (6) lack of sufficient funds for farm credit;

In the barrios, deep-seated socio-economic institutions and practices, like the terciahán and the suki systems resist the on-

slaughter of registered credit. They persist because of the highly interpersonal relationships obtaining in the rural areas. This situation is made worse by the lack of credit education and information among the barrio folks, which is also the cause of their inability to program the borrowed funds so as to see through the project for which they were intended.

On the part of the lending institutions, the common problem is lack of sufficient funds to lend. The efficiency of available credit is further diminished because of indiscriminate lending. Oftentimes funds are lent without observing a priority schedule or carefully studying how efficiently a particular creditor would use his credit.

Of course, the most common fault of barrio borrowers is the diversion and mismanagement of funds. Diversion is due to the fact that rural folks, who are denied the comforts of life, consider the borrowed fund as the once-in-a-lifetime opportunity of having some of the things that they have always wanted and also because of such social institutions and practices as fiestas. Mismanagement is principally due to lack of credit education.

The suggested approaches to this problems are: (1) widely disseminated credit education and information at the grassroots level; (2) selective lending; and (3) supervised credit.

#### IMPACT OF RURAL BANKS FARM CREDIT

With 75% of the Philippines as rural, and 65% of our people living on agriculture which contributes to 60% of our total exports with an aggregate value of 36% of our national income, it is no

wonder that Congress deemed it necessary to create a financing institution that would concentrate its resources and efforts to rural development. Thus the idea of a Rural Banking System was born and found fruition in the Rural Banks Act - Rep. Act 720 - on June 6, 1952.

Rural banks credit, as designed by the Rural Banks Act, boosts rural development, increases production, creates employment opportunities, and raises family income and standard of living. It has accelerated the rural rate of economic growth. Its beneficial effects have spread to complementary firms and industries and have augmented the growth of the other segments of the national economy which either depend on agriculture for raw materials or capitalize on its market. The Rural Banking System has also taken the cudgels for the government not only in the matter of rural development but also in its total economic mobilization program. The System has made available to the economy its total resources, thus enabling the government to use much of its funds for other development purposes or the maintenance of vital services. It has also made available its extensive credit network and superior entrepreneurship which may be extremely difficult for the government to duplicate and finance if it were to take over the sole responsibility of rural financing. The government had tried this with the ACA (formerly ACCFA) but we have yet to see its tangible results.

The rural banking system has done more in the field of rural development than all the other financing institutions because it is operating in the heartland of Philippine agriculture - the rural

areas and the barrios. Unlike commercial banks which serve commerce and industry more and channel to the metropolitan centers funds funneled in the provinces, the rural banks concentrate on agriculture and operate in the rural areas which have more needs for funds. Unlike the Development Bank of the Philippines, the Philippine National Bank, and the commercial banks which prefer to serve the big enterprises, the rural banks serve the credit needs of the small farmers whom we consider the backbone of the nation. This is so because the primary role of rural banks in economic development is to enhance agricultural productivity so that every Filipino would have more food on his table, more cloth on his back, and a better roof over his head. To this end rural banks have given agriculture top priority. Consequently, for the past five years agricultural loans constitute 80% of their loan portfolio.

Since our industrialization program and total economic program must be anchored on a strong and solid agricultural base, the rural banks play a vital role in strengthening the country's national economy. Right now the total operation of the Rural Banking System is less than the operation of the largest commercial bank in the country, yet its impact on the nation's agriculture may be more than the total combined efforts of all commercial banks. The changing rural scene - from one of want and dormancy to that of plenty and progress can largely result from the direct assistance of rural banks to agriculture. It is therefore apparent that both the government and the public should fully support the Rural Banking System,

which after all is looking after their general welfare and well-being. Should this support be forthcoming, then the rural banks can have their full force and influence felt on rural development and agriculture. There is reason to hope for the best as shown by the offered support of President Marcos, the AID, and the World Bank.

We have gained the confidence of a big segment of our people and the recognition of the World Bank, but we have to continue pushing forward the frontiers of rural development and to extend the benefits of credit to the remotest barrio, while at the same time holding on to every inch of ground we have gained. This is the challenge we have to accept. With the full support of our people and the government, the able assistance of the Central Bank and our own concerted efforts, the rural banks may yet be the drive-wheel of the Philippine economic development. This is a big job, but we feel we have the resources and capability to do it. We are hoping that we can make this a reality within our own lifetime, and if possible, within the next decade.

