



**PRAXIS FIDES MUTUAL
BENEFIT ASSOCIATION, INC.**

***"PANANAMPALATAYA
AT PAGTULONG SA
KAPWA SA PAG-
UNLAD AT BIYAYA."***

**2022
ANNUAL REPORT**

MESSAGE from the CHAIRMAN

It has been years since the Covid-19 pandemic affected all of us. Some were directly hit by contracting the virus itself that led to sickness, and even the passing away in this world. Others were indirectly hit due to the circumstances that this pandemic entailed such as loss of employment and even met challenges especially as regards providing for the basic needs of every family. Livelihoods were severely affected. All of us, in one way or another, was immobilized physically by this unexpected turn of events. We, however, managed to continue with our lives, adapting to the so-called New Normal. But, one thing is for sure, the grace of God sustained us, even our Praxis Fides Mutual Benefits Association, Inc.

Praxis Fides MBAI met challenges that were significant enough to reach where we at present. Many of our members were tested in terms of their remittances primarily because of the immobilization due to lack of financial sources, if not loss of it. Despite this reality, our association, together with our officers and members, was able to find ways that would help sustain it. Right now, we are able to gradually return to our course of business. The pandemic may have brought challenges, but we took these tests as opportunities to continue growing and living up to our vision and mission.

We congratulate everyone for this victory, which we can never achieve without the help of everybody and above all, the providence of the Lord. Thank you every one for all the hard work. These efforts truly paved way to our success. I, as Chairman of the Board, extend my paternal blessings to all as we present our annual report.

Best regards to all!

Rev. Fr. Romualdo G. Go

Chairman of the Board
Praxis Fides MBAI



I. OUR ASSOCIATION

Praxis Fides Mutual Benefit Association, Inc. (the Association) was incorporated in the Philippines on February 17, 1987 as a non-stock, non-profit association. The primary objective is to promote brotherhood through mutual help and benefit among its member, encourage the habit of thrift and saving and to provide financial material (loan) aid and comforts to members and their families in cases of loss of life (insurance).

Each year, Praxis Fides MBAI Board of Trustees convenes to review the Association's Vision and Mission to reflect its aspiration in addressing the needs and demands of its members. Through strategic planning that was done last October 21-22, 2022. Collaborative ideas and comprehensive review of the strategic plans, the body unanimously agreed to maintain the following statements.

Vision Statement:

“Pinagsamang Yamang Tao, Buhay na Ganap ang Tungo.”

Praxis Fides Mutual Benefit Association is a leading church based financial intermediary in pursuit of total human development that is guided by the principles of faith and social entrepreneurship.

Mission Statement:

“Magtipon Tayo’t Mag-impok, Makatugon at Maglingkod.”

Praxis Fides Mutual Benefit Association, Inc. will be inclusive of Basic Ecclesial Community programs and strategies throughout Bulacan for membership expansions and initiatives.

Our Product

- **Basic Life Insurance Plan** – any individual with good health condition ages 0-54 can be a member of Praxis Fides MBAI.

Our Services

1. High interest for the net individual equity value according to the earnings of the association.
2. Life insurance of P30, 000.00 up to the maximum of P200, 000.00. If member is a minor the maximum life insurance is P10, 000.00. Contestability period is two years, if the member dies less than the contestability period, additional medical requirements are needed.
3. Lump sum Pay – one time released of contribution with earned interest.
4. Equity Loan – member can borrow up to 90% of their equity with low interest rate
5. Mortgage loan – member can also borrow big amount with collateral 40%-50% loanable for the estimated market value.

II. PRESIDENT’S REPORT.

Kalalagayan ng Praxis Fides Mutual Benefit Association, Inc.

Success can look very different from one small business to the next. But the positive impact of clearly defining what success means to us, and knowing how that can be measured, is something all businesses have in common.

For Praxis Fides MBAI the year 2022 is a result of mixed performances of the Association’s sources of income net of the effects of the Pandemic. There are many ways to track the business’s performance and it can be hard to know the most useful metrics to look at first.

In this Annual Report I pulled together some of the most commonly used financial and non-financial measures.

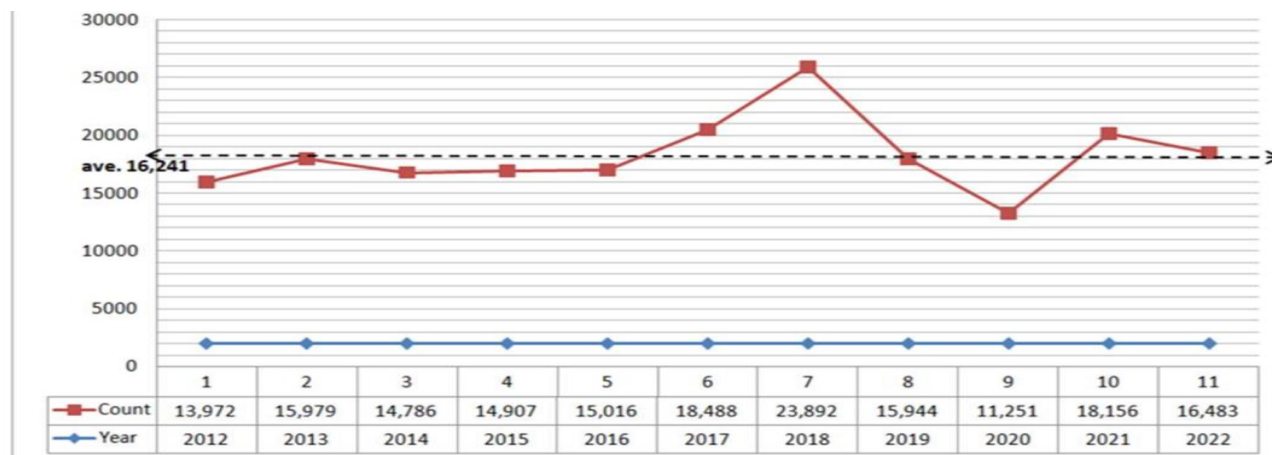
The Association for 2022 had a remarkable number of NEW PLANS SOLD @ 16,483 plans or 1,374 plans per month! This is a great achievement and accomplishment for the company in 2022! The Association has recognized 55 Agents who performed their bests in the collection and recruitment of fresh members.

<u>2022 NEW MEMS</u>		16,483	100.0%
NEW MEMS FROM BP_ARS		3,841	23.3%
AR	GOLD	14	
	SILVER	16	
	BRONZE	18	
AC	GOLD	3	
	SILVER	4	
		<u>55</u>	

The Association for 2022 although with a lower number of sold plans versus 2021@ 18,156, the 2021 high number of recruits were part of the irregular periods of recruitments during the locked downs. What is good to know is that there is an increasing trend from 2020’s experience of pandemics. While writing this report the Association’s current monthly average for new Members is @ 2,000. Although the pandemic is gone, there are still some PF Areas experiencing some other problems which affect the membership recruitment. Some of the top problems are old age among the Area Representatives and the flooding of areas due to occasions of high tide for longer period of hour every day.

