



ANNUAL REPORT 2021

Praxis Fides Mutual Benefit Association Inc.

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FINANCIAL REPORT

A. MARKET

Membership

For 2021, Market is slowly recovering from the effect of pandemic, there is a significant increase of 61.3% in membership compared to the number of sold plans in 2020. Monthly averages of 1,513 new members per month were recorded. The key success factor for the increase in membership is at least 50% of the Area Representatives (ARs) is performing (P4) four

YEAR	2021	2020	2019
Total Plans Sold	18,157	11,250	15,950
Mo. Ave.	1,513	938	1,329
<u>INC (DEC) FROM PREVIOUS YEAR</u>	+61.3%	-29.4%	-33.2%

new members per month per AR.

Performing ARs increased by 47.5% compared to 36% in 2020. Proper trainings and product knowledge was given to all ARs, performing and non-

performing for them to recruit quality members. For 2021, there is no big increase in total numbers of ARs.

Performing Area Representatives' Ratio to Non-Performing Area Representatives

	2021	%	2020	%	2019	%
Performing ARs	265	47.5%	200	36%	196	35%
Non-Performing ARS	216	38.7%	242	44%	190	34%
Sub_ARs	76	13.6%	113	20%	169	30%
Total	557		555		555	

Performing Area Representatives per Cluster

	P	NP	SAR	Total
Cluster G2	35	47	19	101
Cluster G3	34	27	8	69
Cluster G4	36	42	34	112
Cluster G5	47	22	3	72
Cluster G6	27	47	11	85
Cluster G7	50	15	0	65
Cluster G8	36	16	1	53
Total	265	216	76	557

Cluster G7 has the highest number of Performing ARs, followed by G5. The increase in number of Performing ARs contributed in the increased monthly average of 1,513 new members for 2021.

WITHDRAWALS

Year	2021	Mo. Average	2020	Mo. Average	2019	Mo. Average
Matured Plans	1,058	88	726	61	657	55
Pre-Terminations	3,379	282	1,616	135	1,417	118
Due to Death	407	34	267	22	227	19
Total	4,844		2,609		2,301	

2021 withdrawals due to Pre-terminations increased to 3,379 averaging monthly at 282 per month from 2020 average at 135 only.

In Peso

	2021	Monthly Average	2020	Monthly Average
Matured Plans	P 42,069,460.18	P 3,505,788	P 34,913,999	P 2,909,500
Pre-Terminations	27,345,933.06	2,278,827	20,091,475	1,674,289
Due to Deaths	3,731,077.61	310,923	2,867,940	238,995
Total	P 73,146,470.85	P 6,095,538	P 57,873,414	P 4,822,784

	2021	2020
Ave. Equity for Deaths	P 9,167.47	P 10,741.35
Ave. Equity for Matured Plans	P 39,763	P 48,090
Ave. Equity for Pre-Terminations	P 8,092.90	P 12,432.84

Average equity for death decreased to P9,167.47 this is lower than 2020. Average Equity for Matured Plans decreased to less than P40, 000.00 per plan while average Equity for Pre-terminations decreased to P8, 000 level from P12,000.00

Insurance Claims

	#	2021	%	#	2020	%
Incontestable	388	P13,745,000	95.5%	230	P8,740,000	84.9%
Contestable	19	660,000	4.5%	37	1,550,000	15.1%
Total	407	P14,405,000		267	P10,290,000	
Denied Claims	6			1		

For 2021, the amount of life insurance claims totaled at P14,405,000.00 for 407 plans. There are 19 contestable plans but with approved claims. There are six (6) denied claims in 2021 compared to only one (1) in 2020.