**COMPARATIVE YEARLY SUMMARY OF LOANS GRANTED**  
(Amount in Thousand Pesos)  
Years 1953-1965

Table 1

|   | <u>1953</u>  | <u>1954</u>  | <u>1955</u>  | <u>1956</u>   | <u>1957</u>   | <u>1958</u>   | <u>1959</u>   | <u>1960</u>   | <u>1961</u>   | <u>1962</u>    | <u>1963</u>    | <u>1964</u>    | <u>1965</u>    | <u>T o t a l</u> |
|---|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|------------------|
| Agricultural Loans                                  |              |              |              |               |               |               |               |               |               |                |                |                |                |                  |
| Crop  | 1,298        | 2,075        | 2,981        | 8,210         | 17,770        | 26,668        | 32,779        | 35,455        | 49,841        | 68,165         | 127,239        | 183,357        | 156,344        | 712,19           |
| Livestock   | 237          | 180          | 316          | 850           | 1,837         | 2,716         | 2,763         | 3,572         | 5,178         | 8,117          | 6,952          | 5,670          | 28,802         | 67,19            |
| Poultry   | 168          | 150          | 209          | 572           | 1,518         | 1,975         | 2,496         | 3,975         | 5,150         | 7,317          | 4,517          | 3,728          | 13,493         | 44,36            |
| Fish  | 42           | 114          | 273          | 789           | 1,263         | 1,867         | 2,327         | 3,057         | 4,325         | 5,337          | 4,333          | 4,449          | 12,395         | 40,57            |
| Others  | <u>110</u>   | <u>502</u>   | <u>811</u>   | <u>1,270</u>  | <u>1,842</u>  | <u>2,872</u>  | <u>3,899</u>  | <u>5,670</u>  | <u>9,474</u>  | <u>12,454</u>  | -              | <u>4,112</u>   | <u>4,701</u>   | <u>47,71</u>     |
| Total ---   | <u>1,855</u> | <u>3,021</u> | <u>4,590</u> | <u>11,691</u> | <u>24,239</u> | <u>36,098</u> | <u>44,264</u> | <u>50,829</u> | <u>73,968</u> | <u>101,390</u> | <u>143,041</u> | <u>201,316</u> | <u>215,735</u> | <u>912,03</u>    |
| Overall yearly rate of growth                       |              | 63%          | 52%          | 155%          | 107%          | 49%           | 23%           | 15%           | 46%           | 37%            | 41%            | 41%            | 7%             |                  |
| Overall average rate of growth                      | 53%          |              |              |               |               |               |               |               |               |                |                |                |                |                  |
| Overall average rate of growth for the last 5 years | 28.7%        |              |              |               |               |               |               |               |               |                |                |                |                |                  |

**AGRICULTURAL LOANS GRANTED BY REGION**  
(Amount in Thousand Pesos)

Table 2

| Region         | 1953-1957      |               | 1958-1962      |                | 1963           |                | 1964           |                | T o t a l        |                |
|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|
|                | Number         | Amount        | Number         | Amount         | Number         | Amount         | Number         | Amount         | Number           | Amount         |
| Northern Luzon | 5,914          | 2,858         | 33,780         | 14,179         | 13,824         | 7,918          | 16,329         | 9,605          | 69,847           | 34,560         |
| Central Luzon  | 39,906         | 13,430        | 217,458        | 83,253         | 86,181         | 42,640         | 113,559        | 60,508         | 457,104          | 199,831        |
| Southern Luzon | 25,162         | 14,946        | 173,584        | 137,173        | 70,581         | 60,090         | 94,605         | 87,067         | 363,932          | 299,276        |
| Bicol Region   | 4,176          | 1,222         | 31,977         | 11,727         | 13,288         | 6,376          | 16,556         | 9,167          | 65,997           | 28,492         |
| Visayas        | 19,958         | 7,900         | 97,419         | 35,065         | 42,091         | 16,772         | 49,994         | 24,934         | 208,462          | 84,671         |
| Mindanao       | <u>9,568</u>   | <u>5,040</u>  | <u>49,226</u>  | <u>25,154</u>  | <u>12,332</u>  | <u>9,245</u>   | <u>12,113</u>  | <u>10,035</u>  | <u>83,239</u>    | <u>49,474</u>  |
| T o t a l ---  | <u>104,684</u> | <u>45,396</u> | <u>603,444</u> | <u>306,551</u> | <u>237,297</u> | <u>143,041</u> | <u>303,156</u> | <u>201,316</u> | <u>1,248,581</u> | <u>696,304</u> |

SOURCE: The Research, Statistics & Analysis Division, Dept. of Rural Banks, CBP

Table 3

AGRICULTURAL LOANS GRANTED BY REGIONS ACCORDING TO CROPS  
1959-1964  
(Amount in Million Pesos)  
1953-1964