People in these areas have limited opportunities to transact business with the community and neighbourhood.

The Association has released for the year 2022 P11, 280,000.00 for 280 death claims plus P500K for 14 Covid-19 related deaths. The 2022 figure as illustrated in the picture is lesser



than year 2021's experience wherein the Association released P9,835,000.00 for 281 deaths (not-related to Covid-19) plus P4,570,000.00 for 126 related to Covid-19 deaths. These comparative figures of Death Claims can still be classified as conservative mortalities because the association has retained some savings versus the gross premiums collected per respective year.

COVID IMPACT ON INSURANCE CLAIMS				
YEAR	COVID CLAIMS		TOTAL CLAIMS	
	COUNT	INSURANCE RELEASED	COUNT	INSURANCE RELEASED
2020	18	650,000.00	249	960,000.00
2021	126	4,570,000.00	281	9,835,000.00
2022	14	500,000.00	280	11,280,000.00
TOTAL	158	5,720,000.00	810	30,755,000.00
PERCENTAGE	19.51%		100.00%	

Withdrawal Record shows that for 2022, the Association's Total Amount of Equities Withdrawn is worth P79, 486,848.58 or a Monthly Average @P6.6M. This amount of withdrawal is classified into three ways a member may withdraw their equity. First, is during Plan's Maturity, a member withdraws his/her plan due to maturity or end of plan or insurance coverage. Second, is during Pre-Termination where in the member decides to withdraw and not finish his/her coverage period. The member gets the amount of equity and earnings as of time.

The third is during death of a member wherein the beneficiary receives the equity and earnings plus the life insurance coverage of the deceased member. The Amount of P79M is quite big upon looking at it first, but the association comparatively has received big P160M in-flows of cash for the year!

WITHDRAWALS FOR THE PAST 6 YEARS				
YEAR	MATURED	PRE-TERM	CLAIMS	TOTAL
2017	33,536,251.49	6,477,329.86	1,705,212.99	41,718,794.34
2018	30,065,757.51	11,232,494.39	1,788,893.52	43,087,145.42
2019	32,995,607.46	12,120,378.96	1,647,590.07	46,763,576.49
2020	23,004,499.60	20,091,479.72	2,628,947.56	45,724,926.88
2021	42,069,460.18	27,345,933.06	3,731,077.61	73,146,470.85
2022	49,092,786.30	27,799,635.39	2,594,426.89	79,486,848.58

Stable Equities of Members

In here, large portion of the equities of members remain un-borrowed by members. Only 20.5% of the P750M Total Equities of PF Memberships are being borrowed by the participating members. They use it for education, additional capital, house improvement or repair, medication, hospitalization, etc. The Association, with financial assistance to its members worth P136M are being used for House Construction, Hospitalization, and Additional Capital in Business, Education, etc. The P460M figure shows that Praxis Fides MBAI’s majority of members are on a stable financial status who manage well their finances parallel with the forced savings required by the Association.

TOTAL EQUITY (130,574 PLANS)	750,116,988.61	100%
POLICY_LOANS (14,898 PLANS)	153,749,410.78	20.5%
MORTGAGE_LOANS (154 ACCTS) 59 ACCTS NPL 35,226,124.23	136,287,701.48	18.2%
UNUSED EQUITIES	460,079,876.35	61.3%

Statements of Comprehensive Income for 2022

The Association's income for 2022 is @P48, 350,197.00 as stated in the earlier paragraphs; the previous year's performance was a mixture of the effects of pandemic periods. The Association's income is very much affected by the decreases in prices of investments under the financial assets at fair values! A P18, 958,863.00 "Comprehensive losses" decreased the operating income of PFMBAI. PFMBAI is one of the Insurance Commission Regulated Entities (ICREs) which comply with the PAS 19 Ruling governing the valuation of its financial assets.

In 2022, measuring the Association's business health and making use of the financial metrics are a great place to start. There were a whole range of financial KPIs that we tracked on. They range from simple measures like net profit to more complex ones like average number of deaths per Area per AR. In view of this, the Association has experienced limitations from engaging in businesses that could earn better returns.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.			
<i>(A Non-Stock, Non-Profit Organization)</i>			
STATEMENTS OF COMPREHENSIVE INCOME			
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021			
<i>(Amounts in Philippine Peso)</i>			
		2022	2021
REVENUES			
Member's contribution	P	174,614,717	P 189,187,871
Interest income on:			
Loans		19,390,511	20,404,785
Investment securities and deposits with banks		12,638,350	12,476,193
Service charges and fees		5,242,727	5,405,264
Gain on sale of financial assets at fair value through profit or loss		1,434,831	5,906,225
Membership fees		825,550	907,850
Fair value gain on financial assets at fair value through profit or loss		-	-
Others		10,655,087	27,415,723
		<u>224,801,773</u>	<u>261,703,911</u>

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Amounts in Philippine Peso)

	2022	2021
EXPENSES		
Allocation for liability on individual equity value	113,686,749	131,718,587
Increase in reserve for basic contingent benefit	152,952	44,487
Operating expenses	38,952,109	42,772,927
Benefit expenses	11,280,000	16,780,000
Fair value loss on financial assets at fair value through profit or loss	18,958,863	4,559,664
	<u>183,030,673</u>	<u>195,875,665</u>

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Amounts in Philippine Peso)

	2022	2021
PROFIT BEFORE TAX	41,771,100	65,828,246
TAX EXPENSE	407,705	1,750,807
NET PROFIT	41,363,395	64,077,439
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Actuarial loss of post-employment defined benefit obligation	(211,560)	-
Remeasurements of post-employment defined benefit obligation	7,198,362	110,948
	<u>6,986,802</u>	<u>110,948</u>
TOTAL COMPREHENSIVE INCOME	P 48,350,197	P 64,188,387

See Notes to Financial Statements.