LOANS

Loan Releases 1987-2021

Policy loan and Collateral Releases

Year	Count	%	Amount	%	Year	Count	%	Amount	%
1987	13		14,000.00		2004	4,793	16%	53,440,005.00	7%
1988	180	1285%	456,800.00	3163%	2005	5,900	23%	74,246,700.00	39%
1989	329	83%	1,402,900.00	207%	2006	6,590	12%	88,769,139.00	20%
1990	356	8%	2,110,400.00	50%	2007	7,113	8%	117,796,253.00	33%
1991	372	4%	2,595,370.00	23%	2008	7,636	7%	146,823,367.00	25%
1992	281	-24%	2,895,210.00	12%	2009	8,423	10%	143,523,078.00	-2%
1993	318	13%	3,160,745.00	9%	2010	9,935	18%	198,105,238.00	38%
1994	504	58%	5,859,924.00	85%	2011	11,446	15%	170,544,605.00	-14%
1995	637	26%	9,685,220.00	65%	2012	13,340	17%	195,140,675.00	14%
1996	876	38%	8,829,479.00	-9%	2013	14,921	12%	248,072,171.00	27%
1997	1,235	41%	18,008,603.00	104%	2014	16,466	10%	238,105,503.00	-4%
1998	1,711	39%	19,689,839.00	9%	2015	20,565	25%	282,062,210.00	18%
1999	2,412	41%	20,080,219.00	2%	2016	23,852	16%	315,853,068.00	12%
2000	2,705	12%	25,635,950.00	28%	2017	26,849	13%	359,042,638.00	14%
2001	3,262	21%	29,185,967.00	14%	2018	29,632	10%	366,942,970.36	2%
2002	3,474	6%	32,746,870.00	12%	2019	31,252	5%	347,391,859.79	-5%
2003	4,129	19%	49,991,534.00	53%	2020	24,516	-22%	244,482,566.27	-30%

Total releases for 2021: Count 26, 336 with an increase of 7.42%, totaling an amount of P259,552,917.79 increased by 6.15% vs. 2020.

Until now the association's loan program has been one of its main sources of income. It plays a big role for our members to improve their lives. Their equities maybe borrowed by themselves without affecting the life insurance enforce in their plan. Proceeds of loan were used to finance the family's emergency needs during pandemic period.

Policy Loan Releases

Comparative 2019-2021

	Amount				Count				
	2019	2020	2021	Inc/ Dec	2019	2020	2021	Inc/ Dec	
Jan	24,140,243	25,089,925	21,661,809	-13.66%	Jan	2,547	2,842	2,620	-7.81%
Feb	20,422,217	19,579,120	17,935,017	-8.40%	Feb	2,330	2,355	2,172	-7.77%
Mar	23,701,342	9,968,656	19,958,234	100.21%	Mar	2,817	1,246	2,390	91.81%
Apr	23,094,797	-	9,181,115		Apr	2,532	-	1,215	
May	24,143,040	1,581,200	10,078,109	537.37%	May	2,743	163	1,203	638.04%
Jun	22,475,280	39,457,171	32,091,448	-18.67%	Jun	2,433	4,508	3,696	-18.01%
July	24,276,552	23,529,012	21,271,275	-9.60%	July	2,699	2,833	2,516	-11.19%
Aug	22,424,325	17,609,696	18,132,975	2.97%	Aug	2,524	2,072	2,154	3.96%
Sept	24,174,811	21,252,036	18,139,500	-14.65%	Sept	2,947	2,592	2,132	-17.75%
Oct	25,885,191	8,875,848	12,725,110	43.37%	Oct	2,839	1,130	1,579	39.73%
Nov	22,391,692	8,176,600	13,025,690	59.30%	Nov	2,630	951	1,538	61.72%
Dec	19,345,815	32,517,103	26,357,637	-18.94%	Dec	2,132	3,761	3,076	-18.21%
TOT	276,475,305	207,636,366	220,557,918	6.22%	TOT	31,173	24,453	26,291	7.52%

I. Comparative releases in 2021 versus 2020 and 2019

-22% from no. of borrowers and -24.90% in terms of Amount.

II. Comparative releases 2020 and 2021

+7.52% in terms of borrowers and +6.22% in terms of Amount.

Despite of pandemic and with months under the Enhanced Community Quarantine (ECQ) the Praxis Fides MBI still managed to recruit new members, offer loans with minimal interest rates through Pandemic loan Program (August 2020- June 2021) and has given loan holidays during EQC period.

