



The Coop Times

The Official Newsletter of the Ayala Coop

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Ayala Coop emerges triumphant from 'full plate'

The Ayala Coop emerged from what Coop Chairman Randy Maranan called a "full plate" to notch a number of trail-blazing successes and accomplishments in 2014.

In his annual Chairman's Report released as the Coop geared towards its annual general assembly and a year marking its 20th year of existence, Maranan said the Coop's "full plate," which he used to describe the bevy of activities and programs the Organization attended to in 2014, did not deter it from notching milestones, receiving various recognitions and coming up with new, innovative loan products that would benefit more of its members.

This was on top of working on the completion of its Membership and Loans Management System (MLMS) that would make it easier for its members to avail themselves of the Coop's services.

Among the milestones that the Coop achieved in 2014 is the breach of the billion-peso mark by its loan portfolio – the first time that has happened – with P1.168.2 billion, which surpassed the previous year's P989 million by a good 19 percent.

The Coop's total assets also grew by 14 percent to P1.647 billion in 2014 from P1.441 billion in 2013, while revenues increased by 14 percent to P178.4 million from P156.5 million over the same period.

As a result, the Coop was recognized by the Cooperative Development Authority (Makati Chapter) for several distinctions. This included being No. 1 in net worth for the Makati Area, ranking in the top five in membership acquisition, and ranking 14th among 23,600 coops and 416 millionaire coops nationwide while also being cited as one of the active coops in relation to corporate social responsibility.

Maranan's annual report in full is as follows:



Despite a "full plate" that saw it post unprecedented gains in 2014, the Ayala Coop still found time to attend to its CSR activities like this one in Iba, Zambales.

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Chairman	Florendo G. Maranan	(BPI)
Vice Chairman	Jaime G. Sanchez	(IMI)
Members	Ruel T. Maranan	(AFI)
	John Philip S. Orbeta	(AC)
	Atty. Eliezer C. Tanlapco	(AC)
	Renato M. Jiao	(Globe)
	Rhea Anjanette R. Reyes	(ALI)
General Manager	Lourdes B. Orosa	
Corporate Secretary	Atty. Renan R. Osero	(Associate)
Treasurer	Romualdo L. Katigbak	(AC)

COMMITTEES

Audit Committee

Chairman	Jaime P. Villegas	(Ayala Aviation)
Members	Leovigildo D. Abot	(ALI)
	Catherine H. Ang	(AC)

Credit Committee

Chairman	Felipe P. Carlos	(BPI-Family)
Members	Jocelyn C. Alviar	(BPI)
	Felicia M. Carvajal	(AC)
	Helen C. Gaeta	(Automotive)
	Alberto A. Ramirez	(Associate)
	Marcelo J. Obillo Jr.	(IMI)

Mediation and Conciliation Committee

Chairman	Atty. Rene T. Tale	(Associate)
Members	Judge Tom J. Danguilan	(Associate)
	Delia M. Afunggol	(Associate)

Election Committee

Chairman	Aurelio C. Alonzo	(BPI)
Members	Evangeline G. Bongon	(Automotive)
	Niño B. Raneses	(BPI-Family)

The Chairman's Report

The Coop had a "full plate" in 2014, having to attend to membership recruitment and loan solicitation while working on the completion of its Membership and Loans Management System (MLMS).

On top of these regular Coop activities as well as its own corporate social responsibility or CSR initiatives, the Coop also figured prominently as a partner of the Ayala Employee Relations Network in the management of the JZA Cup volleyball tournament and "Ayala Beats @ 180," the first-ever Group-wide Christmas party.

The "full plate" did not deter the Coop from receiving various recognitions and awards from the Cooperative Development Authority (Makati Chapter). The Coop was cited as No. 1 in net worth for the Makati Area, top five in membership acquisition, and No. 14 among 23,600 coops and 416 millionaire coops nationwide. The Coop was also recognized as one of the active coops in relation to CSR.