The Association's Statement of Financial Condition (The Balance Sheet)

The decrease in Total Assets in 2022 versus 2021 is due to the following favourable accomplishments of the Association. Although a decrease in Assets is not a good indicator, the reasons of decrease are justifiable that it should be done in the year 2022. First, a decrease in Liabilities worth P11.5M due to reclassification of the ARs Fund being an amount that should not be included inside the books of the Association, because AR's Fund contributions are wholly from the Area Representatives and no portion of it comes from the Association. Second is the decrease in the Matured Accounts worth P11M. These matured accounts are required by the IC Auditors to be released to non-members. Matured plans are no longer insured and should be taken from the Individual Equity Value Account which is an exclusive account for active members only.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.			
<i>(A Non-Stock, Non-Profit Organization)</i>			
STATEMENTS OF FINANCIAL POSITION			
DECEMBER 31, 2022, and 2021			
<i>(Amounts in Philippine Peso)</i>			
		2022	2021
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	P	185,078,286	P 212,937,172
Short-term financial assets		76,577,126	77,029,027
Loans and other receivables		235,351,905	258,723,297
Financial assets at amortized cost		31,739,555	45,921,024
Financial assets at fair value through profit and loss		315,554,440	295,844,674
Other current financial assets		3,573,591	-
Prepayments		843,117	783,502
Total Current Assets		848,718,020	891,238,696

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.			
<i>(A Non-Stock, Non-Profit Organization)</i>			
STATEMENTS OF FINANCIAL POSITION			
DECEMBER 31, 2022, and 2021			
<i>(Amounts in Philippine Peso)</i>			
		2022	2021
NON-CURRENT ASSETS			
Long-term financial assets		69,664,856	52,664,856
Loans and other receivables		60,291,545	79,519,878
Financial assets at fair value through other comprehensive income		82,650,000	50,650,000
Property and equipment		13,633,115	14,964,296
Investment property		76,012,770	75,592,563
Other non-current financial assets		2,145,412	-
Total Non-current Assets		304,397,698	273,391,593
TOTAL ASSETS	P	1,153,115,718	P 1,164,630,289

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.			
<i>(A Non-Stock, Non-Profit Organization)</i>			
STATEMENTS OF FINANCIAL POSITION			
DECEMBER 31, 2022, and 2021			
<i>(Amounts in Philippine Peso)</i>			
		2022	2021
NON-CURRENT LIABILITIES			
Accounts payable and other liabilities		-	4,350
Retirement benefit obligation		-	7,543,695
Members' equity contributions		-	7,548,045
Total Non-Current Liabilities		-	7,548,045
Total Liabilities		748,497,440	758,243,256
FUND BALANCE			
Free and unassigned fund balance		330,873,311	290,473,424
Assigned fund balance		73,956,527	123,111,971
Accumulated other comprehensive loss	(211,560)	(7,198,362)
Total Fund Balance		404,618,278	406,387,033
TOTAL LIABILITIES AND FUND BALANCE	P	1,153,115,718	P 1,164,630,289

See Notes to Financial Statements.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.		
<i>(A Non-Stock, Non-Profit Organization)</i>		
STATEMENTS OF FINANCIAL POSITION		
DECEMBER 31, 2022, and 2021		
<i>(Amounts in Philippine Peso)</i>		
	2022	2021
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable and other liabilities	P 9,323,299	P 20,822,697
Liability on individual equity value	699,743,289	678,771,251
Basic contingent benefit reserve	1,491,894	1,338,942
Claims payable on basic contingent benefit	2,445,000	3,125,000
Other benefits on basic policies	35,467,374	46,516,688
Income tax payable	26,584	120,633
Total Current Liabilities	748,497,440	750,695,211

PF Memorial Lots

The Association's investment in Memorial Lots earned already P2, 436,164.00 from the sold 117 units. The remaining 94 units now priced and valued @P11, 028,840.00 will give at present a P6, 080,122 profits versus its original cost @P4, 948,718.00. As Praxis Fides MBAI provides life insurance coverage for its members the need to have available memorial lots for its members becomes a necessity too. The members residing in the areas of Malolos, Guiguinto and Plaridel are the nearest customers/clients being favoured by this investment.

IC Verification of the 2021 Annual Statements (AS)

PF MEMORIAL LOTS								
2013 ACQUIRED UNITS			SOLD UNITS			REMAINING UNITS		
#	LAWN LOTS	COST	#		SALES	#		CURRENT SP
195	34,792	6,784,440	111	5,770,425	5,770,425	84	2,922,528	7,006,440
13	202,619	2,634,047	3	945,228	945,228	10	2,026,190	4,022,400
3	185,226	555,678	3	555,678	745,958	0	-	-
211		9,974,165	117	5,025,447	7,461,611	94	4,948,718	11,028,840
y					2,436,164			6,080,122
								85.38%

Contained in the IC Verification Letter sent to PFMBAI last Mar 01, 2023, the Association's Admitted Assets closing figure is @P1,001,871,164.78. This figure is net of non-Admitted Assets (NAA) and the Association Capital Adequacy Ratio @234%. The Total Liabilities amounted to P762, 902,379.67 or 76.15% versus the Total Admitted Assets and the Total Fund Balance is P238, 968,785.11 or 23.85% versus the Total Admitted Assets.

Under the Liabilities is the Individual Equity Value Account amounting to P683, 427,474.79 while the Amount of Free & Unassigned Fund Balance is @ P133, 055,176.11.

The Association's Guaranty Fund amount in 2022 ended @P34, 000,000.00. The association's Guaranty Fund is compliant with the Minimum requirement @P12.5M per company.

01 March 2023

MR. GENER C. LUCIANO
 President
PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
 35 Paseo del Congreso, Catmon
 City of Malolos, Bulacan
praxisfides@gmail.com

SUBJECT: Verification of the 2021 Annual Statement (AS)

Dear **Mr. Luciano**:

This refers to your email dated 14 February 2023, confirming that the Association have no further comments on the figures in the working balance sheet and other financial schedules attached to our letter dated 30 January 2023.

Your concurrence with the figures in the Working Balance Sheet and Risk-Based Capital ratio computation as of 31 December 2021 shall serve as the basis of the final balances of the 2021 AS.

In view of the foregoing, the verification of the 2021 AS is now considered closed.

Thank you.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION INC.		
FINAL BALANCE OF THE ANNUAL STATEMENT		
AS OF 31 DECEMBER 2021		
ADMITTED ASSETS		
Cash and Cash Equivalent	-P-	212,937,172.00
Financial Assets at Amortized Cost (FAAC)		98,585,880.32
Financial Assets at Fair Value (FAFV)-Other Comprehensive Income		50,124,900.00
Financial Assets at Fair Value (FAFV)-Profit and Loss (P&L)		292,850,674.00
Accrued Income		25,023,010.58
Short-term Financial Assets		77,029,027.00
Loans Receivables-NET		166,282,132.30
Investment In Property-NET		58,191,093.00
Property and Equipment-NET		6,615,643.00
Other Non-Current Assets		14,231,631.68
TOTAL ADMITTED ASSETS	-P-	1,001,871,164.78

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION INC.		
FINAL BALANCE OF THE ANNUAL STATEMENT		
AS OF 31 DECEMBER 2021		
LIABILITIES		
Liability on individual equity value	-P-	683,427,474.79
Basic contingency benefits reserve		1,338,942.00
Claims payable on basic contingent benefit		3,125,000.00
Other Benefits on Basic Policies		46,516,687.00
Accounts Payable		17,472,577.00
Accured Expenses		3,473,653.00
Net Pension Liability		7,543,695.00
Other Long-Term Liabilities		4,350.00
TOTAL LIABILITIES	-P-	762,902,379.67