Loan Balances (2014-Present)

	COUNT of MEMBERS	COUNT of BORROWERS	%	EQUITY	LOAN_BAL	%
2014	74,238	7,896	10.64%	468,215,118.16	84,519,815.78	18.05%
2015	89,623	9,597	10.71%	531,569,204.92	92,284,121.32	17.36%
2016	118,963	12,126	10.19%	632,324,204.83	121,938,177.78	19.28%
2017	128,895	14,453	11.21%	758,738,997.93	139,425,981.63	18.38%
2018	150,434	17,272	11.48%	726,554,405.96	151,388,485.53	20.83%
2019	167,266	17,609	10.53%	772,592,653.51	145,106,372.07	18.78%
2020	168,585	14,965	8.88%	774,966,347.87	126,300,894.34	16.30%
2021	135,749	15,007	11.05%	769,148,425.78	128,567,726.72	17.06%

There was a 2014 Strategic Planning. Since then, 30% releases from total equity have been targeted. Due to a worldwide pandemic, our society was affected and our workforce had difficulty attracting new policy borrowers.

Policy Loan Releases (New and Renewal)

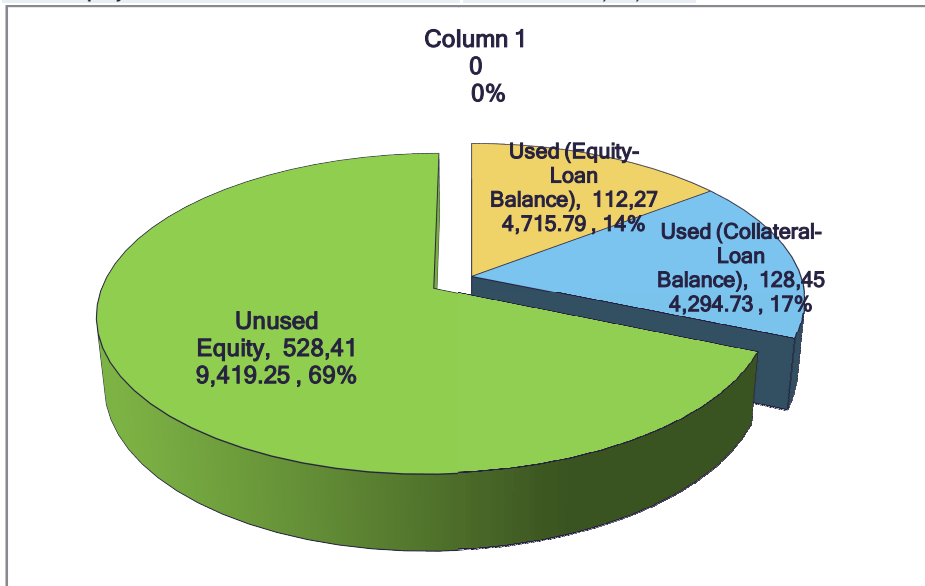
YEAR	RELEASES	AVE. PER MONTH	EARNED INT
2013	147,788,171.30	12 Million	11,568,806.35
2014	163,994,403.33	3.5 Million	12,292,184.54
2015	199,164,510.50	16.5 Million	14,381,735.78
2016	229,718,768.20	19 Million	17,412,978.59
2017	255,186,744.78	21.2 Million	16,635,048.13
2018	283,064,270.36	23.5 Million	14,668,000.59
2019	276,453,859.79	23 Million	21,267,841.10
2020	207,641,066.27	17.3 Million	16,655,480.20
2021	220,557,917.79	18.3 Million	11,945,074.23

2019 vs 2020: -26.65% from previous year due to Pandemic. Our regular borrowers have suffered a lot because of the pandemic, instead of taking out a loan they are forced to withdraw because of the hardships of life.

2020 vs. 2021: +6% from Releases, product of the Pandemic Loan Program and -28% loss due to reduced Interest rate.

Equity

Total Equity	769,148,429.78
Used (Equity- Loan Balance)	112,274,715.79
Used (Collateral- Loan Balance)	128,454,294.73
Unused Equity	528,419,419.25



Praxis Fides Initiative During Pandemic

1. Pandemic Loan Program- The Credit Committee together with the Board of Trustees developed the Pandemic Loan Program where it further lowered the interest rate on the Policy Loan. The purpose of this program is to extend assistance to our members even if the organization's revenue is affected.
2. Amortization Holiday - During March-May 2020, it is applicable to all our mortgage loan borrowers. But there are twelve (12) borrowers who chose to continue their monthly amortization.
3. Bayanihan Act October-December - There are five (5) members requested for amortization holiday for 3 to 6 months.

