



Magsaysay  
Multi-Purpose  
Cooperative

# ANNUAL REPORT 2020

Getting bigger... Getting better... Caring for you...

## » MESSAGE FROM THE BOARD OF DIRECTORS



**ALEXANDER QUEROL**  
Acting Chairperson

### **BOARD OF DIRECTORS**

**ARNOLD JAVIER**

**AVELINA LAUD**

**DINNAH AGUIRRE**

**EVELYN MATA**

**GILDA TAPIC**

**JOY HERNAEZ**

**NORI LEONIDAS**

**SYNTYCHE DE JESUS**

Greetings fellow survivors!

This year's message is totally different from the previous years... Because this year's message speaks of the triumph of our spirit in the face of overwhelming odds posed by the pandemic due to COVID 19...

This year's message speaks of the Filipino's resilience and adaptability...

We have never written a message as emotional as this one...

When COVID 19 started to set in March 2020, nobody was prepared for what this pandemic will bear in our daily lives. Suddenly we realized that the normal things that we do and take for granted became a rare commodity...

Our mobility was severely restricted and before long, the full impact started to set in as lockdowns were imposed, airports were closed, local and international travel suspended and we found ourselves becoming prisoners in our own home.

For our seafarer members, the impact is even more staggering, as they found themselves either repatriated from the ship and out of job, or have to go through very strict procedures and protocols, from mandatory swab test and quarantine before joining the vessel or even subjected to another quarantine in the airport where they arrive.

And on this note, we tip our hat to MAGCOOP for quickly adapting to the new realities and helping our members, including our seafarer members, with as much energy and presence on the job as though there was no COVID.

### HOW DID WE SURVIVE?

We survived because we changed. We lost no time in transforming ourselves.

We embraced the work from home idea as soon as Pres. Duterte declared ECQ on March 16, 2021.

We didn't bother asking will Magsaysay or MAGCOOP pay for my WIFI and electricity. We were just glad we could still work while under virtual house arrest.

Our fleet staff front liners without question devoted all their time and energy knowing the risks involved to attend and assist our newly repatriated seafarers.

## » MESSAGE FROM THE BOARD OF DIRECTORS

The new normal became fully operational in June as NCR was placed under less strict GCQ. We reported back to an office transformed according to protocols complete with acrylic barriers for those transacting daily with our members.

Regular COVID testing and disinfection became the rule of the day. As some of our colleagues became infected and got quarantined we continued to work taking on the tasks left behind. Getting the mild or asymptomatic infection enabled our colleagues to even work from home. The worst of times certainly made us do more than what we thought we could. We kept busy although with the fear of COVID always at the back of our minds. Truly, the worst of times can be the best of times.

And with this concerted effort, we were able to continue serving our members and at the same time keep our operations sustainable, no small feat ...thanks to all of you whose collective efforts and cooperation allowed us to survive the worst year..

TOGETHER we completed the year 2020 on top of our game.

SURVIVORS ALL!



*Compliance to the new health protocols*

## » MESSAGE FROM THE MANAGEMENT



**MARLON ROÑO**  
General Manager

**ROMMEL VILLASFER**  
Operations Manager

**DR. JASON VALDEZ**  
Medical Director  
CarePoint Clinic

What can we say about 2020?

COVID-19 made it a year unlike any other year.

A black swan event – rare and unexpected with catastrophic consequences in our personal lives, to our Country and to the World.

IT SHOCKED US.

At the first imposition of Enhanced Community Quarantine on March 16, 2020, your cooperative immediately rose to the demand of the times. We focused on the need for online communication and processes.

While we were perfecting the online process in 2019, we immediately put it into place to allow our members to avail of our services online and operate as normally as possible.

With the lockdowns, our staff brought home their computers to begin working from home. It was timely that we put in place our IT organization in 2019 so that we were ready to link up our products and services and accounting systems to our instantly set up “work stations” at home.

While the country got paralyzed with the lockdown, we were quietly doing our jobs in our homes helping our members receive the help they needed.

We were able to process and release the Patronage Refund and Interest on Share Capital from the net surplus of 2019 operations in April and released our 2019 Annual Report in two forms – online and printed.

By June 2020, everyone was back in the office but we transformed our facilities and ourselves into the new normal – strict adherence to health protocols of wearing mask and social distancing - complete with safety signs and posters to guide everybody.

Carepoint Clinic quickly extended the COVID-19 testing to our member seafarers who were repatriated from the ships or before joining their ship assignment. We partnered with Detoxicare Laboratory for the gold standard RT-PCR Test.