In response to the ever-growing membership roster and loan portfolio, the completion of the new system will now allow the members to do their transactions with the Coop on an electronic platform. The various functions now available at the members' finger tips would include membership application, personal information update,

loan application, and data access into one's share capital and loan balances, among others.

The migration of the Coop's database covered members' share capital (25,642) and loans (18,647). It was indeed a gargantuan task on the part of the Coop team. While there may have been "glitches," the migration was relatively successful. The Coop team has embarked on educating and training the members on how to use this new system.

On the membership recruitment front, the total count of 25,431 members was slightly lower (3 percent) versus the previous year due to the disengagement of Stream members resulting from the sale of the company to another entity outside the Ayala Group. Despite the exodus of Stream members, the Coop managed to recruit around 3,543 new members from 11 new Ayala companies, being able to do this through active participation in the Ayala companies' sports activities, anniversary celebrations, and HR and IT summits as well as through an internal campaign that generated 1,538 new members in the second half of the year.

More field visits by the Coop team are being encouraged not only to recruit but to also touch base with Coop members, allowing them to raise questions,

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More than a hundred bags collected in Ayala Group Blood Drive

More than a hundred bags of blood were collected as the century mark, the usual standard for a successful bloodletting activity, was hit by the Ayala Group blood drive held at Tower One last March 27.

Many more actually turned out to try and give the valuable life-saving commodity, but out of the 164 employees who trooped to the Ayala headquarters' 25th Floor, only 105 passed the screening undertaken by the Philippine Red Cross, which partnered with the Ayala Coop and the Ayala Group's ER Network in spearheading the noble activity.

The bloodletting exercise was actually aimed at tapping employees of the conglomerate based in Makati and peripheral areas but volunteers from as far away as Bank of the Philippine Islands in Binondo, Manila came with the intent of contributing to this worthwhile undertaking. For them and the 105 who passed the screening and were able to donate blood, the act was well worth it.

For one, they knew that the blood they donated could save a life. For another, donating blood gives the donor health benefits, including the stimulation of the production of blood cells. In addition, the donor also received a donor's card that would make him part of the data base that the Coop has declared it intended to create for Ayala Group employees. This is because the data base would provide a list of the available blood donors within the Ayala family, making it easier to source such individuals.

Ayala Coop general manager Dina Orosa, along with ER Network Chairperson Jan Bengzon of Ayala Land who dropped by to check on the drive's progress, was pleased with the turnout for the exercise, which was held from 7:00 a.m. to 5:00 p.m. She said it was again another proof that Ayala employees care for others and reflects the giving philosophy of the conglomerate.

Among those who donated blood were employees from BPI, Ayala Property Management Corporation, Ayala Land, Amicassa, Honda-Makati, Aprisa Business Solutions, Inc., Alveo, Isuzu-Pasig, Ayala Land-Arca South, Iconic Dealership Inc.-Volkswagen, Ayala Land International Sales Inc., Affordable Private Education Center, Ayala Group Counselors Corporation, Ayala Coop, and a few Ayala service providers.

The Makati Branch of the Philippine Red Cross's Rizal Chapter managed and implemented the activity, getting assistance from volunteers from the world-renowned organization as well as Ayala Land subsidiary QualiMed, ANZ Bank, Deutsche Bank as well as Ayala Land and the Coop themselves. Patrick Ramos and Jan Crisostomo led the Red Cross team assisted by Dr. Patricia Khaye Angeles and Dr. Socorro Palasi. Von Ong and Abon Calunsag earlier coordinated the project with the Ayala Coop on behalf of the Red Cross.



Volunteer nurses from the Philippine Red Cross extract blood from Ayala Group employees who came to donate the precious commodity.



Prospective donors flock to the Employees' Lounge at Tower One to register and undergo screening. A total of 164 Ayala employees responded to the call for blood donors.

