



# 2022 SEDP ANNUAL REPORT

SEDP SCHOLARS

SCHOLARS

2019

## VISION

"A dynamic and pro-active development institution of the Diocese of Legazpi committed to the total advancement of the entrepreneurial poor."



## MISSION

The SEDP – Simbag sa Pag-Asenso, Inc. commits to deliver financial & non-financial services with training and formation to micro-entrepreneurial families towards improved socio economic condition, political empowerment and enhanced spiritual well-being."



# CORE VALUES

- Christ-Centered
- Professionalism
- Service-Oriented
- Proactive
- Transparency and Openness
- Focus
- Commitment
- Teamwork and Strong Bonding

At the tail-end of the pandemic, we have shown that SEDP – Simbag sa Pag-Asenso, Inc. has stayed strong and committed to our mission of empowering microentrepreneurs so they can achieve their individual aspirations. In these challenging times we are inspired by the resilience and grit of our almost 80,000 members. The fitting response to that is our determination to stand by them as their trusted partner – supporting their enterprises and innovating our services with financing that are tailored to their needs, trainings and technical support that enhances their capacity to do business, and social protection in their times of need.

Since many of the pandemic restrictions have been lifted, we are happy to be able to give back more to our members in terms of healthcare outreach, spiritual formation, and scholarship grants to some 318 children of our members who are studying in colleges and technical schools. As a Church-based microfinance NGO, supporting the entrepreneurial poor and lifting families out of poverty is our way of spreading the Good News of salvation from sin and everything that hinders the development.

I thank everyone – our members, our Board of Trustees, our hardworking staff and management of the SEDP MSI, our partners, and friends – for the trust, collaboration, and belief in our shared vision.



**Rev. Fr. Rex Paul B. Arjona**  
*President and CEO*

**MESSAGE TO  
STAKEHOLDERS**



Over the course of its 28-year existence, SEDP-Simbag Sa Pag-asenso Inc. has remained steadfast in its commitment to advancing the lives of the entrepreneurial poor. We have consistently pursued our vision and mission by providing a comprehensive range of financial and non-financial services, coupled with training and formation programs, aimed at empowering our members to improve across socio-economic, political, and spiritual dimensions.

SEDP has remained unwavering in its dedication to innovation, continuously evolving to offer the best services to our members at the lowest possible interest and service fee costs. While we face ongoing challenges, particularly in the wake of the pandemic's profound impact on our Nanays (mothers) and their businesses, we draw strength from our dedicated frontliners and support staff, and the guidance of our Board of Trustees.

With this collective commitment and resilience, SEDP remains fully operational, tirelessly working to provide the best possible service to our cherished members. Our mission to serve continues unabated, ensuring a brighter future for those we support.

**Fe B. Bataller**  
*Director for Operations*

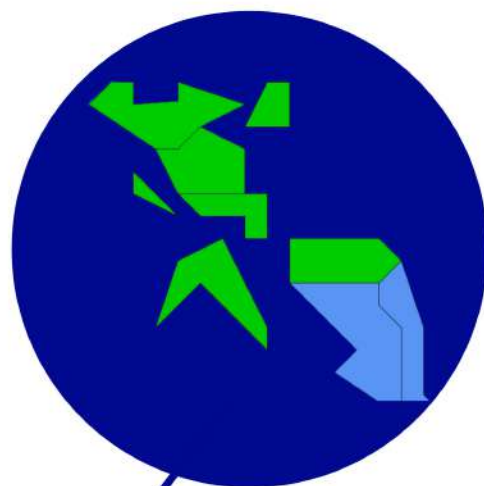
"Year 2022 were a transition and challenging year for SEDP. It was under a new leadership and striving the aftermath of the pandemic. Despite the challenges, SEDP continues to grow with assets nearing to one billion and remains committed to serve its members through the provision of financial and non-financial services. In succeeding years, it targets to allocate more budget for the non-financial services for its members. Likewise, SEDP values its 417 employees and ensures in having a reasonable staff compensation package. This year, existing salary structure was enhanced and adjusted. True to its vision and mission, SEDP continually commits to improve its existing systems and operations to extend its services to more entrepreneurial families."