Loans Project

Policy Loan

1. Continuous seminars and trainings for our Areas/ ARM.
2. To target 30% of the equity loan releases.
3. Continuous credit letters.

Collateral Loan

1. Continuous monitoring for good payor's account. Every month with target of 5 new renewals per cluster.

Financial Positions

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.						
<i>(A Non-Stock, Non-Profit Organization)</i>						
STATEMENTS OF FINANCIAL POSITION						
DECEMBER 31, 2021 and 2020						
<i>(Amounts in Philippine Peso)</i>						
	2021		2020 (As Restated)		2019 (As Restated)	
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 5)	202,442,343	17.38%	167,988,556	15.08%	171,752,395	15.87%
Short-term financial assets (Note 6)	92,705,032	7.96%	63,433,354	5.70%	98,902,404	9.14%
Loans and other receivables (Note 7)	274,002,473	23.53%	257,816,547	23.15%	247,164,954	22.83%
Financial assets at amortized cost (Note 8)	45,921,024	3.94%	30,084,821	2.70%	7,956,705	0.74%
Financial assets at fair value through profit and loss (Note 9)	295,844,674	25.40%	285,416,597	25.63%	212,096,983	19.59%
Prepayments	783,502	0.07%	1,097,334	0.10%	1,818,280	0.17%
Total Current Assets	911,699,048	78.28%	805,837,209	72.35%	739,691,721	68.33%
NON-CURRENT ASSETS						
Long-term financial assets (Note 6)	47,483,680	4.08%	100,367,749	9.01%	72,483,856	6.70%
Loans and other receivables (Note 7)	64,240,702	5.52%	88,455,373	7.94%	141,836,402	13.10%
Financial assets at fair value through other comprehensive income (Note 10)	50,650,000	4.35%	27,500,000	2.47%	27,500,000	2.54%
Property and equipment (Note 11)	14,964,296	1.28%	13,292,081	1.19%	14,117,616	1.30%
Investment property (Note 12)	75,592,563	6.49%	78,309,380	7.03%	86,847,942	8.02%
Other non-current financial assets	-	-	-	0.00%	-	0.00%
Total Non-current Assets	252,931,241	21.72%	307,924,583	27.65%	342,785,816	31.67%
TOTAL ASSETS	1,164,630,289	100.00%	1,113,761,792	100.00%	1,082,477,537	100.00%
LIABILITIES AND FUND BALANCE						
CURRENT LIABILITIES						
Accounts payable and other liabilities (Note 13)	20,822,697	2.75%	8,795,646	1.20%	9,240,892	1.25%
Liability on individual equity value (Note 14)	725,287,939	95.65%	710,178,628	97.26%	712,223,930	96.53%
Basic contingent benefit reserve (Note 15)	1,338,942	0.18%	1,294,455	0.18%	1,236,053	0.17%
Claims payable on basic contingent benefit (Note 16)	3,125,000	0.41%	1,980,000	0.27%	1,890,000	0.26%
Income tax payable	120,633	0.02%	375,827	0.05%	130,505	0.02%
Total Current Liabilities	750,695,211	99.00%	722,624,556	98.97%	724,721,380	98.22%
NON-CURRENT LIABILITIES						
Accounts payable and other liabilities (Note 13)	4,350	0.00%	16,162	0.00%	87,824	0.01%
Retirement benefit obligation (Note 21)	7,543,695	0.99%	7,528,723	1.03%	13,030,720	1.77%
Total Non-Current Liabilities	7,548,045	1.00%	7,544,885	1.03%	13,118,544	1.78%
Total Liabilities	758,243,256	100.00%	730,169,441	100.00%	737,839,924	100.00%
FUND BALANCE						
Free and unassigned fund balance	290,473,424	71.48%	294,164,085	76.69%	272,515,244	79.07%
Assigned fund balance (Note 19)	123,111,971	30.29%	96,737,576	25.22%	87,087,420	25.27%
Accumulated other comprehensive loss (Note 19)	(7,198,362)	-1.77%	(7,309,310)	-1.91%	(14,965,051)	-4.34%
Total Fund Balance	406,387,033	100.00%	383,592,351	100.00%	344,637,613	100.00%

Assets

Praxis Fides MBI's total asset at the end of 2021 is @1.164B with an increase of 4.37% compared to 2020. Although the increase is less than the standard 7.5%-8%, PFMBAI was able to increase its assets, despite the challenges experienced by the Association in the midst of pandemic. Through a more defined set of targets for all its workforce and realistic approach PFMBAI is very much confident that it can catch up with the increase of 8% in assets by the end of 2022 performance.