AYALA MULTI-PURPOSE COOPERATIVE AUDITED FINANCIAL STATEMENTS (In Million Pesos)

ASSETS	2014	2013	% Change
Cash and cash equivalents	275.1	295.0	-7%
Loans Receivable - net	1,168.2	983.8	19%
Available-for-sale financial assets	5.0	5.2	-4%
Held-to maturity investments	187.0	147.0	27%
Furniture, fixtures and equipment - net	1.1	0.9	22%
System software - net	8.1	7.2	13%
Other Assets	2.0	1.4	43%
	1,646.5	1,440.5	14%

LIABILITIES AND MEMBERS' EQUITY	2014	2013	% Change
Accounts and other payables	68.7	50.5	36%
Notes payable	68.2	70.1	-3%
Net pension liabilities	4.3	3.6	19%
Total Liabilities	141.2	124.2	14%
Total Members' Equity	1,505.3	1,316.3	14%
	1,646.5	1,440.5	14%

REVENUES	2014	2013	% Change
Interest income	162.6	146.7	11%
Membership and service fees	6.1	5.8	5%
Penalties and fines	9.3	3.9	138%
Miscellaneous and other income	0.4	0.07	471%
	178.4	156.5	14%

EXPENSES	2014	2013	% Change
Salaries and employees' benefits	13.6	10.9	25%
Impairment losses on loans receivable	8.2	8.9	-8%
Other operating expenses	13.0	12.0	8%
	34.8	31.8	9%
EXCESS OF REVENUE OVER EXPENSES	143.6	124.7	15%

2015 PROPOSED BUDGET

2015 Budget Assumptions	
Membership	- 28,630 net of terminations - 12% increase (5,680 new members)
Loan Releases	Php 1.245 billion from Php 1.109 billion
Gross Revenue	- 12% increase to P199 million from P178 million - Increase in membership fee from P100 to P200 New business ventures: a. Housing loan b. Car loan c. Tieups/synergies with AG companies
Admin Expenses	- 2% increase to P34.5 million from P33.9 million
MLMS/Peoplesoft	- P10.3 million including run and maintenance fee
Total Expenses	- 26% increase to P44.8 million from P35.5 million
Excess of Revenue Over Expenses	- 10% increase to P155 million from P143.6 million
Cost to income ratio	- 22% (P44.8 million) from 19% (P34.8 million)
Net Income Ratio	- 78% (P155 million) from 80% (143.6 million)

2015 DEVELOPMENTAL PLANS

Base Business

- Expand the Coop's customer service capabilities
- Maximize usage of information channels via social media
- Promote housing and entrepreneurial loan facilities
- Provide budgets for office renovation and the Coop's 20th year anniversary activities

New Business

- Promote event management, brokering services and synergies within the Ayala Group
- Acquire a food chain
- Develop loan products for the non-borrowers within the Coop
- Explore business opportunities related to travel and leisure
- Form alliances/partnerships with other cooperatives related to addressing unemployment

Corporate Social Responsibility (CSR) Projects

- Sponsor 20 students for APEC scholarships from recommendations of Coop members
- Continue support for DepEd, Habitat and the L.E.T.S. Reading Program (C.S.) Atayde Foundation projects
- Organize job fairs in the communities where the L.E.T.S. Reading Program scholars are located for possible placement in Ayala Group companies
- Partner with AG companies, Ayala Business Club, etc. in CSR activities in their respective areas particularly in the provinces
- Set up a quick reaction program for children and schools that are disaster-prone
- Spearhead volunteerism activities, e.g., blood drive, etc. to enhance membership engagement

THE YEAR IN PICTURES

The Year 2014 was another banner year for the Ayala Coop, trite though that term is. And why not? The Coop notched numerous trail-blazing accomplishments that reaffirmed its status as one of the country's very best in its ranks. For the first time, too, it even became an event organizer, bent as it is to create greater synergy between itself and the Ayala Group employees that it serves, and got deeply involved in several other Group activities that could only improve that partnership as well as the ties between the Coop and its members' mother companies. Wherever an Ayala engagement is, you can now be sure the Coop won't be too far away, which couldn't be a greater proof of the Coop's responsiveness and sensitivity to its members' life and varied interests, engagements and concerns. Here, we take you back to last year, when the Coop was entrenched as an industry leader and became even more involved in its members' corporate existence. (Photos on this spread by Jen Luyun)

'Ayala Goes Healthy' on May 9

Cash prizes, and, more importantly, the knowledge that one has done something good for his well-being as well as for charity will be the reward when Ayala Group employees take part in an unprecedented event called "Ayala Goes Healthy, Atbp." at Circuit Makati this coming May 9.