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION INC.		
FINAL BALANCE OF THE ANNUAL STATEMENT		
AS OF 31 DECEMBER 2021		
FUND BALANCE		
Free and Unassigned Fund Balance		133,055,176.11
Assigned Fund Balance		
Funds Assigned for Guaranty Fund		34,000,000.00
Funds Assigned for Member's Benefit		79,111,971.00
Revaluation Increment (net of charges)		(7,198,362.00)
TOTAL FUND BALANCE	-P-	238,968,785.11
TOTAL LIABILITIES AND FUND BALANCE	-P-	1,001,871,164.78
ADDITIONAL INFORMATION		
Capital Adequacy Ratio, as prescribed under existing regulations		234%



PEOPLE (Non-Financial Performance Indicators)

Praxis Fides MBAI's Programs under People Management covered at least seven (7) major activities involving the workforce, the employees, and members of the board of trustees. The following were accomplished in 2022:

- I. Two (2) Cluster Team Buildings were done in 2022. The first one was participated by the Area Representatives (AR) and Area coordinators (AC) from the Areas of Bocaue1&2, Marilao, Balagtas 1&2, and Valenzuela, while the second group was participated by the Areas of Malolos, Calumpit, Hagonoy and Paombong;
- II. A New Table of Organization (New TO) for PF is a combined accomplishment of the board's Compensation Committee and the Management. Under the New Table of Organization the Association recognized four Operational Divisions such as the Sales & Marketing Services Division, the Administrative & Support Services Division, the Financial Management Services Division, and the Comptrollership Division;
- III. The Spiritual Gifts;
- IV. Corporate Social Responsibility (CSR) programs;
- V. Outreach Activities by BOTs, Employees and Areas;
- VI. The Performance Grading System (PGS) aligning the company targets while measuring employees performances.
- VII. Aside from the above mentioned programs, the Association has conducted its Strategic Planning 2022 with Four (4) Major concerns in the next three (3) years such as:
 1. Presence of Quality ARs, Improved Position of PF in the Market, Succession Planning, Policy Loan Program;
 2. System Upgrade for Accounting, Membership, Collection and Remittance;
 3. Increase Income to provide higher dividends to members;

4. Trainings, Values Formation, & The Charisms – thru Spiritual Gifts Inventory

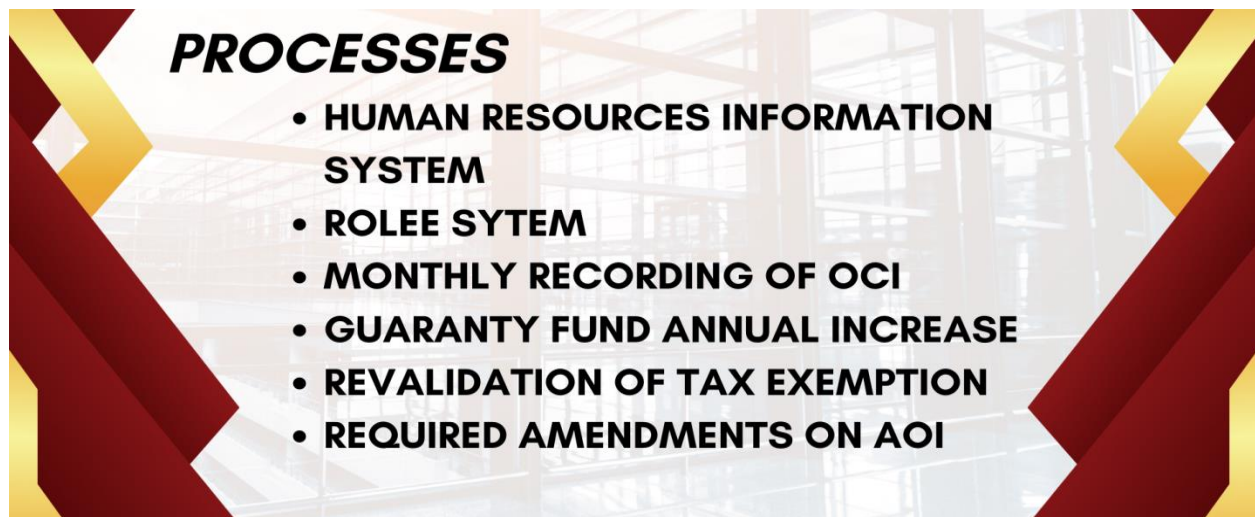
PEOPLE

- **CLUSTER TEAM BUILDING - BOC AND MAL**
- **NEW TABLE OF ORGANIZATION (TO)**
- **SPIRITUAL GIFTS (SG)**
- **CSR - KABUHAYAN, KALUSUGAN, KABAHAHAN, KAALAMAN - FUND DRIVE**
- **OUTREACH ACTIVITIES**
- **PERFORMANCE GRADING SYSTEM**

STRATEGIC PLANNING 2022

- **QUALITY ARS, IMPROVE POSITION IN THE MARKET, SUCCESSION PLANNING, POLICY LOAN PROGRAM;**
- **SYSTEM UPGRADE FOR ACCTG, MEMBERSHIP & COLLECTION AND REMITTANCE;**
- **INCREASE INCOME TO PROVIDE HIGHER DIVIDENDS TO MEMBERS;**
- **TRAININGS, VALUES FORMATION, SPIRITUAL GIFTS**

INTERNAL PROCESSES



Among the desired improvements under the Association's Internal Processes the following are included in the line-up:

- I. The Human Resource Information System (HRIS)- this is a functional HR tool that helps facilitate computation and payments of Mandatory Social Obligations of the Association;
- II. The Rolee System, is an Accounting System that shall provide real-time financial statements of the association;
- III. The Monthly Recording of Other Comprehensive Income (OCI) figures derived from subtracting the amount of decreases in the values of investments in financial assets subject to Fair Value Losses;
- IV. The Guaranty Fund Annual Increase as required by the Insurance Commission;
- V. The periodical Revalidation of the Association's Tax Exemption is one of the BIR's requirements for associations belonging in the group of Mutual Benefit Associations (MBAs) to continue tax exemption on main products;
- VI. The Amendment of the Association's Articles of Incorporation (AOI). The BIR required the Association to include: "That in case of dissolution, its assets shall be distributed to one or more entities formed for the purpose/purposes similar to its own, or to the Philippine government for public purpose." The amended copy of the Association shall form part of the requirements of the Tax Exemption Revalidation.

