

PRAXIS FIDES

MUTUAL BENEFIT ASSOCIATION, INC.

ANNUAL REPORT 2018

“THREE DECADES OF GRACE
AND SOCIAL RESPONSIBILITY”

Table of Contents

- Message from the President / General Manager	Page 2
- Corporate Profile, Vision, Mission, Corporate Objectives	Page 3
- Part 1. FINANCIAL AND NON-FINANCIAL REPORT	
A. Memberships	Page 4
B. Claims	Page 4
C. Sources of Income	Page 5
D. People	Page 6
E. Processes	Page 6
- Part II. Corporate Governance and Management	
- Board Performance	Page 7
- Board Remuneration	Page 8
- Board Continuing Education	Page 8
- Commitment to Good Governance	Page 8
- Corporate Governance Manual Review	Page 8
- Board of Trustees	Page 9
- Board Committees	Page 10
- Audit Committee	Page 10
- Nomination Committee	Page 11
- Remuneration Committee	Page 11
- Risk Management and Related Party Transaction Committee	Page 11
- Key Risk	
Market Risk	Page 12
Credit Risk	Page 12
Liquidity Risk	Page 12
- Credit Committee	
Creditors Right	Page 13
- Management Team	Page 14
- ARM (Area Releases Maximizer Seminar)	Page 15
- Corporate Social Responsibility	
Feeding Program	Page 16
Community Service	Page 17
- Leadership Seminar	Page 18
- Strategic Planning Workshop	Page 19
- DRT Farm	Page 20
- Audited Financial Statement	Pages 21-29
- Corporate Information	Pages 30

Greetings through Jesus Christ, Joseph, and Mary!

It is with great pleasure to confer my heartfelt greetings to the member of Praxis Fides MBAI as it celebrates its 31st year of existence. As we embark on our personal journey towards strengthened faith and devotion & the knowledge for thrift and savings that we are teaching to the general membership, we are not only succeeding individually but we are helping our nation for its development. PFMBAI does a greater role in our society. I sincerely appreciate the valuable efforts of all PFMBAI's Area Coordinator, Area Representatives, Board of Trustees and Employees, as we all accomplished various progress and activities beneficial to the welfare of the workforce and the general membership. With the accomplishments, we shall welcome the consistent challenge to strive for greater heights, while instilling a sense of camaraderie and solidarity to both workforce and member. Let us pray that our future programs continue to benefit all. Thank you and God Bless!



GENER C. LUCIANO

President / General Manager

Corporate Profile

The idea of putting up Praxis Fides MBI was a response to the call for moral and economic recovery in post-EDSA Philippines. In particular, it originated in the context of voluntary Church workers, especially catechists, to encourage thrift and savings. Money is generated by a member's subscription in specific pension plans value of money grows in time over and above contributions. Members are covered by a life insurance, usually 300 times monthly contribution, but never to exceed P200, 000.00. Members are encouraged to borrow in order to put up economic/livelihood projects. Across the years PF has financed school constructions, numerous private businesses and myriad provident purposes.

After 30 years of operation, Praxis Fides today continues to grow not only in asset size and membership but also in providing efficient and quality service to its members. The types of plans offered have been diversified in order to suit the varying needs of the plan holders. Loans are promoted and members are encouraged to borrow in order to give them the opportunity to use their savings while waiting for the maturity. Investments are carefully chosen to ensure better if not the best returns. The workforce, both area-based and office-based, are provided with trainings and seminars to make them competent and knowledgeable in their respective functions. All these are directed towards the organization's vision mission and so far, the company is successful in attaining its corporate thrust.

Vision

By 2022, 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

Praxis Fides Mutual Benefit Association, Inc. will be inclusive of Basic Ecclesial Community programs and strategies throughout Bulacan by 2020 for membership expansions and initiatives.

Corporate Objectives

Primary objective of Praxis Fides MBI is to foster brotherhood thru mutual help and benefit among its members and encourage the habit of thrift and saving among its members, also to provide financial material aid and comforts to members and their families in cases of loss of life in the amount of P30, 000.00 to a maximum P200, 000.00 life insurance. Lastly to do such acts and things and to undertake such activities not otherwise prohibited by law which are calculated to help members and necessary for the accomplishment of the purpose of which the association has been organized.