The big event, a takeoff from what used to be the annual Ayala Fun Run, is being spearheaded by the Ayala Coop and the ER Network in coordination with Ayala Land, Circuit Makati, Gold's Gym, QualiMed and Ayala Security.

Main event

The main event of course is a fun run that's open to Ayala employees and their families. To be run in three categories, the event will have the three-kilometer run for seasoned runners, the 1.5-kilometer run featuring the employees' family or friends called the "family or barkada run," and the one-kilometer event called the "bulilit run" for children aged seven to 12 years old, most of them beneficiaries of the Ayala subsidiaries' CSR projects.

Cash prizes worth P3,000, P2,000 and P1,000 plus medals await the first three placers in both the men's and women's categories in the seasoned bracket, P1,000, P500 and P300 for each member of the group at a maximum of five will go to the top three in the family or barkada run along with medals, and P1,000, P500 and P300 plus medals will be awarded to the top three in the bulilit category.

Healthy lifestyle

A number of activities designed to encourage a healthy lifestyle among Group employees is also on tap at the former Sta. Ana Race Track now being developed into a commercial hub by ALLI.

These are zumba, kick-boxing and pilates exercises to be administered by professional trainers from Gold's Gym, a talk regarding nutrition being arranged with a celebrity, and a first aid demonstration by professionals from QualiMed, a subsidiary of ALLI, and Philippine Red Cross volunteers. A number of sports shops and food providers have been invited to put up booths in a "tiangge"-like setup during the event.

Deadline for registration for run participants is on April 21, with employees urged to coordinate with their respective ER representatives.

APEC scholarship

Registration fees of P500 per participant will be charged for the three-kilometer run, P1,000 per family or barkada (maximum of five members) for the 1.5 kilometer run, and P300 per participant for the one-kilometer "bulilit" run. Proceeds from the activity will be donated to the Affordable Private Education Center (APEC) Scholarship Fund. Registration for the fun run and the Gold's Gym-led warmup exercises will start at 5:30 a.m. The half-day event is expected to end by 12:00 noon.



The success of "Ayala Beats @ 180," the biggest Ayala event for 2014, was helped in part by the Coop's presence.



Chairman Randy Maranan, GM Dina Orosa and Board members J.P. Orbeta, Rhea Reyes and Atty. Elis Tanlapco celebrate the Coop's anniversary in October.



The spoils of the Koopbida Awards are shown here, with the big trophy citing the Ayala Coop as the biggest large-scale coop in Makati taking centerstage.



The Coop team led by GM Dina Orosa is shown here during the JZA Cup volleyball games.

ANOTHER YEAR HURDLED

It can't be overemphasized that the Ayala Coop was able to hurdle the challenges that came its way in 2014. The figures bear that out.

In another banner year in terms of growth and operation, the Coop's assets grew from P1.441 billion in 2013 to P1.647 billion in 2014, a growth of 14 percent. This is significant because as the Coop gets bigger, the rate of growth becomes even more difficult. In terms of loans receivable, the Coop also saw a hefty growth from P983.8 million to P1.168 billion over the same period, a 19 percent improvement that even surpassed the previous year's 17 percent.

This is again significant as this means that the number of borrowers as well as the amount of loans applied for – the bread and butter of any Coop and the measure by which the Coop's services are judged – has increased even more.

Undoubtedly, this can be attributed to the various new loan products that the Coop's braintrust has conceived and made available to its 25,000-plus-

strong membership. Among these are the seasonal and promotional loans that were offered, including the Rainy Day and Christmas Treat loans that, by themselves, accounted for a total of P352 million loan releases, more than a third of the total for 2014.