The Risk Based Capital (RBC) Ratio. (Financial Performance Indicator)

RISK BASED CAPITAL (RBC)				
YEAR	2021	2020	2019	2018
ASSET PER YEAR	1,164,630,288.95	1,125,433,564.98	1,062,047,691.00	954,664,582.35
RBC RATIO				
PASSING RATE: 125%				

A four (4) year comparative RBC ratio was presented during the association's AGM. The Insurance Commission's latest completed audit was 2021 with a 234% RBC score for the Association! In previous year's scores were 229%, 191%, and 177% for the years 2020, 2019 and 2018 respectively. The picture presented an increasing RBC score which is favourable for the association.

This RBC score reflects the Association's Capital Adequacy a capacity to answer for its obligations. The Association looks for ways to eliminate the presence of Non-Admitted Assets (NAA) from the roster of problematic mortgage loan accounts. The problematic mortgage loan account's interest income receivable plus the principal amounts not being paid but released to the non-performing borrower form part of the NAAs of the Association.

The Association puts measures to control these kinds of financial risks by including each of the encountered problems to every Officers/BM meetings and Area meetings. There is also the presence of the Board Risk Oversight Committee (BROC) which after thorough evaluation of every problem applies resolutions and recommends policies. This BROC along- side with the Audit Committee handle financial and non-financial risks control programs which the association projects that by the year 2025, Praxis Fides MBAI is a Risk-free company by this time!

Equity For Earnings For Withdrawing Members

For the year 2022, the association's Eq_For Earn is P 724,766,196.61 this amount gets an across the board 3.25% worth P23, 554,901.39. While for the participating plans the extra rate approved by the general body is an additional 1% equivalent to P5, 652,557.71. The participating plans get additional 2.50% worth P3, 987,760.63. The conservative total earnings of the Association free to be distributed for withdrawing plans is @P 33,195,219.74.

EQUITY FOR EARNINGS FOR WITHDRAWING MEMBERS			EARN
EQ_FOR EARN	724,766,196.61	3.25%	23,554,901.39
PARTICIPATING	159,510,425.33	2.50%	3,987,760.63
NON-PARTICIPATING	565,255,771.28	1.00%	35,652,557.71
			33,195,219.74

The 74th Anniversary Celebration of the Insurance Commission (IC)

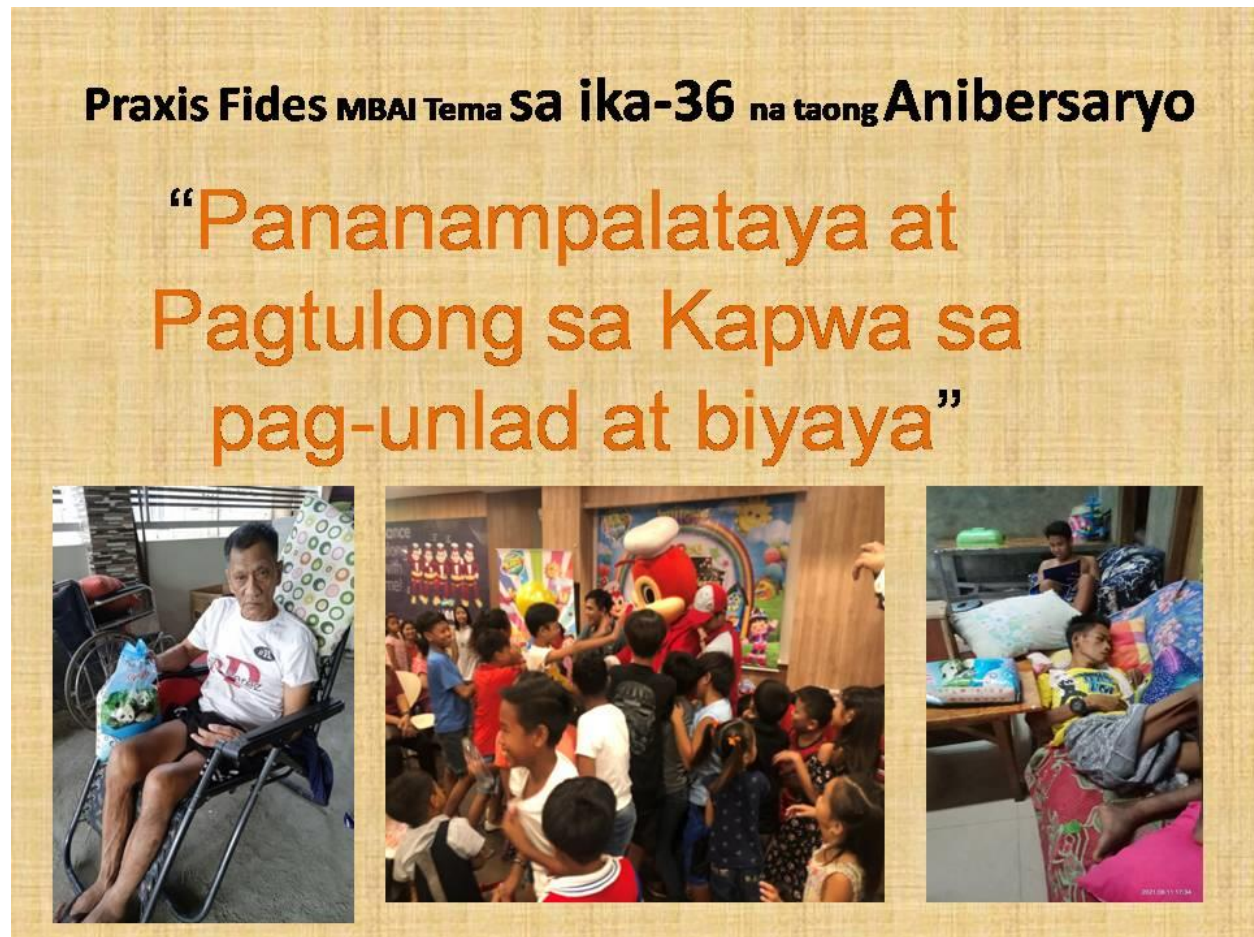
The Insurance Commission’s theme for its 74th Anniversary Celebration is “Reigniting the Industry Towards a Resilient Community”. This proves that the insurance industry’s market specifically those in the grass roots form part of the better market. Better market means that sustainability is possible and strong at this level. The presence of pandemic periods in the previous year’s made the Insurance Commission Regulated Entities (ICREs) more aware that insurance coverage offered to the localities and communities are more sustainable with trust and willingness to continue coverage more than those not belonging to a common group or community.

74th Anniversary Celebration of the Insurance Commission



The ICREs were advised by the Commissioner that the Insurance Commission's Office itself supports each and every one of the ICREs. Regulatory compliances requirements and the stability of the ICREs are among the top priorities of the Commission as well.

PF Theme for its 36th Founding Anniversary



The Association, for its 36th Founding Anniversary and the Annual General Meeting (AGM) has for its theme “Pananampalataya at Pagtulong sa Kapwa sa Pag-Unlad at Biyaya”.

