

REPORT of the CEO

Rev. Fr. Lamberto S. Ramos

This submits to the 27th General Assembly the following performance report of Solidaritas Credit Cooperative for the fiscal year 2024.

Last year's performance, with a 13.5% dividend on share capital and 25% patronage rebate on the interest paid on loans, was met with joy by members, having had average returns the previous years. But a challenge has been hurled: can we surpass this performance for the succeeding year? With cautious optimism, we accepted the challenge.

For 2024: The impetus to grow the existing business has been enhanced with the approval by the General Assembly last March 13, 2023 TO **GO NATIONWIDE**. And with the recent imprimatur by the Cooperative Development Authority (CDA) to go full steam ahead, all wheels have been put into motion.

I am happy to report that the pledge that we made last year has been realized : we did a nationwide campaign, equipped: with the offer to declare all members as regular members; with rigorous segmentation to determine market participation strategy particularly which product mix to offer to which market segments; with attractive earnings from savings, rebates and dividends; with a robust mix of loans and investments that translate to share capital holders' earnings.

We have likewise improved operational efficiency, reduced if not eradicated credit risks, and managed prudently our assets and invested wisely.

Your Team Management, under the guidance and direction of our Board of Directors, has satisfactorily exceeded those pledges, with the following results:

HIGHLIGHTS at a GLANCE

1. NET SURPLUS after operating expense was Php 205,766,482.13 million, giving us a net surplus after statutory reserves of Php 154,324,861.60, 33% over last year's. We attribute this performance to the ff:

- 1.1 Loans release amounting to Php 596,105,000, a 99% increase of 300 million target.
- 1.2 Prudent and timely investment mix resulting to significant contribution to revenue and profit.



1.3 Membership drive which by yearend totals 1,824 members, 421 more than last year's 1403, an increase of 30%.

1.4 Strict Credit and Collection compliance: we have reduced "Portfolio at Risk" (PAR) of 5% from 5% to 8%.

2. **SHARE CAPITAL** increased to Php 960.358M from previous year's Php 607.534M, an increase of 352.824M, a 58% increase.

3. **TOTAL ASSETS** increased from Php 3.277.49B to Php3.860.251B, an increase of Php 582.760M, 18 % increase.

4. **RETURN ON EQUITY** was 14.5%, computed as net surplus divided by share capital; previous year's ROI was 13.5%.

5. In compliance with CDA (Cooperative Development Authority) policy, 25% of net surplus have been allotted to **statutory reserves**, distributed as follows:

General Fund (10%)	Php	20,576,648.21
Coop Education Training Fund - Local (2.50%)		5,144,162.05
Coop Education Training Fund - Apex (2.50%)		5,144,162.05
Optional Fund (5%)		10,288,324.11
Community Development Fund (5%)		10,288,324.11

Total Statutory Reserve	Php	51,441,620.53
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6. DIVIDEND AND PATRONAGE REBATE:

With **NET SURPLUS** after statutory reserves of **Php154 324,861.60** your Board of Directors is happy to declare **14.5% dividend** on your share capital and **27.38% patronage rebate** on your loans.

COMMUNITY AND SOCIAL ACTION INITIATIVES

Your Cooperative has deep-seated social awareness imbedded at the very core of its existence, and continues to put it into action with its Tulungan and Kawanggawa initiatives, i.e., funds have been allocated for and released to the ff: CATECHETICAL, PRIESTS CARE and SEMINARIES FORMATION, PENSION PLAN (CBCP), PONTIFICIO COLLEGIO FILIPPINO, CARITAS MANILA, RADIO VERITAS and TV MARIA, COMMUNITY DEVELOPMENT ASSISTANCE, CALAMITY ASSISTANCE

HOW DID WE DO IT? We attribute the 2024 PERFORMANCE to strategic and tactical mix as follows:

- Member capital buildup with loans from SCC that allows them to increase their share capital, a disciplined savings effort as members who availed forced themselves to save to fund their monthly amortization
- Pursue payment of 3 major delinquent loans
- Wise, prudent and conservative investment moves, a mix of short term and long term, with investment in index companies, terminating and/or retiring questionable placements

- Sales and marketing efforts, visiting dioceses during their clergy monthly meetings
- Digital transformation to go live
- Revenue performance surpassing targets while maintaining expenditures lower than budget
- Solid active contribution of board
- Lean and mean staff

OUTLOOK: 2025 CHALLENGES AND BEYOND

For 2025: We will call it the BIG PUSH: 40 - 45% OF MARKET SIZE, ROUGHLY 2400 - 2700 MEMBER COOPERATORS.

NEW BUSINESS DEVELOPMENTS, to include both product development and market development

Priests CARE and Continuing Education: your Cooperative is not all about business and share capital returns. Believe it or not, we do care for our priests' collective well-being:

- We are looking for ways and means using our resources and network to contribute substantially to our members' Pension Plan
- We are similarly making a serious study about how we can augment the health care of our members
- Pontificio Universita della Santa Croce and University of Asia & Pacific have recently signed an agreement to offer a Program of Church Management to all our Philippine-based priests to commence this coming January 2026. SCC will work on funding scholarships for deserving members as endorsed by member-bishops.

WE CONTINUE TO DREAM! Attainment of the above will not be easy, but by God's grace, and with your continued belief that SCC is the most trusted credit cooperative, the authority in providing credit and savings facilities to brother priests and bishops, not to mention your Team Management's guiding motto "FORTUNA FAVET FORTIBUS!", there is no other way but to succeed.

Our indomitable faith in and unshakeable loyalty to each other as brothers in our ministry, and now concretized in our Cooperative, takes its root in Psalm 131:1: "ECCE QUAM BONUM ET QUAM JUCUNDUM, HABITARE FRATRES IN UNUM!"



FR. LAMBERTO S. RAMOS
Chief Executive Officer