| Agricultural Loans | Northern Luzon |             | Central Luzon  |              | Southern Luzon |              | Bicol Region  |             | Visayas        |             | Mindanao      |             | T o t a l        |              |
|--------------------|----------------|-------------|----------------|--------------|----------------|--------------|---------------|-------------|----------------|-------------|---------------|-------------|------------------|--------------|
|                    | No.            | Amount      | No.            | Amount       | No.            | Amount       | No.           | Amount      | No.            | Amount      | No.           | Amount      | No.              | Amount       |
| Crops              | 56,640         | 28.0        | 347,597        | 48.7         | 269,082        | 240.0        | 60,103        | 26.4        | 109,708        | 67.2        | 64,814        | 39.7        | 967,944          | 550.0        |
| Livestock          | 5,428          | 2.2         | 35,100         | 11.0         | 42,229         | 17.2         | 2,760         | .8          | 8,647          | 3.5         | 8,037         | 3.5         | 104,201          | 38.3         |
| Poultry            | 1,537          | .8          | 31,246         | 13.8         | 19,570         | 11.6         | 1,059         | .6          | 8,816          | 2.8         | 3,072         | 1.4         | 65,300           | 31.0         |
| Fish               | 644            | .6          | 14,226         | 11.4         | 8,576          | 10.4         | 150           | .6          | 6,699          | 5.2         | 571           | .5          | 50,366           | 28.8         |
| Others             | 5,593          | 2.7         | 27,935         | 14.8         | 24,475         | 20.0         | 1,925         | .8          | 13,592         | 5.9         | 6,745         | 4.0         | 80,270           | 48.2         |
| Totals ---         | <u>69,847</u>  | <u>34.4</u> | <u>457,104</u> | <u>199.8</u> | <u>363,932</u> | <u>299.2</u> | <u>65,997</u> | <u>29.2</u> | <u>208,462</u> | <u>84.6</u> | <u>83,239</u> | <u>49.1</u> | <u>1,248,581</u> | <u>696.3</u> |

SIZE OF AGRICULTURAL LOANS GRANTED BY REGIONS  
(Amount in Thousand Pesos)  
1953-1964

Table 4

| Size       | Northern Luzon |               | Central Luzon  |                | Southern Luzon |                | Bicol Region  |               | Visayas        |               | Mindanao      |               | T o t a l        |                |
|------------|----------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|------------------|----------------|
|            | No.            | Amount        | No.            | Amount         | No.            | Amount         | No.           | Amount        | No.            | Amount        | No.           | Amount        | No.              | Amount         |
| Up to P100 | 5,985          | 491           | 96,894         | 7,650          | 36,249         | 3,311          | 8,558         | 735           | 66,029         | 3,788         | 8,152         | 745           | 221,867          | 16,720         |
| 101 - 200  | 18,771         | 3,185         | 138,923        | 23,252         | 65,200         | 11,024         | 18,237        | 2,858         | 50,888         | 8,509         | 17,170        | 3,055         | 309,188          | 52,729         |
| 201 - 500  | 29,993         | 10,908        | 136,782        | 46,424         | 124,859        | 48,722         | 26,658        | 9,358         | 54,029         | 19,093        | 34,861        | 13,591        | 409,181          | 148,096        |
| 501 -1000  | 9,392          | 7,424         | 42,530         | 32,595         | 67,243         | 56,390         | 7,815         | 5,940         | 21,033         | 16,416        | 13,475        | 11,950        | 161,488          | 130,715        |
| 1001 -5000 | 719            | 2,549         | 6,491          | 20,231         | 11,249         | 39,546         | 803           | 2,614         | 2,768          | 9,335         | 1,528         | 4,528         | 23,558           | 79,265         |
| Over -5000 | 158            | 1,454         | 1,505          | 10,995         | 3,524          | 32,303         | 23            | 424           | 490            | 4,355         | 142           | 1,558         | 5,842            | 51,089         |
| Totals --- | <u>69,847</u>  | <u>34,562</u> | <u>457,101</u> | <u>199,831</u> | <u>363,932</u> | <u>299,281</u> | <u>65,997</u> | <u>28,595</u> | <u>208,465</u> | <u>84,670</u> | <u>83,239</u> | <u>49,637</u> | <u>1,248,581</u> | <u>696,304</u> |

SOURCE; The Research, Statistics & Analysis Division, Dept. of Rural Banks, CDP.