Liability

The IEV account represents the amount set up by the Association to cover future benefit payments to members based on the amounts recommended by an independent actuary accredited by the Insurance Commission. The IEV balance as of end 2021 is P725M. The Basic Contingent Benefit Reserve represents the amount set up by the Association as insurance premium reserves based on 50% of the total insurance collected from the members to cover any insurance claim by the members. The Basic Contingent Benefit Reserve for 2021 is P 1,338,942.

Fund Balance

This represents the accumulated earnings of the MBA reduced by whatever losses the MBA may occur during a certain accounting period. For the year 2021, the free and unassigned fund balance had an increase of 5.61%.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.			
<i>(A Non-Stock, Non-Profit Organization)</i>			
STATEMENTS OF COMPREHENSIVE INCOME			
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020			
<i>(Amounts in Philippine Peso)</i>			
	2021	2020	<i>Inc_Dec %</i>
REVENUES			
Member's contribution	P 189,187,871	P 185,003,916	2.21%
Interest income on:			
Loans	20,404,785	30,790,509	-50.90%
Investment securities and deposits with banks	12,476,193	17,423,073	-39.65%
Service charges and fees	5,405,264	5,192,088	3.94%
Gain on sale of financial assets at fair value through profit or loss	5,906,225	4,704,777	20.34%
Membership fees	907,850	562,500	38.04%
Others	27,415,723	6,485,366	76.34%
	261,703,911	250,162,229	4.41%
EXPENSES			
Allocation for liability on individual equity value	131,718,587	134,106,440	-1.81%
Increase in reserve for basic contingent benefit	44,487	58,402	-31.28%
Operating expenses	42,772,927	42,380,505	0.92%
Benefit expenses	16,780,000	11,720,000	30.15%
Fair value loss on financial assets at fair value through profit or loss	4,559,664	8,170,431	-79.19%
	195,875,665	196,435,778	-0.29%
PROFIT BEFORE TAX	65,828,246	53,726,451	18.38%
TAX EXPENSE	1,750,807	2,726,135	-55.71%
NET PROFIT	64,077,439	51,000,316	20.41%
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment defined benefit obligation	110,948	7,655,741	-6800.30%
TOTAL COMPREHENSIVE INCOME	P 64,188,387	P 58,656,057	8.62%

NON FINANCIAL REPORT

PEOPLE

Performing Area Representatives and Area Coordinators



2021 Best Performing ARs

AR Gold

- | | | |
|-----|----------------------|------|
| 1. | Reyes, Marlyn | SMA2 |
| 2. | San Diego, Francisca | BUS |
| 3. | San Diego, Elilucio | BUS |
| 4. | Flores, Francy | BUS |
| 5. | Hernandez, Danilo | SMA2 |
| 6. | Ycong, E | PAN |
| 7. | Carla, Elizabeth | PAN |
| 8. | Dayag, Marcelina | SMA2 |
| 9. | Bernardino, Arnaldo | SMA2 |
| 10. | Espino, Reynaldo | PAN |
| 11. | Samson, Marianne | BUS |
| 12. | Lazaro, R | SMG |
| 13. | Legatona, L | PB2 |
| 14. | Cruz, Solly | PB2 |

AR Silver

1.	Agting, Emily	SMA2
2.	Candelaria, M	PAN3
3.	Santos, Luzviminda	PAN
4.	Halili, Josefina	SMA
5.	Ramos, Eliza	PB3
6.	Javier, Aurora	PAN2
7.	Antonio, Angelica	PB1
8.	Reyes, Mildred	PB1
9.	De Castro, C	PAN
10.	Urog, M	MAL
11.	Mendoza, Donata	MAL
12.	Basa, Teofista	SRA
13.	Delos Reyes, M	SJDM
14.	Laxamana, Rebecca	SMG
15.	Eusebio,E	MAL
16.	Guballa, Rufina	PB4
17.	Juan, Virginia	PB4