And this year promises to be even more productive and beneficial to Coop members. For one, the Coop's Board of Directors has approved a "much-improved," in the words of Chairman Randy Maranan, Housing Loan Program where a member can borrow up to P3 million, with payment terms extending to 20 years or any time the borrower retires from his company at prevailing market rates. This can't be any more attractive – and therefore potentially a major cause of more loan availments – particularly as this is being done in partnership with Ayala Land, arguably the most prestigious and reliable property developer in the country.

And what about an auto loan program being hatched in the future for Coop members? The

Automotive Group under J.P. Orbeta, a Board member himself, has already partnered with the Coop for a similar program for its officers, and it's not hard to imagine such a facility also being extended in the near future to ordinary Coop members. Of course, there's also that partnership being negotiated with Manila Water, and some other similar ventures that reflect not only the Coop braintrust's creativity and resourcefulness but also its members' faithfulness and resilience.

This is because the Coop's success works both ways, with both its leadership and its members making their own contributions to make any program pan out. The leaders and braintrust conceive, formulate and flesh out ideas and programs, while the members validate those ideas and programs through their support, loyalty and patronage.

It's a formula that has worked through the years, and no doubt enabled the Coop to hurdle 2014 in a manner that can only be described as triumphant.

AYALA COOP EMERGES...

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concerns and the like. One major visit undertaken was in the Mindanao area, particularly Davao and Cagayan de Oro where a good number of Ayala employees were surprisingly not yet members. There were also 39 chapter meetings conducted around the country.

Membership engagement activities saw more member-volunteers for the Coop's CSR projects and continued tieups with Automatic Center and Petron, among other entities. More importantly, more active communication via social media channels, the website and Facebook was now available. The Coop's Customer Service Desk now deals with a daily average of 180 calls, 320 e-mails and six walk-ins.

Loan portfolio breached the billion-peso mark at Php1.168.2 billion, or 19 percent better than the previous year's total of P989 million. This was made possible by the introduction of promo/seasonal loans at more affordable terms such as the Rainy Day and Christmas Treat loans, which accounted for 36 percent of the loan releases or Php352 million.

The Coop also made its funds available outside the usual loan products in coordination with several AG companies. Stream loans continued to dwindle down to -97 percent of their previous portfolio. The 100 percent utilization of the online system came in two ways, with 15 percent being directly used by members and 85 percent under a simulation mode (the Coop handling the inputting).

The Board approved a much-improved Housing Loan Program in an exclusive tieup with ALI brands. The loan features a Php3 million maximum loanable amount, and a repayment period of 20 years or co-terminus with normal retirement at prevailing market rates. The advantage of a member availing himself of this program would be the patronage refund feature, which is not present in other financial/lending institutions. Processing of documents would be handled by AMICASSA (an ALI subsidiary) and insurance requirements would be coursed through BPI/MS and BPLAC.

The Automotive Group partnered with the Coop for an auto loan program for its officers. Eventually, this loan program will be offered to all Coop members.

Talks are ongoing for another partnership with Manila Water. This new partnership will be launched sometime in the second quarter of 2015.

A good number of recoveries towards the latter part of the year saw the past due rate staying relatively flat at three percent. Several approaches were resorted to such as seeking HR assistance for leads, filing collection cases with the Small Claims Court, and engaging the services of collection agencies.

Total assets grew by 14.0 percent from Php1.440.5 billion in 2013 to Php1.646.5 billion in 2014. Loans receivable increased by 19 percent from Php983.8 million to Php1.168.2 billion despite the absence of Stream and the decrease in availments by some companies like IMI and

BPI. Members' equity maintained a healthy growth of 14 percent from Php1.316.3 billion to Php1.505.3 billion.

Revenues experienced an increase of 14 percent from Php156.5 million in 2013 to Php178.4 million in 2014. The implementation of the hikes in membership fees as well as in penalties and fines contributed to the increase. The low interest scenario continues to affect interest income. More long-term investments have been made to peg interest income at relatively better rates.