**Laarni P. Alilano**  
*Director for Finance and Administration*



OUR PRESENCE

# WHERE WE OPERATE



PROVINCES

Present in 6  
Provinces of the  
Bicol Region & in  
Northern Samar

DIOCESES

Established  
Partnerships with  
6 Dioceses

BRANCHES

Registered 9  
Branches

SPOs/ExPOS

Established 33  
SPO and 6 ExPOs

# OUR 2022 OPERATIONS' SNAPSHOT



**TOTAL STAFF : 404**



**CLIENTS SERVED :  
79,481**



**ACTIVE CLIENTS WITH  
LOANS : 74,910**



**LOAN OUTSTANDING :  
712M**



**SAVINGS : 265M**

## SERVICES PROVIDED

# WHAT DO WE OFFER



### Financial Services

- Credit Services and Savings Mobilization



### Members Development Services

- Scholarship & Educational Assistance, Training and Formations and Simbag-Salud



### Social Protection

- Life, Credit, Hospitalization Coverage
- SEDP Care (Funeral Services & Lamay Package)
- SSS enrolment/premium



### Enterprise Development

- Enterprise Development Services
- Product Development/Packaging/Labeling
- Marketing
- Business Registration

### BUSINESS LOAN (BL)

Loanable amount is maximum of Php 300,000.00.

Intended for start-up or additional capital for an existing microenterprise of clients.

### SPECIAL LOAN (SPL)

Maximum of Php 200,000.00.

An accessible and affordable financial service that is intended to cater other sector whose nature of employment and/or economic undertakings prevents clients from attending the usual weekly center meetings

### MEMBERS SECURITY LOAN (MSL)

The Members Security Loan (MSL) aims to respond to the need of members for social protection through facilitation of enrollment/collection of premium for Social Security System (SSS).

- For social security needs of members and their family

### MICRO-AGRI LOAN

Maximum of Php 150,000.000. Aims to cater the agricultural sector engaging at least from a mono crop system. The loan is intended to provide farmers with a working capital for agricultural activities and farm inputs.

### MULTIPURPOSE LOAN (MPL)

Loanable amount is maximum of Php 20,000.00. MPL can be availed for the following purposes: house improvement, educational needs, health emergency and additional capital.

### GREEN LIGHT FOR LIGHT (GLL)

Green Light for Light (GLL) is intended for the acquisition of solar lamp products.

# ENTERPRISE DEVELOPMENT SERVICES



Enterprise Development Services (EDS), the business development arm of SEDP Simbag, has successfully provided training to its member-clients to improve their productivity and enhance their socio-economic development. Micro entrepreneurs have been able to increase their income, create jobs in their communities, improved their products and formally registered their businesses.

The EDS facilitated 10 entrep-clients to be compliant in Food and Drugs Administration, 15 have improved their production facility, 15 SEDP member-entrepreneurs were also linked with institutional markets in Simbag Community Store and other simbag outlets and 12 Liberty Commercial Center outlets as our partners. This entitles entrepreneurs to display and sell their products at these stores and outlets which also act as one town one product (OTOP) of the Department of Trade and Industry (DTI)

EDS has also been instrumental in facilitating 23 sessions of financial literacy for members who benefited 2,640 clients, also facilitated compliance of 10 entrep clients with the Food and Drugs Administration, improving the production facilities of 15 businesses, and linking 32 SEDP member-entrepreneurs with institutional markets such as Simbag Community Store, as well as 12 Liberty Commercial Center outlets. This partnership enables entrepreneurs to showcase and sell their products at these stores and outlets, which also serve as a platform for the Department of Trade and Industry's One Town One Product (OTOP) initiative.

The SEDP-MPC through EDS has launched several initiatives to support its members and promote economic growth in their communities. One such initiative is the Egg Machine, which has proven to be a valuable asset for members engaged in egg production. Another program, the Babuyang Walang Amoy Program, has been successful in helping members involved in hog raising to operate their farms without unpleasant odors. In addition, MPC has established the Drugstore, providing affordable prescription and over-the-counter medicines to members and their families. This store offers discounts exclusively to SEDP members and staff. The Pili Hub, a new facility, has also been constructed to support the production and marketing of pili nuts, a local specialty crop.

Through its efforts, a significant boon to the local economy, providing valuable assistance and resources to small business owners and ultimately contributing to the development of the region.





# BUILDING RESILIENCE THROUGH VALUE ADDED SERVICES

The program also celebrated the graduation of 83 scholars in 2022, a significant milestone that reflects the program's success in nurturing and educating its scholars. The Testimonial Rites, Marian Pilgrimage Participation, and Diocesan Youth activities were successful in promoting holistic growth among the scholars, fostering their personal, academic, and spiritual development.

SEDP-Simbag sa Pag-Asenso Inc. continues to be at the forefront of providing quality education and holistic development to its scholars, and its efforts in 2022 have been commendable in advancing its mission of empowering individuals and communities through education.