Within the 3rd quarter of 2020, CarePoint opened its facilities 7-days a week for testing operations to accommodate the endless line of members to be tested.

Our Transient Homes – MagHouse and The Cabin - also transformed itself to what the new normal required. Its rooms became a place of quarantine for member crew arriving from their home provinces while they wait for the results of RT-PCR tests prior to joining the ship. The Cabin was converted into strict quarantine facilities and isolation rooms for those who tested positive as they wait for the transfer to a government facility.

## » MESSAGE FROM THE GENERAL MANAGER

To give way for bigger testing facilities in MAGCOOP building, we transferred our lending and investment operations at the ground floor of 1010 Buidling along A. Mabini. The space provided proper social distancing of the staff and the members who come to avail of our services.

We did not forget the community where we are located. Early in April 2020, we donated sacks of rice to Barangay 666 and 667 of Ermita, Manila. Free meals were also served to the guests and workers of our transient homes for the duration of the ECQ.

Your Cooperative's priority has always been service to you, our members and the community where we are.

The Year 2020 has been difficult and challenging. However, our efforts have been rewarded with better financial results. Our Net Surplus from Operations reached PHP 32.2M compared to PHP 25.2M in 2019. This will be distributed in accordance with Cooperative Development Authority (CDA) Guidelines as follows:

A. 75% equivalent to PHP 24.15M will be distributed to qualified members:

- PHP 14.5M (60%) as Interest on Share
- PHP 9.66M (40%) as Patronage Refund

B. 25% equivalent to PHP 8.85M will be allocated to – Reserve Fund (10%); Optional Fund (7%); Cooperative Education and Training Fund (5%) and Community Development Fund (3%)

The challenge of COVID 19 was unexpected and severe for all of us but your Magcoop never lost on its focus – SERVICE TO MEMBERS.

Working together with all our strength, courage, determination and commitment, WE, in the MAGCOOP with Carepoint team, HAVE OVERCOME!



*Compliance to the new health protocols*



# » FINANCIAL STATEMENT (AUDITED)

Statements of Financial Condition  
December 31, 2020 and 2019  
(All amounts in Philippine Peso)

	2020	2019
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	142,630,981	110,152,506
Loans and other receivables, net	223,811,177	296,746,667
Inventories	5,051,131	4,270,581
Other current assets	4,795,894	3,099,451
<b>TOTAL CURRENT ASSETS</b>	<b>376,289,183</b>	<b>414,269,205</b>
<b>NON-CURRENT ASSETS</b>		
Loans and other receivables, net	220,624,698	161,768,268
Property and equipment, net	165,827,172	194,131,435
Other non-current assets	8,055,325	1,774,307
<b>TOTAL NON-CURRENT ASSETS</b>	<b>394,507,195</b>	<b>357,674,010</b>
<b>TOTAL ASSETS</b>	<b>770,796,378</b>	<b>771,943,215</b>

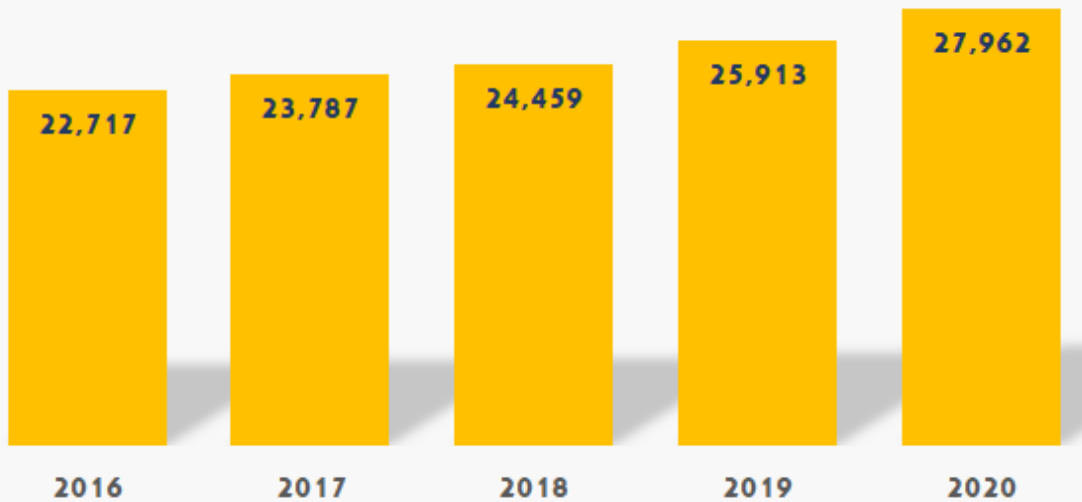
	2020	2019
<b><u>LIABILITIES &amp; MEMBERS' EQUITY</u></b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	50,353,803	27,184,935
Due to members	144,496,991	153,583,539
Due to CETF	7,604,926	7,428,599
Interest on share capital and patronage refund payable	24,198,499	22,049,325
Other current liabilities	31,079,182	91,444,711
<b>TOTAL CURRENT LIABILITIES</b>	<b>257,733,401</b>	<b>301,691,109</b>
<b>NON-CURRENT LIABILITIES</b>		
Payable to crew	87,059,004	75,220,965
Due to members	76,444,559	68,393,517
Retirement benefit obligation	6,564,162	3,606,442
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>170,067,725</b>	<b>147,220,924</b>
<b>TOTAL LIABILITIES</b>	<b>427,801,126</b>	<b>448,912,033</b>
<b>MEMBERS' EQUITY</b>		
Share Capital	310,320,854	293,957,324
Reserve funds	32,674,398	29,073,858
<b>TOTAL EQUITY</b>	<b>342,995,252</b>	<b>323,031,182</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>770,796,378</b>	<b>771,943,215</b>