Part 1. FINANCIAL AND NON- FINANCIAL REPORT

A. Memberships

New memberships for 2018 rose to a high 1,990 per month with a growth of 29.2%. PF's Key Success Factor (KSF) @ NMg30 is almost achieved.

Membership Fees	Membership Growth
2018 – P1,194,000.00	2018 – 1,991 MONTHLY 29.2%
2017 – P 924,400.00	2017 – 1,541 MONTHLY 23.3%
2016 – P 749,850.00	2016 – 1,250 MONTHLY 0.8%
2015 – P 743,800.00	2015 – 1,240 MONTHLY 0.6%
2014 – P 738,950.00	2014 – 1,232 MONTHLY 7.1%

One of the possible risks our association may prevent is the increase of incoming members with multiple plans exceeding the maximum insurance coverage of P200K.

B. Claims

Insurance Premium	Death Claims	%
2018 – P25,631,691.89	P 8,485,000.00	33%
2017 – P22,804,067.04	P 7,420,000.00	33%
2016 – P20,331,775.50	P 5,105,000.00	25%
2015 – P17,371,368.54	P 6,350,000.00	37%
2014 – P14,835,530.10	P 5,570,000.00	38%

For 2018 we still have a conservative Death Claims versus Insurance Premiums collected. IFRS17 is all about implementation of a deferred income from premiums to sustain possible big claims in the future.

The table shows number of claims per cluster of members with the highest value of average insurance for G3 @P42, 962 followed by G2 @ average P38, 648.

Cluster	No.	Amount	Average
G2	37	P 1,430,000	P 38,648
G3	41	P 1,760,000	P 42,962
G4	30	P 990,000	P 33,000
G5	34	P 1,055,000	P 31,029
G6	23	P 690,000	P 30,000
G7	55	P 1,755,000	P 31,909

Claims per Cluster 2018

Premiums Net of Claim	
2018 -	P17,146,691.89
2017 –	P15,384,067.04
2016 –	P15,226,775.50
2015 –	P11,021,368.54
2014 –	P 9,265,530.10

For 2018, worth P17, 146,691.89 will be reserved under the associations (F/US) Free & Unassigned Surplus. There is a risk in distributing this type of income to members because it becomes the company's liability. If ever there will be a big need of releasing massive claims the company is not yet ready in providing the benefit. With the knowledge given by IFRS17, our association will be ready from big casualties. Our members will abide by its true role as both member and owner of the association.

C. Sources of Income

Praxis Fides MBI's other sources of income include Loans, Placements of time deposits, Stocks and Other Income.

For 2018, Certificate Loans realized a P19.7M income. Compared with the previous years 2014-2017 2018 has the highest, but considering the SCA ruling on F/US, the association reclassified some of its earnings which are no longer available for loan by members. The Insurance Commission implemented that no earnings are loanable by members.

For Collateralized Loans, the association should be very careful in the evaluation and approval of loan applicants. The collateral marketability, capacity to pay, bank historical background of the borrower are to be assessed tightly to prevent risk brought about by problematic accounts.

Certificate Loans		Mortgage Loans	
2018 -	P19,700,752.39	2018 –	P28,822,880.92
2017 –	P16,634,460.14	2017 –	P25,722,973.16
2016 –	P17,510,188.05	2016 –	P30,423,553.51
2015 –	P14,381,735.78	2015 –	P25,585,074.63
2014 –	P12,292,184.55	2014 –	P21,432,819.91
Placements		Other Revenues	
2018 -	P5,477,587.86	2018 –	P3,185,633.80*
2017 –	P4,171,569.14	2017 –	P4,466,628.57
2016 –	P3,635,893.79	2016 –	P4,684,608.21
2015 –	P3,092,680.77	2015 –	P5,654,138.27
2014 –	P3,095,376.06	2014 –	P3,560,902.37
Net Income			
Insurance Fund		MBA Fund	
2018 –	P17,146,691.89	2018 –	P 40,667,698.09*
2017 –	P15,384,067.04	2017 –	P40,801,994.70

Earnings 2018

The company realized a P55M income which will be maintained in the Free/ Unassigned portion of the Fund Balance account, with proposed allocation of 10% and 7.5% for participating and non-participating members respectively.