DUMAGUETE RURAL BANK, INCORPORATED  
LOANS GRANTED  
1958-1965

Table 5

| Classified as to<br><u>PURPOSE</u> |      | <u>1958</u>            | <u>1959</u>               | <u>1960</u>            | <u>1961</u>            | <u>1962</u>            | <u>1963</u>              | <u>1964</u>              | <u>1965</u>              | <u>Total</u>                |
|------------------------------------|------|------------------------|---------------------------|------------------------|------------------------|------------------------|--------------------------|--------------------------|--------------------------|-----------------------------|
| Agricultural                       | Amt. | P163,131               | P317,193.50               | P443,635               | P617,840               | P892,925               | P1,127,700               | P1,789,270               | P2,441,648               | P7,793,442.50               |
|                                    | No.  | (202)                  | (605)                     | (702)                  | (873)                  | (957)                  | (1,036)                  | (1,227)                  | (1,554)                  | (7,256)                     |
| Commercial                         | Amt. | 32,465                 | 75,850                    | 46,250                 | 76,400                 | 65,650                 | 65,600                   | 80,090                   | 80,790                   | 523,095                     |
|                                    | No.  | ( 55)                  | (66)                      | ( 35)                  | ( 39)                  | (40)                   | ( 28)                    | ( 34)                    | ( 34)                    | ( 331)                      |
| Industrial                         | Amt. | 1,500                  | 2,600                     | 1,500                  | 200                    | -                      | 41,300                   | 1,000                    | 3,800                    | 51,900                      |
|                                    | No.  | ( 3)                   | (4)                       | (3)                    | (1)                    | -                      | (11)                     | (1)                      | (2)                      | (25)                        |
| Others                             | Amt. | 290                    | -                         | 300                    | 1,500                  | -                      | -                        | -                        | -                        | 2,090                       |
| <b>T o t a l s -----</b>           |      | <b><u>P197,286</u></b> | <b><u>P395,643.50</u></b> | <b><u>P491,685</u></b> | <b><u>P696,040</u></b> | <b><u>P958,575</u></b> | <b><u>P1,234,600</u></b> | <b><u>P1,870,360</u></b> | <b><u>P2,526,238</u></b> | <b><u>P8,370,527.50</u></b> |
| <u>LOAN PERIOD</u>                 |      |                        |                           |                        |                        |                        |                          |                          |                          |                             |
| Within 30 days                     | Amt. | P 1,985                | P 3,242.50                | P -                    | P -                    | P -                    | P -                      | P -                      | P -                      | P 5,227.50                  |
| " 60 days                          |      | -                      | 5,320                     | 2,380                  | 1,030                  | 2,550                  | -                        | -                        | -                        | 11,280.00                   |
| " 90 "                             |      | 5,701                  | 4,922                     | 2,314                  | 11,100                 | 250                    | -                        | -                        | -                        | 24,287.00                   |
| " 120 "                            |      | 34,245                 | 74,600                    | 51,357                 | 77,650                 | 66,350                 | 106,300                  | 304,280                  | 555,540                  | 1,270,322.00                |
| " 180 "                            |      | 4,145                  | 9,485                     | 15,200                 | 6,500                  | 8,340                  | 50,710                   | 76,170                   | 280,119                  | 450,666.00                  |
| Over six mos.                      |      | <u>151,310</u>         | <u>298,074</u>            | <u>420,434</u>         | <u>599,760</u>         | <u>881,085</u>         | <u>1,077,590</u>         | <u>1,489,910</u>         | <u>1,690,579</u>         | <u>6,608,742.00</u>         |
| <b>T o t a l s -----</b>           |      | <b><u>P197,386</u></b> | <b><u>P395,643.50</u></b> | <b><u>P491,685</u></b> | <b><u>P696,040</u></b> | <b><u>P958,575</u></b> | <b><u>P1,234,600</u></b> | <b><u>P1,870,360</u></b> | <b><u>P2,526,238</u></b> | <b><u>P8,370,527.50</u></b> |

