

PRAXIS FIDES MBAI

2023 Sustainability Report

Loans and Investments

Praxis Fides MBAI embraced the post-pandemic year filled with positivity and enthusiasm. The economic situation, both locally and globally, provided ups and downs but the Association was able to deal with the challenges and maximize the opportunities that brought positive results. The BSP's interest adjustment saw better rates for bank placements that translated to an unprecedented 126.86% increase in income from placements. The improved exposure in government securities offered another vehicle for potential earnings aside from traditional bank deposits. Corporate bonds booked under Investment Management Agreement (IMA) and other commercial paper provided a regular source of coupons/cash dividends that sustained the liquidity of the company.

The local stock market continues to struggle due to reduced activity from foreign investors. However, the company's portfolio includes a number of preferred shares which issued cash dividends while the income from sale of stocks was pretty much the same with the previous year's performance.

Placement Type (\$3)	Dec. 31, 2023	Dec. 31, 2022
Interest Income-Time Deposits	9,736,724.68	4,291,865.89
Interest Income-Savings	326,473.43	238,241.90
Interest Income-Mutual Funds/Bonds	901,192.88	676,471.04
Interest Income-TBills	2,991,960.98	713,811.95
Interest Income-IMA	5,544,883.22	4,782,357.39
Interest Income-ROSS Account	2,484,133.72	1,756,815.51
Sub-Total	21,985,368.91	12,459,563.68
Stocks (\$5)		
Sales Income	1,425,292.15	1,434,831.16
Cash Dividends	2,308,097.94	2,715,455.03
Sub-Total	3,733,390.09	4,150,286.19
GRAND TOTAL	25,718,759.00	16,609,849.87

For loan releases, most members are still indifferent to avail of Policy Loans despite the aggressive marketing of the workforce. In November 2023, the applicable interests on loans were reduced to make them more affordable to borrowers. We have yet to see the impact of this rate cut in the coming months. Nevertheless, the loan portfolio continues to be a major source of revenues for the Association and with an effective collection policy, the members can be assured of a ready credit facility to provide for their various financial needs.

(S4)	Dec. 31, 2023	Dec. 31, 2022
Income from Loans	30,109,480.37	29,773,085.16

There is also an enhanced effort to reduce Non-Performing Loans (NPL) and this is made possible thru foreclosure of real estate properties. Once the properties are foreclosed, either thru dacion or thru extra-judicial foreclosure, the parcels of land are offered for sale to a willing buyer for liquidation.

Members and Contribution 2023

Membership Overview

Demographics:

- As of December 2023, we have 127,782 members.
- Our members mostly consist of people from Bulacan, Pampanga and NCR.
- Age Range: 0 months–65 years old (insurable).
- Gender: 55% female, 45% male.

Members' contributions are vital to the company as they provide essential support that enables the Association to achieve its goals. The collective contribution funds the Association receives help fund investment opportunities, and as the said investment becomes fruitful, all members will benefit through dividends to their equity, hence the word "mutual benefit."

As the net of the contribution also called "equity" accumulates, the member can avail policy loan with low interest rate. If a member avail the said loan, he/she will have an additional interest rate together with a regular rate which was given annually.

With the invaluable help of our Area Representatives around Bulacan and nearby provinces, there is an increase of 14.5% in new members for the year 2023.