## » FINANCIAL STATEMENT (AUDITED )

### Statements of Operations and Distributions of Net Surplus For the years ended December 31, 2020 and 2019 (All amounts in Philippine Peso)

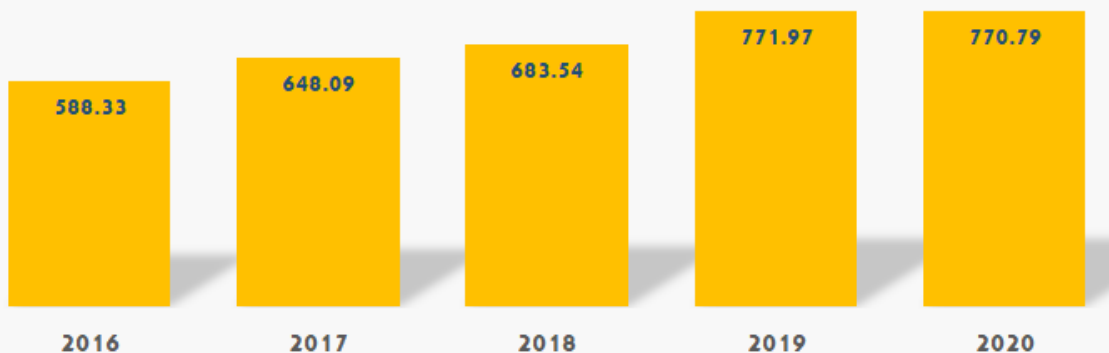
	2020	2019
<b>REVENUES</b>		
Service fees	254,679,798	104,689,205
Interest income	27,385,821	31,762,216
Sales of goods and services	16,484,996	15,614,014
Others	9,886,620	11,657,909
<b>TOTAL REVENUES</b>	<b>308,437,235</b>	<b>163,723,344</b>
<b>COST AND EXPENSES</b>		
Cost of sales	145,456,686	30,304,327
Depreciation	42,679,344	30,975,003
Employee costs	30,312,884	26,468,606
Outsourced services	10,692,575	8,290,908
Management and consultancy fees	7,892,831	6,228,462
Finance costs	7,040,706	6,311,112
Rental	6,432,857	6,073,205
Utilities	5,212,292	4,745,229
Supplies	3,243,963	3,494,830
Repairs and maintenance	2,530,342	1,560,584
Insurance	2,134,651	1,720,028
Communication	1,846,346	2,318,593
Taxes and licenses	1,611,036	829,649
Transportation	1,599,557	992,594
Professional fees	1,515,436	840,466
Trainings and seminar	1,229,69	1,488,952
Impairment loss on loans receivables	-	1,905,439
Others	4,741,371	3,963,775
<b>TOTAL COST AND EXPENSES</b>	<b>276,172,570</b>	<b>138,511,762</b>
<b>NET SURPLUS</b>	<b>32,264,665</b>	<b>25,211,582</b>
Distribution of Net Surplus		
General reserve fund	3,226,466	2,521,158
Cooperative education and training fund	1,613,233	1,260,579
Community development fund	967,940	756,347
Optional fund	2,258,527	1,764,811
Interest on share capital and patronage refund	24,198,499	18,908,687
	<b>32,264,665</b>	<b>25,211,582</b>

## MEMBERSHIP



In the last 5 years we grew by an average of 5.87%. For year 2019 to 2020 we grew by 7.9%.