AR Bronze

1.	Cadacio, Bebelita	PB1
2.	Ignacio, E	PAN2
3.	Adonis, P	SMA
4.	Maige,Myrna	MAL
5.	Alonzo, M	SMA2
6.	De Guzman, Yolanda	MAL
7.	Salhay, Maxima	PAN
8.	Bartolome, Perla	PB2
9.	Cruz, Imelda	SMA2

2021 Best Performing ACs**AC Gold**

1.	AC Maxima Salhay	Pan 1 Area
2.	AC Fernando Galang	SMG Area
3.	AC Marivic Mateo	Pan 3 Area
4.	AC Angelica Antonio	PB 1 Area

AC Silver

1. **AC Ruth Salhay** **Pan 2 Area**
2. **AC Donata Mendoza** **Mal Area**
3. **AC Leonora San Juan** **Bus Area**
4. **AC Danilo Hernandez** **Sma 2 Area**

Trainings & Seminars

1. Corporate Governance Seminar for New Trustees & Officers
 - Sep 28-29 DC Maricel Samson & BM Ma. Theresa Manalastas
 - Dec. 6-7 Trustee Engr. Dexter Raquel & Trustee Atty. Eusebio Dulatas Jr.
2. Annual Corporate Governance Meeting with IC & ICD
 - July 28 GM Gener Luciano & Compliance Officer Melody Gaddi
with Asst. Compliance Officer John Carlo Sayo
3. ARs Training
 - Jan 2021 – Ars Retraining – SARs
 - Feb 2021 – Ars Retraining – NP
4. Succession Planning Seminar Workshop with Ms Lilette B. Cruz
 - Feb & March – PF Staff Employees in two batches
5. Performance Grading System (PGS) Seminar with DC Bernadette DeGuzman
 - August – during AC Meeting
 - August – during BM Meeting
6. Stocks Seminar –
 - September – attended by DC Nancy Jose, Ana Maria dela Cruz & Shiela Marie Dimagiba

Appointments:

- A. PF Key Executive Officers:
 - Compliance Officer – Ms Melody T. Gaddi
 - Asst. Compliance Officer – Mr. John Carlo Sayo
 - Corporate Secretary – DC Rossana S. Jose
 - Chief Audit Executive – Ms Engracia Mauricio
 - Chief Risk Officer – Ms Ma. Theresa Manalastas
- B. Division Chiefs:
 - Sales & Marketing Division – DC Bernadette De Guzman
 - Technical & Financial Management Division – DC Maricel Samson
 - Finance & Mgt Support Division – DC Rossana Jose
- C. As President of PFMBAI
 - From General Manager to President – Gener Luciano

CORPORATE GOVERNANCE

Board Performance

Records of attendance of Board of Trustees during the regular and special meeting for the year 2021. Board meetings and committee meetings are also done via zoom.

A formal and rigorous annual evaluation of the Board's own performance and that of its committees and individual trustees was done. Schedule of meetings for the year 2021 was discuss during the Organizational Meeting of the Board

Board Position	Trustee	Attended the Annual General Meeting	Number of Regular/Special Meeting Held in 2021	Percentage
CHAIRMAN	FR. NAP BALTAZAR	Yes	11	100%
VICE CHAIRMAN	FR. ANGELITO SANTIAGO	Yes	11	100%
TREASURER	FR. ROMUALDO GO	Yes	11	100%
SECRETARY	DR. PELAGIA BAUTISTA	Yes	11	100%
AUDITOR	MS. EUFROCINA CABUHAT	Yes	11	100%
MEMBER	ATTY. EUSEBIO DULATAS	Yes	11	100%
MEMBER	ENGR. DEXTER RAQUEL	Yes	11	100%

REGULAR MEETINGS	SPECIAL MEETINGS
January 29, 2021	February 26, 2021
March 26, 2021	April 30, 2021
May 29, 2021	June 25, 2021
July 30, 2021	August 27, 2021
September 24, 2021	October 29, 2021
November 26, 2021	December 10, 2021