At least four (4) major priorities were discussed during the occasion such as:

GMK – [Pananaw ng Ganap-na-Makataong-Kaunlaran] which puts first among the priorities the “total human development” of each member.

TIB – [Tipid-Impok-Bahagi, as Ugali] One needs not just to know but live the habit of thrift and savings.

LKP – [Pagsulong ng Lakas-Kakayahang-Pantao as side mission] People Empowerment which starts to living with our faith, and guided by our faith. Everyone is capable of helping others while discovering the hidden gifts within ourselves. This Spiritual Gifts make us live closer with our God by experiencing these gifts towards our neighbour. Also included here is to become

Missionary Apostles and Intentional Disciples. Helping our neighbour favors not only the recipient but also the one who extends help to others. This value of helping others is a trait we must insist to spread and be practiced by our family and within our families. We become good Christians while doing Christ-like actions. We think for the betterment of oneself, of others and we choose to do what is good and best for them.

To eradicate poverty is one top timely mission of the Association. The other targets to be given preferential attention include the following: giving additional capital, complete education, unemployment, life insurance, medical assistance, and spiritual knowledge & soul upliftment.

The Association stands firm to its mission and vision. Everyone is entitled and has the right for the gifts of life! The Spiritual Gifts Inventory towards identifying the charisms innate to everyone leads one’s life to holiness!

CORPORATE GOVERNANCE

Board of Trustee

Praxis Fides Board of Trustees is composed of seven (7) non executives. This body sets the tone in upholding the principles of sound corporate governance by responsibly governing, controlling, and managing the affairs, funds, and property of the Association. Trustees of Praxis Fides MBAI are all considered Independent Trustee because they don’t have any material interest in the Association.

Board Performance

For the year 2022, records of attendance of regular and special board meetings. A formal and rigorous annual evaluation of the Board’s own performance and that of its committees and individual trustees was done on December 10, 2022.

Attendance of Board 2022

TRUSTEE	DESIGNATION	ANNUAL MEETING	ORIENTATION MEETING	REGULAR MEETING	%
FR. ROMUALDO GO	CHAIRMAN	YES	YES	13	100%
JULIETA V. CRUZ	VICE-CHAIRMAN	YES	YES	13	100%
ALLAN MARTIN	TREASURER	YES	YES	13	100%
MARIA ESTELA SANTOS	SECRETARY	YES	YES	12	92%
VIRGINIA SACLOT	AUDITOR	YES	YES	13	100%
LIBERTY MANDIA	INDEPENDENT TRUSTEE	YES	YES	13	100%
EMILIA PASCO	INDEPENDENT TRUSTEE	YES	YES	13	100%

Schedule of meetings for the year 2022 was scheduled during their organizational meeting.

SCHEDULE OF MEETINGS	
REGULAR	SPECIAL
APRIL 26 , 2022	MAY 27, 2022
JUNE 28, 2022	JULY 29, 2022
AUGUST 26, 2022	SEPTEMBER 30, 2022
OCTOBER 27, 2022	NOVMBER 24, 2022
DECEMBBER 10, 2022	FEBRUARY 10, 2023
JANUARY 30, 2023	

Remuneration Policy for the Board and the President

The Trustee, Board Committee members, Area Coordinators, and Advisers do not receive any compensation for their services, what is only given is per diem for every special and regular meeting to cover the gasoline and transportation expenses they have incurred. Monthly honorarium is also given depending on the position and responsibilities they held in the Association. A total of Php 610,750.00 was released for their special and regular meetings.

April 2022-Feb2023	TOTAL
FR. ROMUALDO C. GO	93,250.00
JULIETA B. CRUZ	89,375.00
MA. ESTELA T. SANTOS	83,250.00
ALLAN C. MARTIN	87,500.00
VIRGINIA B. SACLOT	89,250.00
EMILIA M. PASCO	87,250.00
LIBERTY M. BARDINAS	80,875.00

The President receives a monthly compensation equivalent to One Hundred Twenty Seven Thousand Three Hundred Sixty Pesos (Php 127,360.00) based on the salary grade duly approved by the Board of Trustees of PFMBAI.

Board Continuing Education

Members of the Board of Trustee and Key Officers undergo a yearly orientation seminar, corporate governance seminar as well as IC-mandated trainings and seminars.

BOARD COMMITTEES

Below are the Board committee's composition and their members' participation in committee meetings and the matters discussed by each Committee in 2022.

Audit Committee

The Audit Committee has been formed to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Committee provides internal audit service, monitor the adequacy and effectiveness of the internal control manual of the Association and directly accountable to the General Membership.

For the year 2022, the committee held eight (8) meetings to discuss and approve the following matters:

- Review and approval of the Annual Financial Statements 2022 which was release on April 30, 2022.
- Review and approval of the external auditor. The AMC & Associates the external auditor of the Association was seeking re-appointment for the year 2021. Audit annual fee is One hundred twenty five thousand pesos (P125, 000.00) exclusive of value added tax and out of pocket expenses.
- Review and approval of non-audit services of the external auditor.
- Initial findings of Internal Auditor
- Review and approval of new system.

Through these meetings, the Committee performs its role of providing internal audit service to the Association and the test the effectiveness of the internal control manual.

Committee Member	Designation	Meetings Attended	% of total meeting
Virginia Saclot	Chairperson	8	100%
Eufrocina Cabuhat	CAE	8	100%
Allan Martin	Member	8	100%
Angelica Antonio	Member	8	100%
Ellaine Carla Pasco	Member	8	100%

Nomination and Election Committee

The Nomination Committee has been established to support the board of trustees in fulfilling its fiduciary duties to select the best-qualified candidates for the board of trustees and to appoint the senior management positions.

The Committee shall provide policy and processes on the selection of board of trustees, election policy and selection of key officers of the association.

For 2022, the committee held two (2) meetings with the following agenda.

- Review of the Election Rules and Guidelines, policy and process
- Screening of potential BOT Candidates.

Committee Member	Designation	Meetings Attended	% of total meeting
Ma. Estela Santos	Chairperson	2	100%
Emilia Pasco	Member	2	100%
Eugenia Montefalcon	Member	2	100%
Bernadette de Guzman	Member	2	100%
Romualdo Go	Member	2	100%

Board Risk Oversight & Related Party Transaction Committee

The Committees is responsible for oversight of the company's Enterprise Risk Management (ERM) framework that will effectively identify, monitor, assess and manage key business risk. The risk management framework shall guide the Board in identifying enterprise-level risk exposures, as well as the effectiveness of risk management strategies. The Committee is also responsible for defining the Company's level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability. The same committee members are responsible for reviewing related party transactions of the association.

Last year, the committee held five (5) meetings with the following agenda.

- Board Risk Oversight Committee Charter
- Financial Risk Analysis of Current Business Model
- Liquidity Risk (RBC Ratio)
- Loans and Collection Flowchart and Policy Procedure
- Non- Performing Loans' status

- Drafting of Related Party Transactions Charter and review of all material transactions.