## ASSET GROWTH IN MILLIONS OF PESOS

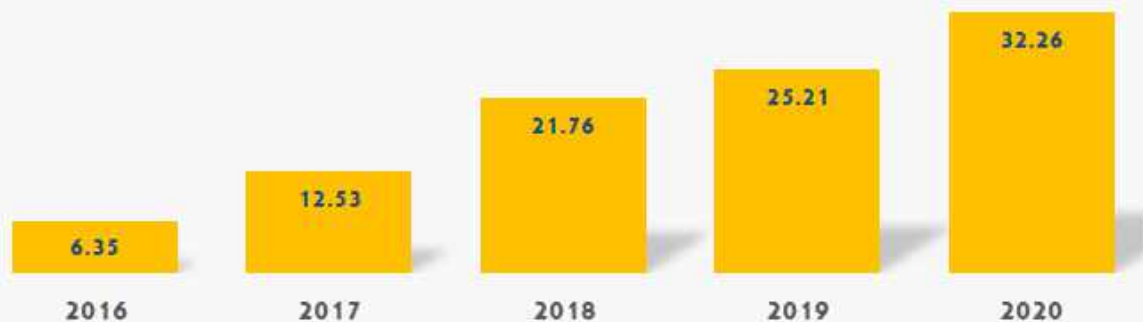


In 2020, the Total Assets of MAGCOOP slightly decreased to Php 770.79 million from 2019's Php 771.97 million. This was due to the reduction in loans made by member crew as affected by the COVID 19 pandemic.

Still, our strategic goal is to achieve an asset worth of Php 1 billion in the coming years.

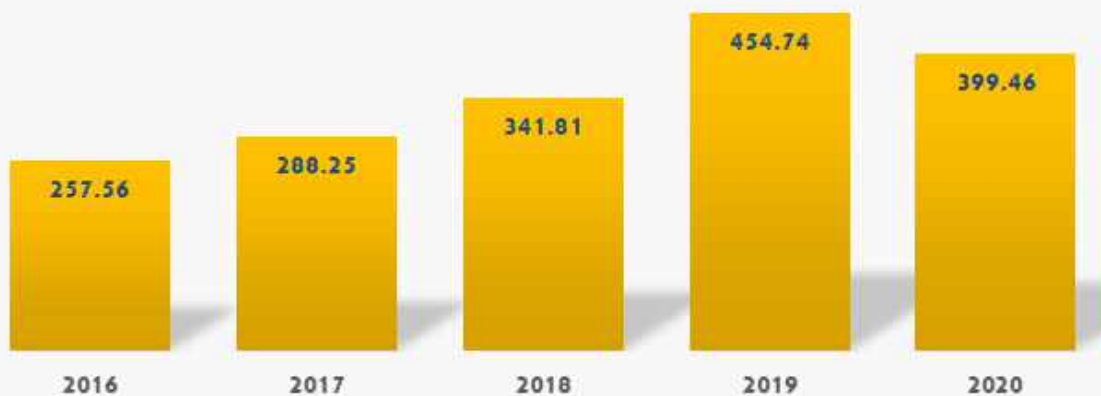


## » PROFITABILITY IN MILLIONS OF PESOS



MAGCOOP did not stop looking for ways to help our members amidst the pandemic. To facilitate the influx of member seafarers coming home or returning to their work assignments, our Clinic (CarePoint) made available COVID testing for crew.

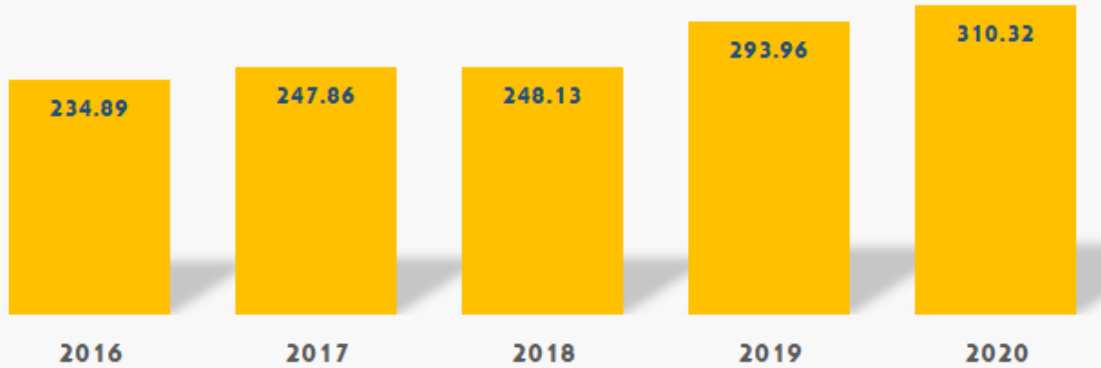
## » LOAN PORTFOLIO IN MILLIONS OF PESOS