SEDP Simbag's Health Care Program encountered unprecedented challenges amid the ongoing pandemic. However, the organization rose to the occasion and found creative ways to continue serving its members through online platforms. Although Simbag-Salud was put on hold, health-related videos were utilized to disseminate vital information and promote self-awareness about common diseases and preventive measures, ensuring that members remained informed and empowered to take charge of their health.

The Members' Development Services Unit (MDS) also showed remarkable adaptability by successfully utilizing online media platforms for its Spiritual Formation Program. Eight videos related to sacraments were uploaded to SEDP's Facebook page, and more than 30,000 members actively participated in formation activities in their respective parishes, enriching their spiritual well-being. This innovative approach has proven to be an effective means of strengthening the spiritual foundation of the organization's members.

In 2022 alone, the MDS Unit reached an impressive total of 126,000 beneficiaries, showcasing SEDP Simbag's unwavering commitment to utilizing innovative techniques to engage with its members. Despite the challenges faced, the organization's dedication to delivering exceptional services remains steadfast, exemplifying its resolute efforts in making a positive impact on the lives of its members and communities served.

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# STAFF DEVELOPMENT

## TECHNICAL AND SKILLS TRAINING CONDUCTED

*Unleashing Customer Service Potential: An Innovative Training Approach*

*Unleashing Customer Service Potential: Essential Training for Success*



From May to September 2022, a series of Customer Service Workshops were conducted for the staff of various SPOs (Satellite Parish Outreach) aimed at strengthening their capabilities to deliver effective services to the client members of the SEDP program. A total of 23 sessions were completed, with 210 staff participating in the training that covered communication skills, handling difficult clients, and conflict resolution, among other topics. With the completion of the workshops, SEDP staff are now equipped with the necessary skills to provide better and efficient services to their clients, and they have gained a deeper understanding of the clients' needs and concerns, enabling them to provide personalized assistance. Improving the quality of services is crucial in programs like SEDP, which aim to provide assistance to vulnerable members of society, and it can help uplift clients' lives and make a positive impact in the communities. The completion of the Customer Service Workshops is a significant milestone for the SEDP program, as it has enhanced the staff's capacity to deliver quality services and reinforced their commitment to the program's objectives, resulting in better and more efficient service delivery for the clients.

## Recharging Skills: A refresher Course for CDWs



In January 2022, 11 Community Development Workers (CDWs) of SPO Virac, Catanduanes engaged in a Refresher Course. The activity focused on updating the CDWs' knowledge on the institution's policies and guidelines, and equipping them with the latest best practices and trends. This training helps the CDWs provide better services and support to the community they serve. The Refresher Course Training is a vital step towards the continuous improvement of the SEDP MF operations to ensure delivery of high-quality services to clients.



# STAFF SPIRITUAL FORMATIONS

"Connecting with Inner Self: A Spiritual Formation Training for Staff"



The year 2022 proved to be a fruitful year for the SEDP, as it continued to prioritize the growth and development of its staff. Through various programs and initiatives, the SEDP staff were able to enhance their skills, strengthen their spiritual well-being, and deepen their understanding of the Institution's mission and objectives.

One of the notable programs was the BOSSAW program, which ran from March to June 2022. The program involved 124 SEDP staff and was comprised of 5 sessions designed to improve their skills and knowledge in their respective roles. It also focused on the staff's spiritual well-being and socialization, which proved to be essential in boosting their efficiency and productivity at work.



To further provide the staff with spiritual formation, the Institution organized Lenten and Advent Recollections, as well as monthly prayer meetings. These activities proved to be instrumental in strengthening the staff's sense of purpose and meaning in their work, contributing to their overall growth and development.

In addition, newly regularized staff underwent Basic Bible Orientation and Basic Bible Facilitation, which aimed to deepen their understanding of the Bible and solidify their foundational beliefs. Through this initiative, the staff was able to expand their knowledge and improve their skills, ensuring that they are well-equipped to perform their roles efficiently and effectively.



Overall, the initiatives implemented by the SEDP in 2022 have contributed to the professional growth and development of its staff, reinforcing their commitment to the Institution's mission and objectives. The SEDP will continue to prioritize the growth and development of its staff in the years to come, ensuring that they are equipped with the necessary skills and knowledge to provide services to the community.



SEDP - Simbag sa Pag-Asenso, Inc. at the 2022 Microfinance Council of the Philippines, Inc. Annual Conference.