D. People

For the year 2018, PFMBAI provided the following to its workforce:

- 2018 Advent Recollection attended by Area Coordinators in St. John Marie Vianney Retreat House in Norzagaray.
- Staff Leadership Training
- IRR Updates in different areas, with the participation of non-trustee committee members.
- Annual Staff outing to refresh the body and mind of the employees.

E. Processes

SCA Ruling on Free and Unassigned Surplus – the association complied with the IC ruling on Free/ Unassigned in 2018. Reflected in the 2016 books of the association is a reclassification of Assigned Surplus to Free and Unassigned Surplus to be compliant with the mandatory 20% Free and Unassigned Surplus versus liability before giving earnings to general memberships.

IRR Re-submission – the company has an improved implementing rules and regulation to be followed in recruiting and giving benefits to members.

IRFS17- as of 2019 the Insurance Commission circularized that MBAs has deferred implementation of IFRS17.

A quarterly reporting of Financial and Non-Financial was done through local assemblies and newsletters.

Konsepto ng Ipon- under the company's re-submitted IRR the new "Konsepto ng Ipon" shall be as follows: Members Contribution 100%, payment for Insurance Premium is 75 centavos for every P1,000 claim, Individual Equity Value is equivalent to 50%, Guaranty Fund 5%, Free and Unassigned Surplus 2.5% and General Fund for expenses is 20%.

"3 DEKADA NG PAGPAPALA AT PANANAGUTAN

Part II. Corporate Governance and Management

Board Performance

Praxis Fides MBI holds its Annual General Membership Meeting every third Saturday of March. Included in the notice of AGM are the profile of Board of Trustee candidates and Auditor seeking re-appointment, it was released on February 11, 2019 thru the Area Coordinators and posted in website the same day.

The records of the attendance of the trustees for the Annual General Membership meeting and regular and special Board meetings held are provided below:

Board Position	Trustee	Attend the Annual General Meeting	Number of Regular/Special Meetings Held in 2018	Number of Regular/Special Meetings Attended in 2018	Percentage
CHAIRMAN	MR. RAMON V. BAGAY	YES	12	12	100%
VICE-CHAIRMAN	FR. RAMON R. GARCIA	YES	12	12	100%
TREASURER	FR. JOSEPH DJ. CRUZ	YES	12	12	100%
SECRETARY	MS. MARY JOY D. DEL ROSARIO	YES	12	12	100%
AUDITOR	MS. EDERLINDA DEL ROSARIO	YES	12	12	100%
MEMBER	ATTY. PETER A. GONZALES	YES	12	12	100%
MEMBER	MR. SANTIAGO A. ANTONIO	YES	12	11	91.67%

A formal and rigorous annual evaluation of the Board's own performance and that of its committees and individual trustees was done. The Chairman of the Board hold meeting without the executives' presence to evaluate the executives' performance. The Board, led by an independent trustee, meets annually without the chairman's presence to appraise the chairman's performance. Schedule of meetings for the year 2019 was discussed during the special meeting last December 2018, agenda and previous minutes of the meeting should be emailed to the Board of Trustee one week or five (5) working days before the meeting.

Regular Meetings	Special Meetings
January 31, 2019	February 27, 2019
March 27, 2019	April 24, 2019
May 29, 2019	June 26, 2019
July 31, 2019	August 28, 2019
September 25, 2019	October 30, 2019
November 27, 2019	December 25, 2019

Schedule of Board Meetings for 2019

On November 29, 2018, the Board of Trustees held a meeting without the General Manager Gener C. Luciano.

Board Remuneration

Praxis Fides MBI Board of Trustee does not receive any income. What is only given is per diem for every special and regular meeting to cover gasoline and transportation expenses they have incurred in attending the meetings and monthly honorarium depending on the position and responsibilities they held in the association. The total remuneration of the BOT is part of total administrative expense of the company.