Our Loan Portfolio for 2020 decreased by 12% from P454.74 million in 2019 to P399.46 million in 2020. We continue to provide different types of financial assistance as follows:

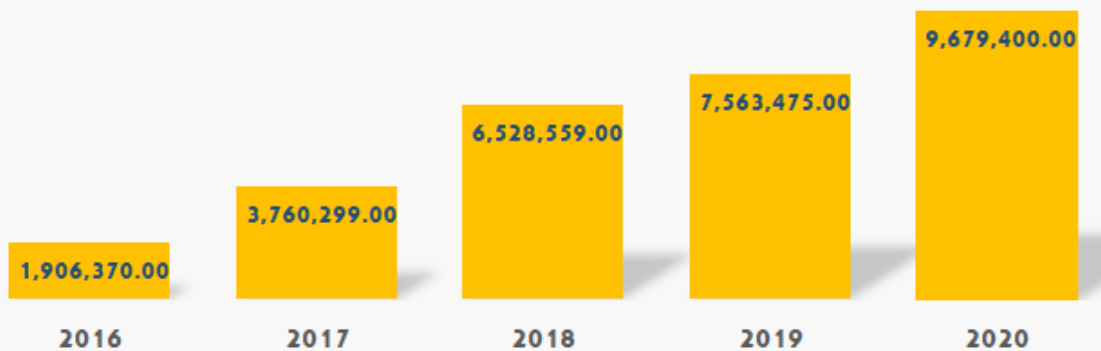
- Emergency Loan
- Educational Loan
- Regular (Multi-Purpose) Loan
- Christmas Loan
- Medicine and Vaccines Loan
- Housing Loan
- Car Loan
- Business Loan
- Training (Train Now, Pay Later) Loan
- Loans Against Share Capital (for member crew on vacation)
- Tipping Position Loan
- Motorcycle Loan

## MEMBERS' EQUITY



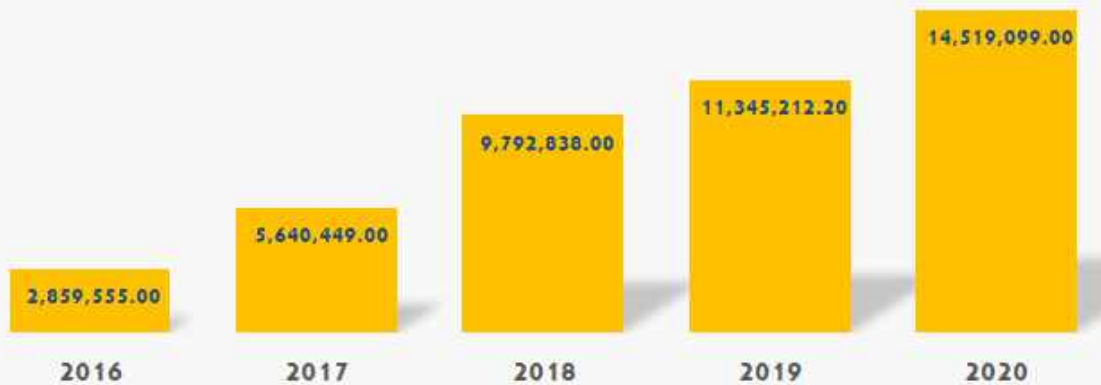
The above data shows the growth of the total share capital of our members by 5.5% over 2019.