## ATTENDANCE TO 2022 MCPI ANNUAL SUMMIT

### “Thriving through Uncertainties”

Selected Board of Trustees and Managers recently attended the 2022 Annual Conference of the Microfinance Council of the Philippines. The conference, which took place on August 24-25 at the Century Park Hotel in Malate Manila, brought together important stakeholders in the microfinance industry to share their experiences and strategies for navigating uncertain times.

Discussions at the conference provided valuable insights into the resilience and adaptability of the microfinance industry, and how it continues to provide critical support to clients in need. Despite the challenges that lie ahead, the microfinance industry remains committed to its mission of financial inclusion. Its ability to thrive through uncertainties is a testament to its enduring importance and relevance.

The conference was a valuable opportunity for attendees to learn from each other and collaborate on ways to strengthen the microfinance industry in the Philippines. As microfinance institutions continue to face new challenges, they will rely on the insights and expertise gained at events like this to adapt and thrive in the years to come.

# THE BOARD OF TRUSTEES



**Bp. Joel Z. Baylon, D.D**  
Chairman



**Msgr. Crispin C. Bernarte, Jr.**  
Vice Chairman



**Fr. Eric B. Martillano**  
Corporate Secretary



**Fr. Jose Victor E. Lobrigo**  
Treasurer



**Atty. Milagros G. Quijano**  
Member



**Dr. Nora L. Licup**  
Member



**Ms. Joyce B. Besana**  
Member



**Mr. Jose Misael B. Moraleda**  
Member



**Ms. Marlene Catalina P. Rodriguez**  
Member



**Ms. Jessica L. Belarmino**  
Member



**Ms. Amy B. Bombuhay**  
Member

# 2022 AUDITED FINANCIAL REPORT

## SEDP-SIMBAG SA PAG-ASENSO, INC. (A MICROFINANCE NGO)

### STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2022 AND 2021

	Note	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalent	5	P163,395,929	P95,346,777
Financial assets at fair value through profit or loss (FVPL)	6	59,214,614	29,848,099
Loans and other receivables, net	7	705,483,050	668,554,359
Prepayments	8	8,755,448	2,063,073
<b>Total Current Assets</b>		<b>936,849,041</b>	<b>795,812,308</b>
<b>Noncurrent Assets</b>			
Property and equipment, net	9	27,481,803	28,114,628
Other noncurrent assets	10	4,129,004	3,941,894
<b>Total Noncurrent Assets</b>		<b>31,610,807</b>	<b>32,056,522</b>
		<b>P968,459,848</b>	<b>P827,868,830</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Current Liabilities</b>			
Accounts and other payables	11	P30,955,964	P23,454,895
Short-term borrowings	13	42,751,278	49,339,599
Microsavings	12	297,048,144	259,540,359
Income tax payable	18	1,539,783	1,443,678
<b>Total Current Liabilities</b>		<b>372,295,169</b>	<b>333,778,531</b>
<b>Noncurrent Liabilities</b>			
Long-term borrowings	13	53,278,008	39,779,286
Retirement benefits obligation	19	11,878,152	10,497,835
Deferred tax liabilities	18	98,560	87,575
Other noncurrent liabilities		2,426,514	2,426,514
<b>Total Noncurrent Liabilities</b>		<b>67,681,234</b>	<b>52,791,211</b>
<b>Total Liabilities</b>		<b>439,976,403</b>	<b>386,569,741</b>
<b>Fund Balance</b>			
General fund		500,624,898	414,678,044
Restricted fund	22	30,000,000	30,000,000
Re-measurement of retirement benefits	19	(2,141,453)	(3,378,955)
<b>Total Fund Balance</b>		<b>528,483,445</b>	<b>441,299,089</b>
		<b>P968,459,848</b>	<b>P827,868,830</b>

See Notes to the Financial Statements.