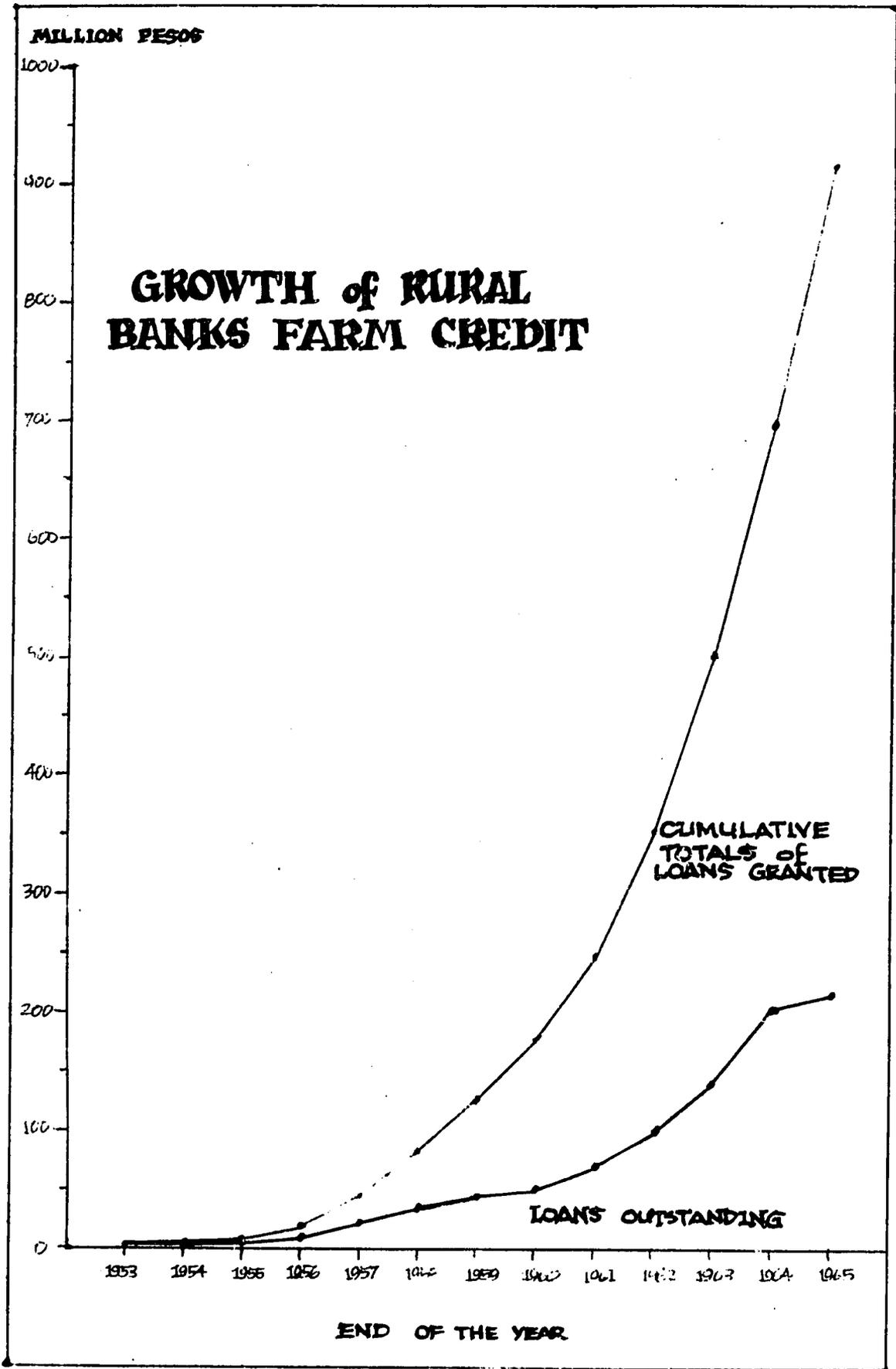


Figure 2

# DISTRIBUTION OF LOANS

ACCORDING TO CROPS