Committee Member	Designation	Meetings Attended	% of total meeting
Liberty Bardinás	Chairperson	5	100%
Maria Mae Joaquin	Chief Risk Officer	5	100%
Romualdo Go	Member	2	40%
Julieta Cruz	Member	5	100%
Leonora San Juan	Member	4	80%
Virginia Saclot	Resource Person	3	60%

Risk Management Objective and Risk

Praxis Fides MBAI is exposed to a variety of financial risks in relation to financial instruments. The main types of risk are market risk, credit risk and liquidity risk. The Association's risk management is coordinated with the Board of Trustee and focuses on actively securing the Association's short- to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns. The Association does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Association is exposed to are described below.

- **Market Risk**

The Association is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks which result from both of its operating and investing activities.

- A. Foreign Currency Sensitivity**

The Association has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, its functional currency.

- B. Interest Rate Sensitivity**

The Association's policy is to minimize interest rate cash flow risk exposures on long-term financing. The Association is exposed only to changes in market interest rates through its cash and cash equivalents, short-term investments and Financial Assets at amortized cost as there are no existing bank borrowings. All other financial assets (such as loans and other receivables) and financial liabilities (such as accounts payable and other liabilities) have fixed interest rates.

- **Credit Risk** Credit risk is the risk that the counterparty fails to discharge and obligation to the Association. The Association is exposed to this risk for various financial instruments,

for example by granting loans and receivables to borrowers, placing deposits and investments in bonds

➤ **Liquidity Risk**

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Association's inability to meet its obligations when they fall due without incurring unacceptable losses or costs.

The Association's Management Committee is responsible for the overall management and oversight of the Association's liquidity profile, while the day to day management of liquidity is assumed by the Finance Department. A cash flow mismatch analysis is used to measure the Association's liquidity. A maturity ladder is constructed to determine the cumulative net excess or deficit of funds at appropriate time bands. Net cumulative outflow limits have been put in place to ensure that the Association's funding requirements are not strained.

SUSTAINABILITY REPORT

A. ECONOMIC

Measuring Business Financial Performance

Having clear goals allow us to set clear targets or key performance indicators (the KPIs). These targets should be made clear to everyone in the association to know what their role is in helping to make it succeed. Knowing how different areas of your business are performing highlight the areas of strength and weakness, and lets you know what changes you need to make along the way. Under the FINANCE Perspective it is very timely that the Association's inflows is @P160M for 2022 with its Withdrawal Amount ranging only @P79.4M. The Association has its strength of being prepared to sustain the maturities of plans and the occurrence of pre-terminations which is very much expected in time of catastrophes like the pandemic.

Anti-corruption Policy

Praxis Fides MBAI shall create a grievance committee to accommodate feedbacks, complaints and make policies and procedure to handle complaints. The association encourages all the stakeholders to communicate freely their concerns and complaints about unethical or illegal practices and transactions.

Protecting the Whistle-blower

The Association ensure that the rights of the complainant will not be compromised and the association shall take all proper measures to ensure the stakeholders who reported the feedback or complaint are protected. The Board of Trustees shall review and resolve all feedbacks and complaints. A yearly review or orientation to the employees shall be conducted

for them to be aware of illegal practices and know what they should do if they encounter such practices.

Handling of complaint

Complaints are handled by the under the Corporate Governance Committee which then conducts initial investigation and/or inquiry for non-compliance with or violation of the Code of Ethics and Conduct, and other illegal or corrupt practices. The Committee then submits its investigation report and recommendations to the Board, for appropriate action. For complaints against Praxis Fides MBAI employees related to its value chain, the President of the Association has been authorized to receive complaints. Submission of complaints may be in confidence or anonymous. Below is the PFMBAI President's contact information:

Mr Gener C. Luciano – President
Landline: **044 791 3558**
Mobile No.: **0945-881-2502**
Email Address: gener_luciano@yahoo.com

B. ENVIRONMENT

Environment-friendly Value Chain

The Association strives to perform regular assessments of its policies, procedures, processes and systems involving not only its officers, members, and employees, but also its suppliers, partners, and contractors, to ensure that these are environment-friendly and promote environmental sustainability.

Praxis Fides MBAI declares that its business operations do not negatively affect the environment, and that it commits to do its part in promoting environmentally-sound business practices. This includes recycling of office supplies and materials. In 2022, to reduce paper consumption, the use of electronic means of reporting has been adopted

C. SOCIAL

Programs for Members' Welfare

As the Philippine economy continues to recover from the Covid-19 pandemic, Praxis Fides MBA has been resilient in facing the odds and dealing with the challenges of the past year. Amidst rising inflation rates and recurring threats of Covid-19, the company remained steadfast in promoting Corporate Social Responsibility (CSR) initiatives that will benefit their members especially the less privileged.

Health is a fundamental concern of an individual but some people tend to ignore the importance of taking care of one's health. For this reason, Praxis Fides MBAI sponsored the distribution of Vitamin C with Zinc to a large number of beneficiaries to promote health

awareness and to ensure the recipients were provided with supplements to help them beat the spread of the deadly virus over and above the vaccination drive of the government.

On the economic aspect, Praxis' vision has always been to improve the living standards of its members. To realize this vision, the company released a second tranche of interest-free loans given to selected members with existing small businesses. The financial assistance package was actually a short-term loan to be returned at zero interest over a period of six (6) months. The beneficiaries of this program were mostly small vendors and the amount given to them may not be substantial but surely helped them sustain their daily operations.

Finally, as a token of appreciation for the members of the clergy who served the Association as Members of the Board of Trustees, Praxis Fides MBAI gave a cash donation to the Diocese of Malolos to support the construction of a retirement home for retired priests of Bulacan. This was personally handed over to Most Rev. Dennis C. Villarojo, D.D., Bishop of Malolos with a promise for additional support in the future.

So through all the ups and downs, Praxis Fides MBAI is committed not only to become a leading financial institution but almost always, there is the desire to share and make an impact on the lives of people who believe in the ideals of the organization.

THE MANAGEMENT

For 2022, Praxis Fides Mutual Benefit Association, Inc. has done efforts to support the success of its employees and also helped them to meet the business goals for which they are responsible. Selected key employees (the DCs and BMs) and senior members of the workforce participated in the Strategic Planning of the association held in October 20-21, 2022 which developed their potentials and maximized their contributions to the organizational success. Key success elements for effective employee management consist of recruiting the right people, building relationships, and establishing a consistent employee management process.

Training. Providing the necessary training and seminars to help employees develop their God-given abilities and advance their skills in their area of specialization is one of PFMBAI's objectives. Recruitment, Product Knowledge, and Accurate & Timely Remittance Procedures are among the top concerns of Trainings and Re-trainings. At least two (2) Cluster Team Buildings were accomplished to uplift the performances of Bocaue & Malolos Clusters.