## PATRONAGE REFUND



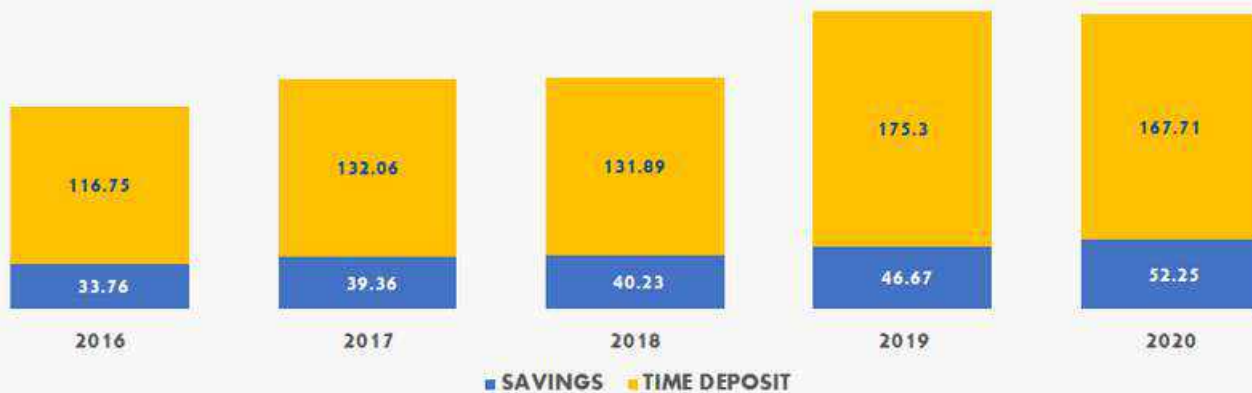
2020's patronage refund is Php 9.67 million, an increase of 27.98% over 2019's Php 7.56 million.

## INTEREST ON SHARE CAPITAL



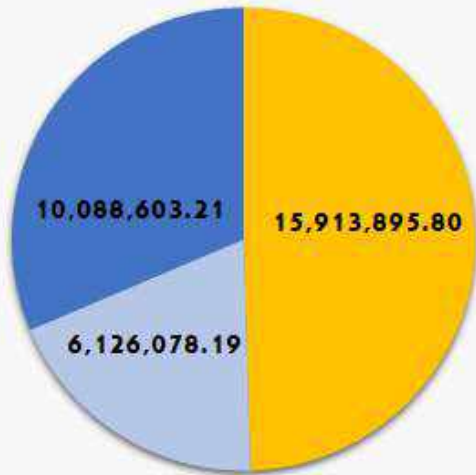
For 2020, the Cooperative interest on share capital for distribution is Php 14.51 million, an increase of 27.98% over 2019's P11.34 million.

## » SAVINGS AND TIME DEPOSIT



As of December 31, 2020, the members of the Cooperative have an outstanding Savings Deposit of Php 52.25 million and Time Deposit of Php 167.71 million. The current Time Deposit rate ranges from 1.75% per annum to 4% per annum depending on term and amount of the deposit.

## » GENERAL AND ADMINISTRATIVE EXPENSES



The total General & Administrative expense in 2020 amounted to Php 32.12 million.

We have kept the cost within the approved operational budget.

■ OPERATIONS ■ FINANCE & ACCTG ■ ADMIN

## » ORGANIZATION AND SYSTEM ENHANCEMENT

Our goal is to provide a hassle free and user-friendly system to our members. An online platform has been made available to our members anytime and anywhere they may be.

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• One portal for MAGCOOP products and services whether using desktop, laptop, smart phone, or tablet</li> <li>• Secured log-in with 2-way authentication or one-time password (OTP) will be provided</li> <li>• Online Membership and Loan Applications</li> <li>• Loan Calculator</li> <li>• Transaction History</li> </ul> | <ul style="list-style-type: none"> <li>• Online tracking of loan and membership application status</li> <li>• Secured Online Payment Gateway</li> <li>• Access to online financial reports</li> <li>• Online appointment system</li> <li>• SMS and e-mail notification system</li> </ul> |
|---|--|

# » POLICY CHANGES

## Summary of Amendments on MAGCOOP Loan Products

Memo 2020 No. 001 | Effectivity: June 15, 2020

LOAN PRODUCT	OLD	NEW
<b>A. TIPPING POSITION</b>		
Loanable Amount	PHP 200,000	PHP 300,000
<b>B. EMERGENCY LOAN</b>		
Loanable Amount	PHP 50,000	PHP 100,000
Interest Rate	0% for 5 months	0% - if 5 months repayment 5.0% - if 10 months repayment
Required Share Capital	10% of the loanable amount	10% of the loanable amount
<b>C. EDUCATIONAL LOAN</b>		
Loanable Amount	PHP 20,000	PHP 100,000
Interest Rate	0% for 4 months	0% - if 4 months repayment 6.0% - if 10 months repayment
Required Share Capital	10% of the loanable amount	10% of the loanable amount
<b>D. BUSINESS LOAN</b>		
Loanable Amount	PHP 301,000	PHP 500,000
Ocular Inspection	N/A	Every 6 months from the loan release date
Add-On Rate (Unsecured)	9.0%	18.0%
Add-On Rate (Secured)	6.0%	9.0%