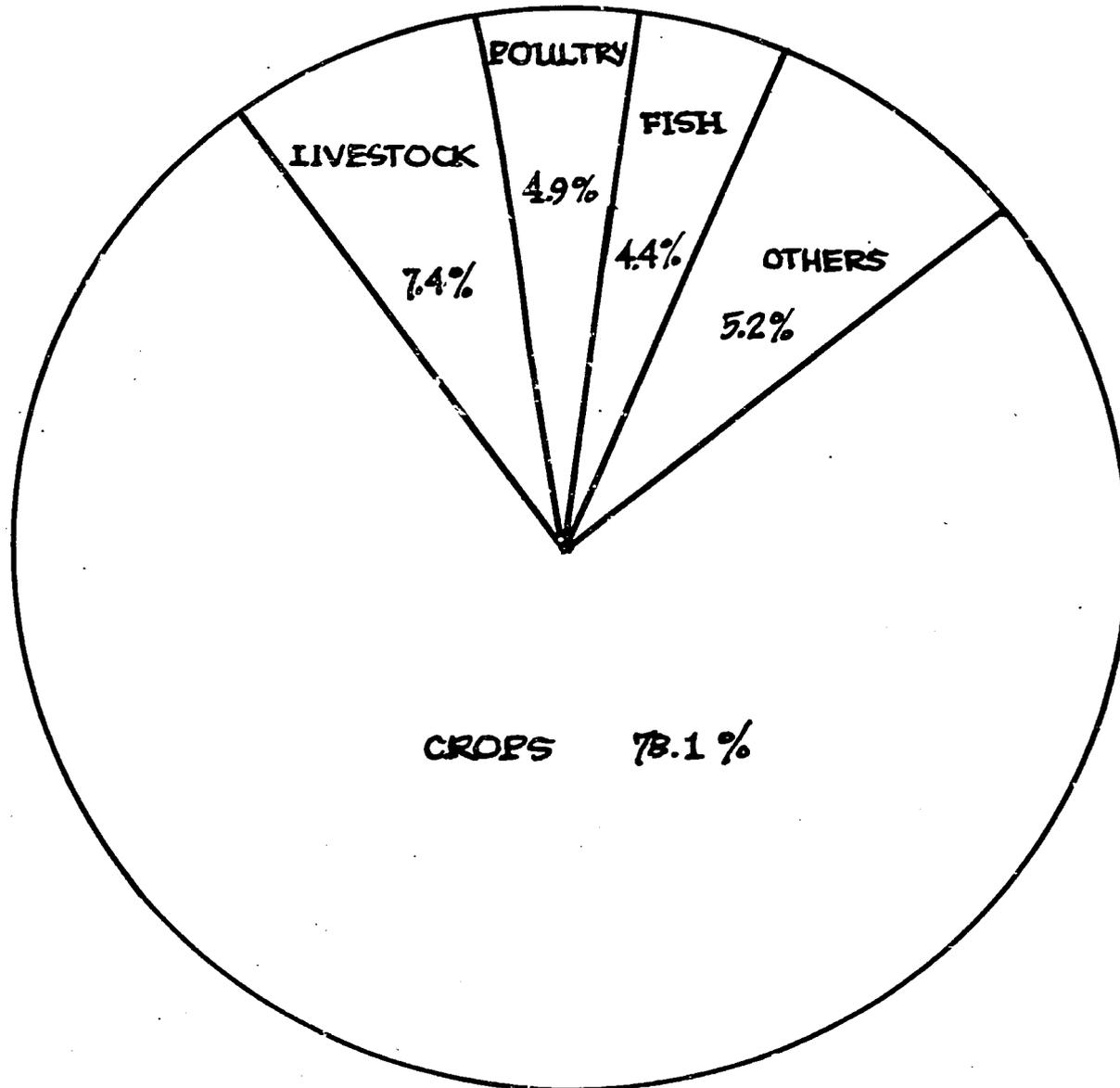
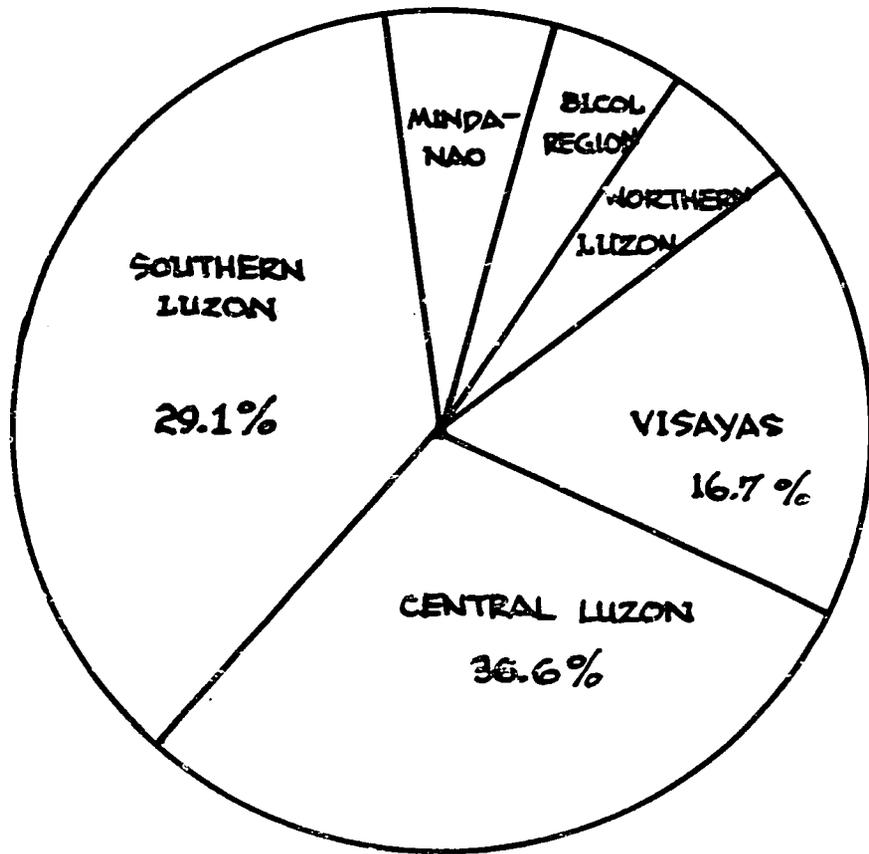