STAFF	TRAINING/ SEMINAR	CONDUCTED BY	INCLUSIVE DATES	NO. OF HOURS	VENUE
Emil John Edejer	MasterClass 3.0 - Online Session on LeaderShift Navigating the Transition from Staff Member to Supervisor	Ariva Academy Learning Development At Its Finest	18-Feb-22	4 Hours	VIA ZOOM
Dennis De Guzman	MasterClass 3.0 - Online Session on LeaderShift Navigating the Transition from Staff Member to Supervisor	Ariva Academy Learning Development At Its Finest	18-Feb-22	4 Hours	VIA ZOOM
Rafael Morales	MasterClass 3.0 - Online Session on LeaderShift Navigating the Transition from Staff Member to Supervisor	Ariva Academy Learning Development At Its Finest	18-Feb-22	4 Hours	VIA ZOOM
Mark Noel Gasis	MasterClass 3.0 - Online Session on LeaderShift Navigating the Transition from Staff Member to Supervisor	Ariva Academy Learning Development At Its Finest	18-Feb-22	4 Hours	VIA ZOOM
Maricel Samson	Corporate Secretary as Corporate Governance Professionals	Institute of Corporates Directors	June 16-17, 2022	8 Hours	VIA ZOOM

STAFF	TRAINING/ SEMINAR	CONDUCTED BY	INCLUSIVE DATES	NO. OF HOURS	VENUE
Simpson Marlon Raymundo	First Aid Training (First Aider Training with BLS CPR)	Prompt Care EMS Training Academy Inc	June 23-24,2022	16 Hours	VIA ZOOM
Aurea Lor Angelo	MasterClass 3.0 18th Hitting Targets through Innovative Collection and Receivables Strategies	Ariva Academy Learning Development At Its Finest	31-Aug-22	5 Hours	VIA ZOOM
Maria Mae Joaquin	MasterClass 3.0 18th Hitting Targets through Innovative Collection and Receivables Strategies	Ariva Academy Learning Development At Its Finest	31-Aug-22	5 Hours	VIA ZOOM
Jasper Jose	MasterClass 3.0 18th Hitting Targets through Innovative Collection and Receivables Strategies	Ariva Academy Learning Development At Its Finest	31-Aug-22	5 Hours	VIA ZOOM
Giselle M. Cruz	Tax Updates Seminar for Bulacan Businesses	Bulacan Chamber of Commerce and Industry	25-Apr-22	2 Hours	VIA ZOOM

Retirement Benefits. The Association's Board of Trustees did not authorize our transition to the new retirement package, generally known as the Retirement Pay Law or R.A. 7641, until December of last year, having a January 2023 effective date.

Workplace Condition. Striving for a better workplace condition compared from the pandemic period in 2020-2021, the Association took the opportunity to upgrade and enhance the Praxis Fides MBAI Head Office giving the employees access to new and improved facilities. On top of these, the emergency exit door was replaced in compliance with the Bureau of Fire Protection (BFP) standards for better protection and security of the employees.

New Table of Organization. Knowing each of the Key Officers strengths in the workplace had helped them position themselves in a team; they shared better decisions as an individual and also advanced their respective careers. Their key qualities let them differentiate themselves from colleagues in certain situations, while highlighting their strengths is an essential part of succeeding in their assigned division. The top management take note of employee strengths to find roles that best suit their abilities, which lead to promotions. There are four (4) acting Division Chiefs namely Ms Maricel Samson for Administrative & Support Services Division, Ms Bernadette De Guzman for Sales & Marketing Services Division, Ms Rosanna Jose for Financial Management Services Division, and Ms Ellaine Carla Pasco for Comptrollership Division.

Strengths in the workplace describe the aptitudes that employees have that are specific to themselves. This includes soft skills that are transferable across different professions and divisions, making them an indispensable asset to showcase for future business of the company. Because of their individual workplace strengths it helped foster a collaborative environment and improved the overall efforts of the association.

Discipline. An employee with discipline rarely wavers from their duties, which is pivotal to the consistent success of a company. Punctuality, diligence in work carried out and sticking to schedules are all parts of what makes discipline an excellent strength for an employee to have. For 2022, PF Employees showed a great effort & commitment to the job, which is something that any employer is often glad to see from their staff. A shift from a 9-5pm to an 8-4pm work hours benefited our member clients to avail of an earlier services parallel with the banking hours.

Communication. The Management was able to effectively communicate within a company and to its workforce. With the presence of the PF Branches headed by the Branch Managers (BMs) who assist the Sales & Marketing Services Division Chief the overall recruitment environment greatly improved its performance towards the overall success of PF. An individual that communicates well with others ensures the accomplishment of cross-departmental projects on time. It also encourages transparency in work, which promotes a healthier and more productive collaborative atmosphere.

Motivation. Being motivated in our respective work was a key strength that ensured the completion of our work in a timely and professional manner. A motivated employee does not

turn away from duties, take shortcuts or slack on company time. Instead, they often push forward to complete work diligently, push themselves beyond what managers expect of them and create a positive working atmosphere. In 2022, motivation is an employee strength that benefits everyone, from co-workers to the company as a whole.

Leadership. An employee with good leadership skills can carry a team to success, inspiring co-workers along the way. There are many different kinds of leaders in our association, but the key part about this strength is that leadership promotes good teamwork and a positive attitude. From the President to the Division Chiefs and to its respective teams of workforce, the association is setting new upward trends in its overall performance. The Association also give preferences to train Second Liners (SL) who assist and support the current leaders. If a company has an employee with good leadership skills, then it won't be long until that member of staff is promoted to a managerial position.

Confidence. The Association on its 36th year of existence has a good record of employee-retention record. One advantage the Association gain from these experienced employees is confidence & mastery in their respective work assignment. Confidence is an employee strength that showcases a member of staff's deep understanding of their duties. A confident employee is able to drive innovation in their working practices because they know what they are doing. Moreover, confidence can influence other members of the team in a positive way by setting a higher standard of quality. In essence, a confident employee can boost productivity and team morale at the same time.

Problem-Solving. Problem-solving and the ability to make the right decisions is a core employee strength that is vital to our company's success. With the right level of problem-solving, our employee can foresee challenges before they become an issue and make decisive changes to procedures that improve the overall performance of the team. Good problem-solving skills are signs of a dynamic, productive employee, and many recruiters are often eager to have someone like that in their team.

MEMBERS' AND EMPLOYEES' HEALTH AND SAFETY

Medical Assistance

The association's regular employees and performing workforce have access to a Medical Fund including their dependents in addition to complying with the procedure established jointly by the IATF and DOLE in the battle against COVID-19.

CORPORATE INFORMATION

Office Hours: **8:00 AM - 4:00 PM**
NO NOON BREAK Mondays – Fridays
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