# Summary of Amendments on MAGCOOP Loan Products

Memo 2020 No. 001 | Effectivity: June 15, 2020

LOAN PRODUCT	OLD	NEW
<b>D. PERSONAL LOAN (ORGANIC EMPLOYEES)</b>		
Max. Loanable Amount		
First-Time Borrower	PHP 300,000 Max. term of 36 mos.	PHP 100,000 Max. term of 18 mos.
Second-Time Borrower	PHP 300,000 Max. term of 36 mos.	PHP 200,000 Max. term of 24 mos.
Third-Time Borrower	PHP 300,000 Max. term of 36 mos.	PHP 300,000 Max. term of 36 mos.
Required Share Capital	PHP 2,000	10% of the total loan amount
<b>PERSONAL LOAN (INORGANIC EMPLOYEES)</b>		
Max. Loanable Amount		
First-Time Borrower	PHP 200,000 Max. term of 12 mos.	PHP 75,000 Max. term of 6 mos.
Second-Time Borrower	PHP 200,000 Max. term of 12 mos.	PHP 100,000 Max. term of 12 mos.
Required Share Capital	PHP 2,000	10% of the total loan amount
<b>PERSONAL LOAN (CREW &amp; ALLOTTEE)</b>		
Max. Loanable Amount		
First-Time Borrower		PHP 100,000 Max. term of 6 mos.
Second-Time Borrower	N/A (New Loan Product)	PHP 200,000 Max. term of 12 mos.
Third-Time Borrower		PHP 300,000 Max. term of 18 mos.
Required Share Capital	N/A	10% of the total loan amount
<b>F. APPLICABLE TO ALL LOAN TYPES</b>		
Requirements	Fleet Endorsement	Certificate of Employment (COE) issued within 3 months or 2 consecutive payslips (latest)





# Amendments on MAGCOOP Car Loan Program

Memo 2020 No. 002 | Effectivity: July 9, 2020

LOAN FEATURES	OLD	NEW
Interest Rate	<p><b>Brand New</b> 5.72% Add-On Rate p.a.</p> <p><b>Second-Hand</b> 6.0% Add-On Rate p.a.</p>	SAME
Minimum Equity	<p><b>Brand New</b> 10% of List Cash Price</p> <p><b>Second-Hand</b> 20% of Appraised Value</p>	SAME
Required Share Capital	10% of the Loan Amount	5% of the Loan Amount
Processing Fee	1.5% of the Loan Amount	<p>Php 5,000, if loan amount is below Php 1.0M;</p> <p>Php 7,500, if loan amount is Php 1.0M and above</p>



## MAGCOOP Shares COVID-19 Initiatives On-Air



Magsaysay Multi-Purpose Cooperative (MAGCOOP) together with the Cooperative Development Authority (CDA), discussed its COVID-19 efforts extended to members and communities during a television guesting on PTV-4’s Laging Handa last September 8, 2020.

MAGCOOP’s COVID 19 initiatives provided isolation facilities to member seafarers, donated sacks of rice to barangays where it operates, gave free meals to member crew and offered free ride to member employees. Highlighted also was the release of emergency loans to members amounting to P12.417 million that benefited 327 members and the disbursement of interest of share capital and patronage refund amounting to P2.2 million.

CDA-National Capital Region (NCR) Regional Director Pedro Defensor also tackled the resiliency of cooperatives and the spirit of compassion each cooperative exemplifies during this tough time.

Hosted by Presidential Communications Operations Office (PCOO) Undersecretary Rocky Ignacio and PCOO Secretary Martin Andanar, Laging Handa provides daily news and updates to the public in line with the Philippines’ fight against the COVID-19 pandemic.

## MAGCOOP Amends Educational and Emergency Loans Policies

The Board of Directors of Magsaysay Multipurpose Cooperative (MAGCOOP) has approved the amendments in the terms and conditions of Emergency and Educational Loans effective June 15, 2020.

The on-going pandemic has displaced many local employees and overseas workers while crippling our economy. This timely adjustment in the maximum loanable amount and the longer repayment period is a relief to members who need access to emergency and educational loans. Despite the inherent credit risks, members were assured that the Coop has their backs by making its loan products more responsive especially to those who are hard-hit of the pandemic. This is a testament to the Coop’s willingness to reach out to its members who are the owners of the Cooperative.

