



The Financial Performance of Selected Cooperatives in Cagayan de Oro City, Philippines

Rustum D. Gevero* and Wilson C. Bation

Xavier University – Ateneo de Cagayan, Philippines

*Correspondence

Business Administration
Department,
School of Business
and Management,
Xavier University–
Ateneo de Cagayan,
Corrales St., 9000
Cagayan de Oro City,
Philippines

E rgevero@xu.edu.ph

Keywords

Cagayan de Oro City,
credit cooperative,
financial performance,
financial ratios, Philippines

Abstract

This study determined the financial performance of five selected credit cooperatives in Cagayan de Oro City. Financial statement analysis can be beneficial in this respect because it highlights a firm's strengths and weaknesses. Also, weak financial management could negatively affect the social enterprise. The annual reports were used as bases for the financial data. Healthy profitability rates and return on assets were observed in the five cooperatives. Del Monte Philippines Incorporated – ECCC (Del Monte) and Xavier University Community Credit Cooperative (XUCCCO), both closed type cooperatives, did very well in the profitability area as they posted net profit margins of more than 70%. First Community Cooperative (FICCO) and Oro Integrated Cooperative (OIC) registered the highest revenue growth rates. In the return on assets ratio, all five cooperatives except Mindanao State University – Iligan Institute of Technology National Multipurpose Cooperative (MSU), got more than 5%. The following conclusions were drawn from the study: First, closed-type cooperatives obtain higher net profit margins and have better asset efficiency performances. And second, greater revenue growth does not necessarily mean better profitability and higher efficiency. It is recommended that future research be done with other cooperatives in Cagayan de Oro City to confirm or refute the existing findings of this study. After which, cooperatives in the other cities of Region X can also be studied and compared with those in Cagayan de Oro.