Board Remuneration

Praxis Fides MBAI Board of Trustee does not receive any income, what is only given is per diem for every special and regular meeting to cover the gasoline and transportation expenses they have incurred in attending the meetings. Monthly honorarium is also given depending on the position and responsibilities they held in the Association. The total remuneration

Board Position	Trustee	TOTAL
CHAIRMAN	FR. NAP BALTAZAR	80,500.00
VICE CHAIRMAN	FR. ANGELITO SANTIAGO	75,625.00
TREASURER	FR. ROMUALDO GO	75,625.00
SECRETARY	DR. PELAGIA BAUTISTA	75,625.00
AUDITOR	MS. EUFROCINA CABUHAT	75,625.00
MEMBER	ATTY. EUSEBIO DULATAS	75,625.00
MEMBER	ENGR. DEXTER RAQUEL	75,625.00

of the Board of Trustees is part of the total administrative expense of the association.

The total remuneration received by the Trustees for the year 2021 is P 534,250.00 inclusive of monthly honorarium and performance based incentive. The total remuneration for the year 2021 of the Chief Executive Officer is P1, 495,917.

Board Continuing Education

Members of the Board of Trustees and Key Officers undergo a yearly orientation seminar and corporate governance seminar to enhance their governance competencies and thus help them perform their duties and responsibilities. For the year 2021, the Trustees and Key Officers attended the Corporate Governance Orientation Program given by the Institute of Corporate Directors via Zoom on September 28-19, 2021 and December 7-8, 2021.

Audit Committee

For the year 2021, Audit Committee is headed by Trustee Eufrocina Cabuhat. During the Annual General Meeting last April 10, 2021, she presented the Financial Position & Statement of Comprehensive Income for the year 2020. She then discussed and affirmed the correctness, true and fair presentation of Annual Financial Statements and Reports. The committee held 14 meetings in 2021. The following are the highlights of the meeting.

1. Review and approval of the Annual Financial Statements 2020 which was release on April 30, 2021.
2. 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.
3. Review and approval of non-audit services of the external auditor. The AMC & Associates offers the following non-audit services.
 1. Preparation of Annual Statement for the Association;
 2. Review schedules related documents for the Annual Statement;
 3. Liaise for the Association in relation to the Annual Statement; and
 4. Review documents required by the Insurance Commission for the Annual Registration of the Association.
4. Review of Insurance Commission 2020 examination.

Risk Management Objective and Risk

Praxis Fides MBI 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.

CORPORATE INFORMATION

OFFICE HOURS: 8:00 AM - 4:00 PM

NO NOON BREAK MONDAYS – FRIDAYS

Company Website: www.praxisfides.com

Email Address: praxisfides@gmail.com

MAIN OFFICE: #35 Paseo del Congreso, Catmon, Malolos City, Bulacan Tel No: (044) 791-3558 /
(044) 662-4047 Cel. Nos. 0922 803 2979 / 0917 504 6222

Investor Relation Officer: John Carlo C. Sayo

Cel. No. 0917 504 6222 / 044 662-4019 Email add: it.johncarlosayo@gmail.com

BALIUAG BRANCH: 2ND FLOOR PLM BLG., Bagong Nayon, Baliuag, Bulacan

Tel No: (044) 8962787 / Cel. No. 0917 515 2877

BOCAUE BRANCH: MacArthur Hiway, Lolomboy, Bocaue, Bulacan

Cel. No. 0906 074 5860

BUSTOS BRANCH: RJ Plaza, Poblacion, Bustos, Bulacan

Cel. No. 0960 600 1046

PANDI BRANCH: Bunsuran 3rd, Pandi, Bulacan

Tel No: (044) 305 8865 / Cel. No. 0975 205 3511

PULONG BUHANGIN BRANCH: Unit 204 JBPH Space Rental Km. 38,

Pulong Buhangin, Sta. Maria, Bulacan

Tel No: (044) 305 6522 / Cel. No. 0906 074 5860

STA. MARIA BRANCH: Poblacion, Sta. Maria Bulacan

Tel No: (044) 896 2787