**SEDP-SIMBAG SA PAG-ASENSO, INC. (A MICROFINANCE NGO)**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<i>Notes</i>	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>			
Income from microfinance operations	<i>14</i>	<b>P317,127,332</b>	<b>P304,400,204</b>
Other income	<i>15</i>	<b>1,372,260</b>	<b>449,249</b>
		<b>318,499,592</b>	<b>304,849,453</b>
<b>EXPENSES</b>			
Provision for expected credit losses	<i>7</i>	<b>(14,186,299)</b>	<b>(22,070,132)</b>
Finance cost	<i>12, 13</i>	<b>(15,001,927)</b>	<b>(13,268,992)</b>
Operating expenses	<i>16</i>	<b>(169,110,748)</b>	<b>(145,436,741)</b>
General and administrative expenses	<i>17</i>	<b>(28,061,525)</b>	<b>(34,309,915)</b>
		<b>(226,360,499)</b>	<b>(215,085,780)</b>
<b>INCOME BEFORE TAX</b>		<b>92,139,093</b>	<b>89,763,673</b>
Income tax expense – current	<i>18</i>	<b>(6,334,493)</b>	<b>(6,087,770)</b>
Income tax benefit – deferred	<i>18</i>	<b>142,254</b>	<b>171,770</b>
<b>NET INCOME</b>		<b>85,946,854</b>	<b>83,847,673</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Remeasurement gain on retirement benefits	<i>19</i>	<b>1,237,502</b>	<b>3,774,476</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P87,184,356</b>	<b>P87,622,149</b>

*See Notes to the Financial Statements.*



**SEDP-SIMBAG SA PAG-ASENSO, INC. (A MICROFINANCE NGO)**

**STATEMENTS OF CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>General Fund</b>	<b>Restricted Fund (Note 22)</b>	<b>Remeasurement of Retirement Benefits (Note 19)</b>	<b>Total</b>
Balances at January 1, 2021	₱320,830,371	₱40,000,000	(₱7,153,431)	₱353,676,940
Reversal of appropriation	10,000,000	(10,000,000)	-	-
Net income	83,847,673	-	-	83,847,673
Re-measurement gain on retirement benefits	-	-	3,774,476	3,774,476
Balances at December 31, 2021	414,678,044	30,000,000	(3,378,955)	441,299,089
Net income	<b>85,946,854</b>	-	-	<b>85,946,854</b>
Re-measurement gain on retirement benefits	-	-	<b>1,237,502</b>	<b>1,237,502</b>
<b>Balances at December 31, 2022</b>	<b>₱500,624,898</b>	<b>₱30,000,000</b>	<b>₱2,141,453</b>	<b>₱528,483,445</b>

*See Notes to the Financial Statements.*



**SEDP-SIMBAG SA PAG-ASENSO, INC. (A MICROFINANCE NGO)**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<i>Notes</i>	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		<b>P92,139,093</b>	<b>P89,763,673</b>
Adjustments for:			
Interest expense on borrowings	13	2,050,384	3,910,139
Depreciation and amortization	9	2,935,868	2,793,166
Provision for expected credit losses	7	14,186,299	22,070,132
Provision for retirement	19	2,617,819	2,969,316
Interest income from banks and investments	5, 6, 10	(2,005,745)	(1,172,875)
Unrealized loss on financial assets at FVPL	6, 15	633,485	695,936
Interest expense on microsavings	12	11,301,544	9,358,853
Operating income before working capital changes		<b>123,858,747</b>	<b>130,388,340</b>
Decrease (increase) in:			
Loans and other receivables		(51,114,990)	(12,065,938)
Prepayments		(6,338,563)	273,388
Other noncurrent assets		(33,402)	(38,879)
Increase (decrease) in:			
Accounts and other payables		7,501,069	(35,969,755)
Members' fund payable		37,507,785	22,704,309
Other noncurrent liabilities		-	2,598,284
Cash generated from operations		<b>111,380,177</b>	<b>107,889,749</b>
Interest received from banks and investments		2,005,745	1,172,875
Interest paid on microsavings		(11,301,544)	(9,358,853)
Interest paid		(2,050,384)	(3,910,139)
Income tax paid	18	(6,238,388)	(5,943,772)
<b>Net cash provided by operating activities</b>		<b>93,795,606</b>	<b>89,849,860</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	9	(2,656,855)	(3,481,825)
Additions in financial assets at FVPL	6	(30,000,000)	(10,000,000)
Withdrawals in financial assets at FVPL	6	-	10,027,690
<b>Net cash used in investing activities</b>		<b>(32,656,855)</b>	<b>(3,454,135)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowing	13	60,000,000	37,750,000
Payments of borrowings	13	(53,089,599)	(59,884,365)
<b>Net cash used in financing activities</b>		<b>6,910,401</b>	<b>(22,134,365)</b>
<b>Net increase in cash and cash equivalents</b>		<b>68,049,152</b>	<b>64,261,360</b>
<b>Cash and cash equivalents, beginning</b>		<b>95,346,777</b>	<b>31,085,417</b>
<b>Cash and cash equivalents, end</b>	5	<b>P163,395,929</b>	<b>P95,346,777</b>

*See Notes to the Financial Statements.*