Board Position	Trustee	Amount
CHAIRMAN	MR. RAMON V. BAGAY	117,000.00
VICE-CHAIRMAN	FR. RAMON R. GARCIA	111,000.00
TREASURER	FR. JOSEPH DJ. CRUZ	111,000.00
SECRETARY	MS. MARY JOY D. DEL ROSARIO	105,000.00
AUDITOR	MS. EDERLINDA DEL ROSARIO	111,000.00
MEMBER	ATTY. PETER A. GONZALES	105,000.00
MEMBER	MR. SANTIAGO A. ANTONIO	100,000.00

The total remuneration received by the Trustees for the year 2018 is P760, 000.00 inclusive of monthly allowance and performance based incentive.

Board Continuing Education - March 20, 2018

Members of the Board of Trustee undergo a yearly orientation seminars and corporate governance seminars to enhance their governance competencies and thus help them perform their duties and responsibilities.

Commitment to Good Governance

Praxis Fides MBI is committed to promote fairness, transparency and accountability in all its corporate actions and endeavors and to enhance the value of the association by the way objectives are set and achieved, risk is monitored and managed, and performance is optimized, by taking into account corporate social responsibility. The risk committee was formed this year of 2018, with committee meetings done last May 21, 2018 and June 22, 2018.

Corporate Governance Manual Review

The Association reviewed the Corporate Governance Manual and the Vision and Mission Statement last October 19-20, 2018 during the Strat-Plan Revisit 2018. The Board modified its approaches or strategies which are basically Social Entrepreneurship:

- helping member to realize their individuality and goals;
- development of people's inclusive of capital, labor and environment;
- empower member through educational and skills programmer;
- a change of mindset from the traditional (from finding job and employment to entrepreneurship and enterprise.

Some policies need to be reviewed and evaluated. PFMBAI Board of Trustees is very much committed to the improvement of Governance.

Board of Trustees

Mr. Ramon V. Bagay

Chairman

Date of Last Re-Election : February 21, 2015

Academic and Professional Qualification

- Bachelor of Science in Commerce
Major in Management

Present and Past Corporate Directorship

- Former Bank Manager and District Sales
Director of RCBC Savings Bank

Trainings in Insurance and Other Related Fields

- Leadership Training HRD - RCBC Bank
- Corporate Governance - PFMBAI
- Orientation Training for BOT and
Committees - PFMBAI 2018



Fr. Ramon R. Garcia

Vice Chairman

Date of Last Election : March 18, 2017

Academic and Professional Qualification:

- Master of Arts in Pastoral Ministry
- BS Classical Philosophy
- BS Elementary Education

Present and Past Corporate Directorship

- St. Anne's Catholic School - Vice
Principal 2017
- National Shrine of St. Anne -
Parochial Vicar 2017

Trainings in Insurance and Other Related Fields

- Corporate Governance and Anti
Money Laundering Law - Nov 2017
- Orientation Training for BOT and
Committees - PFMBAI 2018



Ms. Joy D. Del Rosario

Secretary - Independent Trustee

Date of Last Election : March 18, 2017

Academic and Professional Qualification

- Bachelor of Science in Management - PUP

Present and Past Corporate Directorship

- Bank of Commerce Branch Head -2017
- PBCOM - Branch Head 2015

Trainings in Insurance and Other Related Fields

- Corporate Governance and Anti Money
Laundering Law - Nov 2017
- Orientation Training for BOT and
Committees - PFMBAI 2018
- Millennial Leadership Program - 2016



Fr. Joseph DJ. Cruz

Treasurer

Date of Last Election : March 18, 2017

Academic and Professional Qualification

- AB Philosophy - ICMS
- Theology- ICMS

Trainings in Insurance and Other Related Fields

- Corporate Governance and Anti Money
Laundering Law - Nov 2017
- Orientation Training for BOT and
Committees - PFMBAI 2018



Ms. Ederlinda G. Del Rosario

Auditor - Independent Trustee

Date of Last Re-Election : February 15, 2014

Academic and Professional Qualification

- Bachelor of Science in Commerce -
Adamson University CPA

Present and Past Corporate Directorship

- M. Sapa Multi-Purpose Cooperative -
Auditor 2016-2018
- Phil. Ink Corporation - Chief Accountant