FIGURE 2

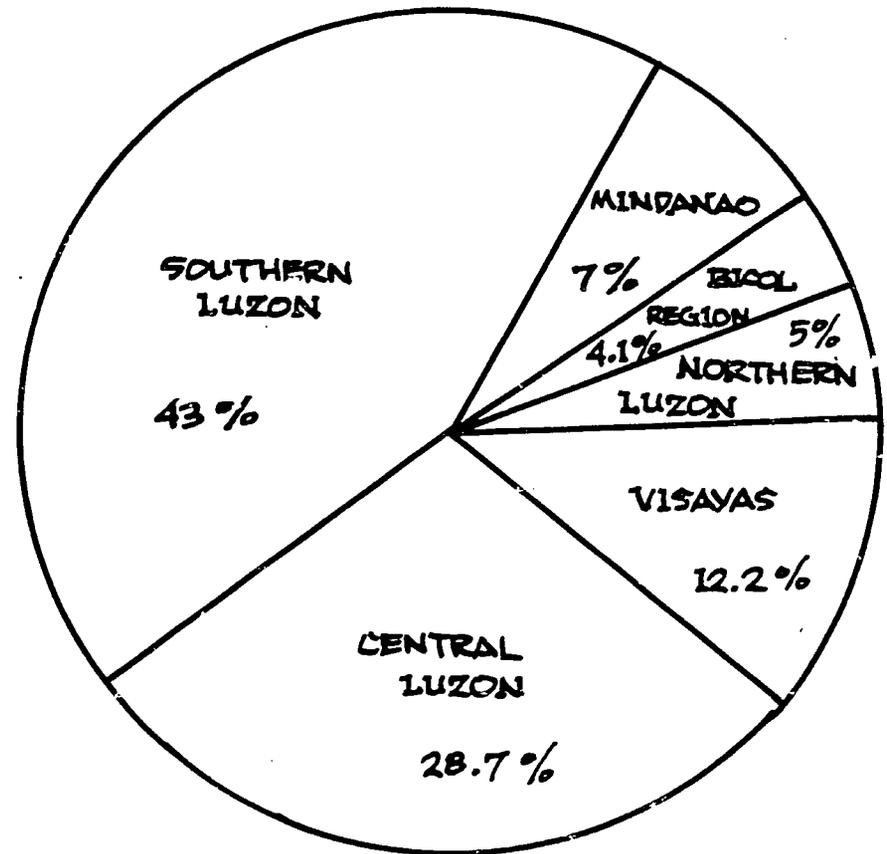
19.