### EMERGENCY LOAN

PRODUCT FEATURES	OLD	NEW
Loanable Amount	p50,000	p100,000
Interest Rate	0% for 5 mos.	0% if 5 mos. repayment 5% if 10 mos. repayment
Reqd. Share Capital	10% of the loan. amt.	10% of the loan. amt.

### EDUCATIONAL LOAN

PRODUCT FEATURES	OLD	NEW
Loanable Amount	p20,000	p100,000
Payment Term	4 months	10 months
Interest Rate	0% for 4 mos.	0% if 4 mos. repayment 6% if 10 mos. repayment
Reqd. Share Capital	10% of the loan. amt.	10% of the loan. amt.

# MAGCOOP Releases More Than P17-M Loan Assistance to Members

From March to June 2020, Magsaysay Multi-Purpose Cooperative (MAGCOOP) released more than P17 million loan assistance to help members during the pandemic's economic fallout.

A total of P17,963,371.32 was released to 506 members during the said period. The calamity loan was the largest amount disbursed with a total of P6,382,671 followed by emergency loan amounting to P2,489,564.87.

## Online Loan Application

MAGCOOP started to accept calamity loan applications right after the declaration of the Enhanced Community Quarantine (ECQ) on March 17. To prioritize its members' safety, the Coop posted several step-by-step announcements on how they could file loans online even while at home or onboard thru the MAGCOOP website. The Coop made sure that even without the traditional face-to-face transaction, members could still avail of its loan products.

TYPE OF TRANSACTION	NUMBER OF PROCESSED	TOTAL AMOUNT
Calamity Loan	223	6,382,671.14
Emergency Loan	73	2,489,564.57
Educational Loan	1	19,975.00
Personal Loan	9	1,157,677.18
Refund	39	417,145.08
Regular Loan	74	5,700,726.99
Share Guaranty	87	1,795,371.36
<b>TOTAL</b>	<b>506</b>	<b>17,963,131.32</b>

# » COVID-19 RESPONSE

## COVID-19 Response



MAGCOOP House served as quarantine facility to its members



Regular cleaning, sanitation, disinfection and misting of facilities



Health and safety protocols in every facility



Free transportation for employees during the pandemic

## Financial Assistance to Members



**Emergency Loan For MAGCOOP Members**

To all MAGCOOP members who are in need of financial assistance during this challenging time, you may now file an emergency or calamity loan online by following this step-by-step guide:

We provided Emergency Loan to members during the ECQ period (March 17 to May 15) amounting to P12.417 million to 327 members

Waived the penalty of members' loans

Extends the loan payment by 90 days amounting to P2.4 million



**Interest on Share Capital and Patronage Refund for the Year 2019**

Starting April 2020, MAGCOOP is releasing its members' earnings or interests on share capital and patronage refund for the year 2019. To process its release, please follow this step-by-step guide:

MAGCOOP released the 2019 Interest on Share Capital and Patronage Refund to members amounting to P2.2 million in April - month following the start of Enhanced Community Quarantine



# Community Support



Donated sacks of rice in Barangays 666 and 667 in Ermita, Manila last April 7, 2020



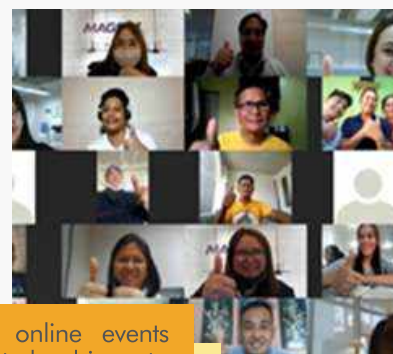
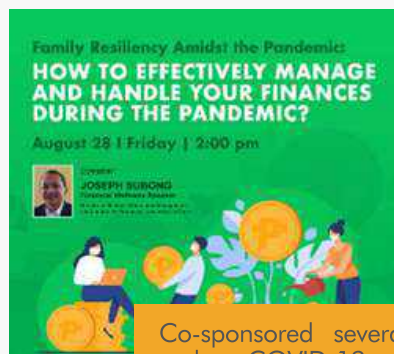
Provided free meals during the ECQ to member crew and staff



Extended assistance to its small brother cooperative, Kasama Savings and Credit Cooperative by ordering pillow cases from them



Participated in COVID 19 Testing in partnership with DOH Accredited Testing Laboratory for the conduct of RT-PCR for its members



Co-sponsored several online events such as COVID-19-related webinars to help and raise awareness