Expenses, meanwhile, went up by 9 percent primarily due to additional administrative expenses related to the migration to the new system, including staff-related benefits and overtime pay. More recruitment and communications activities contributed to the increase, too.

Cost-to-income ratio slightly improved from 20.35 percent to 19.5 percent. Excess of revenue over expenses amounted to Php143.6 million or a 15 percent improvement over the previous year's Php124.7 million. This year's dividend rate will remain at the seven-percent level with the patronage refund at 28.95 percent, which was better than the previous year's rate.

Indeed, the Coop team faced a very challenging year, faced as it was with the need to balance its act while performing the day-to-day activities in addressing the various tasks related to the migration to the new system and seeing through its completion. The team, the Accounting people in particular, spent long hours of work, sacrificing to a large extent its personal free time just to make sure that the completion of the system was accomplished as scheduled.

More than classroom training, the Coop personnel were exposed to the experiential type of development with assignments to handle projects and chapter meetings, not to mention the conduct of PMES or orientation sessions before prospective Coop members as they went about their field visits and managing the Coop booth during company anniversaries and the like. The exposure enabled the team members to recruit new members. An incentive program was approved to recognize the top performers.

The Customer Service Desk, which was fully operational with the hiring of customer service assistants, was definitely a big contributor to the improvement of the Coop's image of being more responsive to its members' needs.

The HR coordinators also underwent training in the use of the new system. Training of members in the field is currently being undertaken as Coop representatives visit different Ayala offices.

The Coop further pursued its advocacy related to education with the sponsorship for the second year of 160 new public school elementary students for the L.E.T.S. Read Program in coordination with the NGO Corazon S. Atayde Foundation. The 160 students coming from the F. Benitez and J. Rizal Elementary Schools in Makati were chosen based on their reading literacy/comprehension

ratings. The same children and the volunteer teachers were also treated to a visit to The Mind Museum. The six-month program was completed last December with the children now more confident about their English reading skills and comprehension.

Together with Clark Water, the Clark Development Authority and BPI representatives, the Coop distributed school kits to around 1,000 "katutubo" schoolchildren who were treated to a Jollibee fare in October. Around 50 Coop members from the Pampanga area joined the activity. The group proceeded to Dirita Elementary School in Iba, Zambales, where funds were donated for the repair of its dilapidated social hall, comfort rooms and the playground for the nursery students. School kits were also distributed to around 300 students.

The Coop acceded to the request of the BPI FUBU Union to help out with its outreach program, requesting for a donation of 100 school kits to the Congregation of the Holy Spirit (Spiritan) Elementary School in the outskirts of Iligan City.

The Coop once again fielded around 40 members to join the annual "Clean Up Manila Bay" project of the CDA.

On top of its various education-related CSR projects, the Coop participated in the Ayala Group's employee engagement activities, with the Coop taking care of the overall management of the Group's JZA Cup volleyball tournament, the sponsorship of the ID ballers and loot bags, and the management of the "tiangge" featuring products of communities working with Ayala companies. The Coop also assisted the Habitat for Humanity in raising funds for Typhoon Yolanda victims through its website. The Coop's appeal to its members raised Php50,000 just for the last quarter of the year.

For the year 2015, the Coop will be celebrating its 20th year with more challenges and opportunities presenting themselves. Several activities have been lined up starting with a blood drive for the first quarter. This would be in coordination with the Philippine National Red Cross and Ayala's ER Network. The blood drive aims to provide the AG companies a data base of the available blood donors within the Ayala family.

Quarterly events have been planned out in terms of doing more outreach programs but at the same time addressing employee/member engagement. More synergies and "outside the box" business ventures will be the focus for 2015 to ensure more quality products and services, which hopefully will translate not only into higher returns for the members but also into improving the quality of their life as well.

All these will only be possible with the support of the Coop's more than 25,000-strong membership base.

This of course will undoubtedly draw from the Coop's motto, "Ang Ayalang nagkakaisa, sa kaunlaran sama-sama!"