# AGRICULTURAL LOANS

GRANTED BY REGION  
AS OF DECEMBER 31, 1964



NUMBER OF LOANS

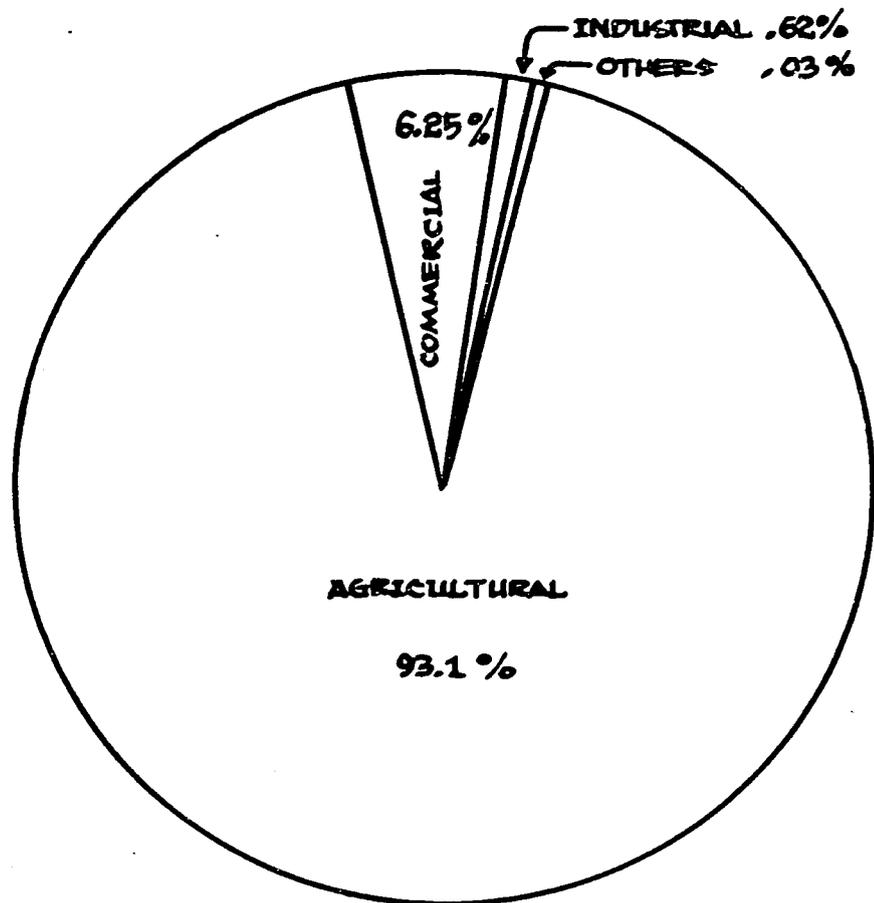


AMOUNT OF LOANS IN MILLION

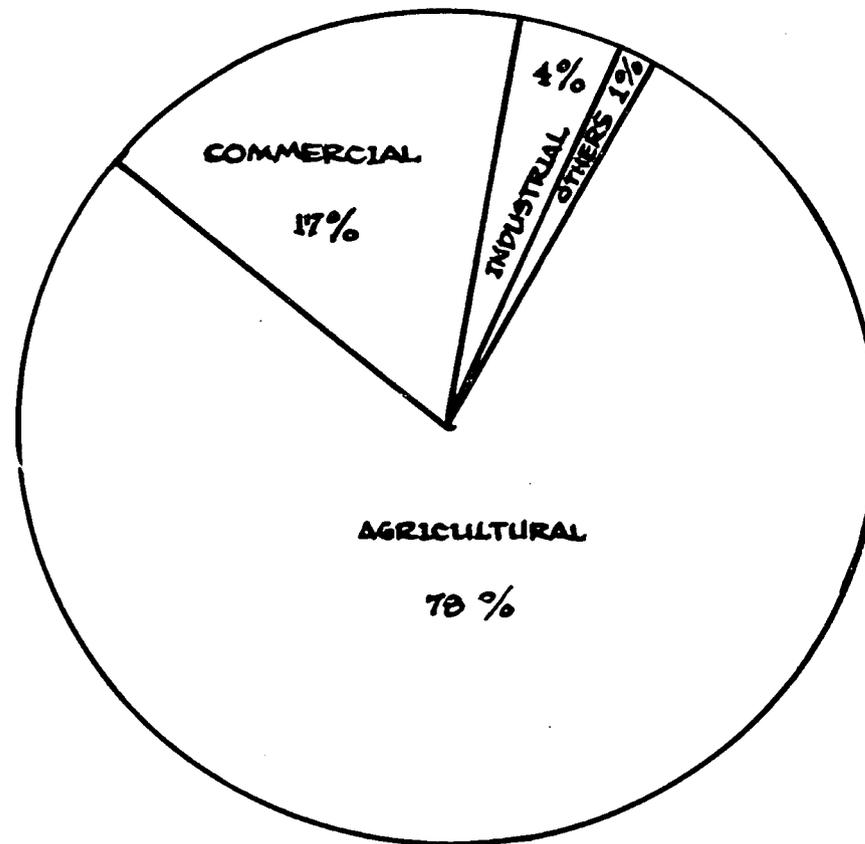
FIGURE THREE

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# RURAL BANK LOANS CLASSIFIED AS TO PURPOSE



DUMAGUETE RURAL BANK INCORPORATION



RURAL BANKING SYSTEM

FIGURE FOUR

27

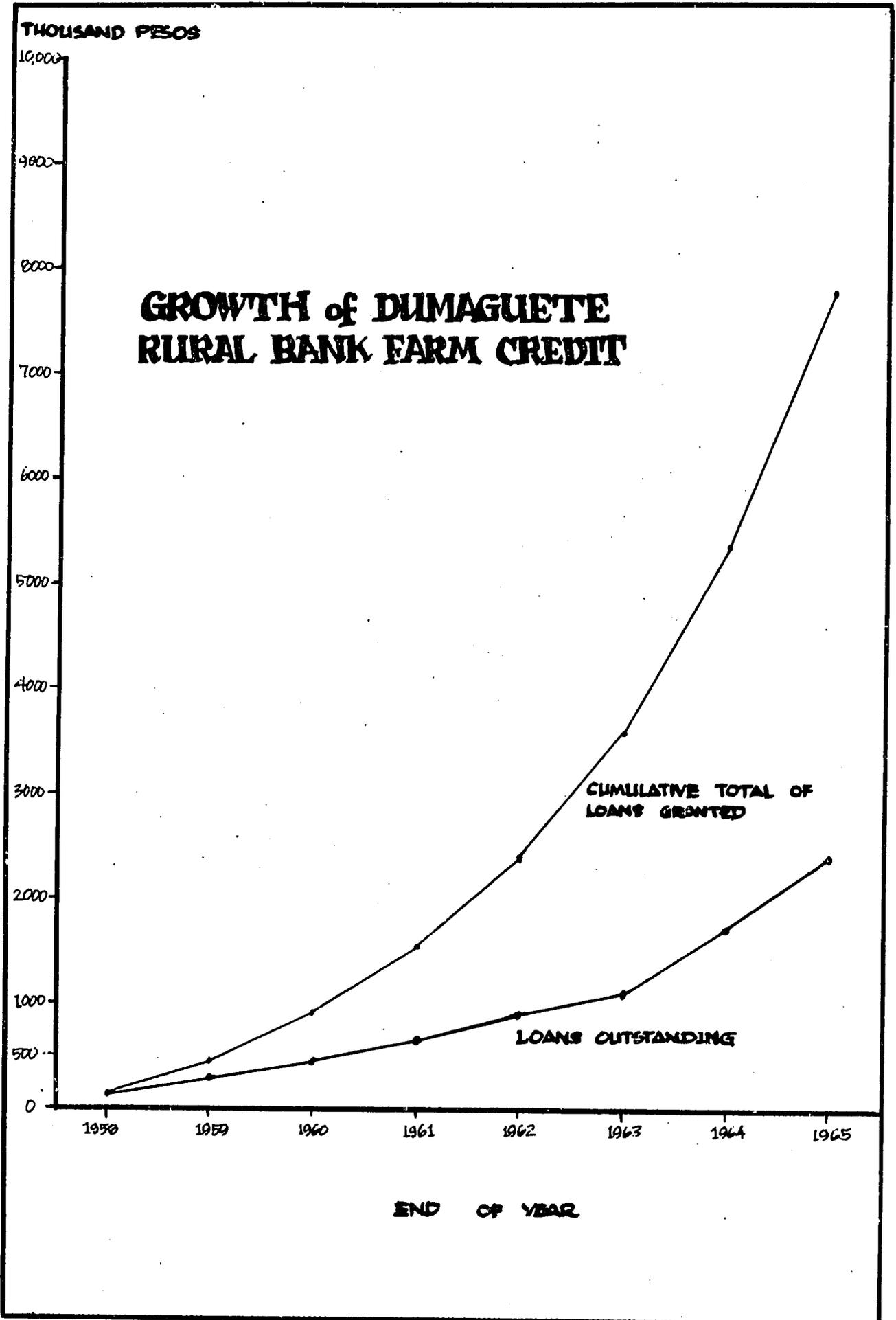


FIGURE FIVE

22