Trainings in Insurance and Other Related Fields

- Corporate Governance and Anti Money
Laundering Law - Nov 2017
- Orientation Training for BOT and Committees -
PFMBAI 2018



Mr. Santiago A. Antonio

Independent Trustee

Date of Last Election : March 17, 2018

Academic and Professional Qualification

- Institute of Local Government
Administration- 2013

Present and Past Corporate Directorship

- Sitio Antonio Wavepool - CEO/Owner
- Antonio Gowns & Barongs -
CEO/Owner

Trainings in Insurance and Other Related Fields

- Corporate Governance and Anti
Money Laundering Law - November
2018
- Orientation Training for BOT and
Committees - PFMBAI 2018



Atty. Peter Christopher Gonzales

Independent Trustee

Date of Last Election : March 17, 2018

Academic and Professional Qualification

- Bachelor of Laws- UP College of Law 1999

Present and Past Corporate Directorship

- Bocaue Water District - Director 2015
- UP OLA - Supervising Lawyer 2007
- Camacho & Associates - Associates
Lawyer 2002-2011

Trainings in Insurance and Other Related Fields

- Corporate Governance and Anti Money
Laundering Law - November 2018
- Orientation Training for BOT and Committees -
PFMBAI 2018



Board Committees

Praxis Fides MBI has eight (8) committees composed of Board of Trustees and some members of the workforce, all committee chairpersons are Board of Trustee. Below are Board committees' composition, and their members' participation in committee meetings in 2018.

Audit Committee

For the year 2018, Audit committee comprised of entirely by Independent Board of Trustee. The Committee held nine (9) meetings in 2018. Chairperson Ms. Ederlinda del Rosario is a Certified Public Accountant and Independent Trustee. During the Annual General Meeting she presented the Financial Position & Statement of Comprehensive Income for the year 2018. She then discussed and affirmed the correctness, true and fair representation of the Annual Financial Statements and Reports.

The following are the highlights of the meeting:

2018 Audit Committee		Number of	Meetings	Percentage
Member	Designation	Meetings	Attended	
Ederlinda del Rosario	Chairman	9	9	100%
Luciana Gonzales	Member	9	9	100%
Engracia Mauricio	Member	9	9	100%
Ellaine Carla Pasco	Member	9	9	100%
Melody T. Gaddi	Member	9	9	100%

1. Review and approval of the Audited Financial Statements 2018 which was released on April 30, 2018 of which this is within the 120 days limit from the financial year end. The AMC and Associates the external auditor of Praxis Fides MBI was seeking re-appointment for the year 2019, audit annual fees for 2018 is P121, 000.00. Non-Audit fees includes the Compilator's Fee and Annual Statement fee amounting to P44, 000.00 per year.
2. Details of Whistle Blowing- members, employees, area coordinators and area representatives are encouraged to report all unethical practices to the concerned immediate superior or to the head of HR Department. This policy is intended to provide and secure whistleblowing without fear of adverse.
3. Official Receipt Audit- unremitted collections and late surrender of official receipts,
4. Non - Performing Loans.
5. For 2018, internal auditor will still be Ms. Ellaine Carla Pasco, internal audit monitors the corporation's accounting and financial reporting system.

Nomination Committee

For 2018, Nomination Committee headed by Trustee Santiago Antonio, held 3 meetings. During the Pre-General Assembly Meeting and on the Actual Annual General Assembly, Chairman of Nomination Committee discussed the ELECOM circulars, the Criteria and Qualification for Board candidate nomination and proclamation. Mr. Santiago also discussed the conduct of election where the general members present shall elect the candidate for directors individually. He also ensures that the qualities of the candidates are aligned with the company's strategic direction.

2018 Nomination Committee		Number of	Meetings	Percentage
Member	Designation	Meetings	Attended	
Santiago Antonio	Chairman	3	3	100%
Susan Geronimo	Member	3	3	100%
Eugenia Montefalcon	Member	3	3	100%
Isabelita Domingo	Member	3	3	100%

Remuneration Committee

The committee was headed by Independent Trustee Fr. Joseph Cruz. For 2018 the committee held 3 meetings attended by all members.

The committee agreed to further review and modify the compensation package and policy of the General Manager, Officers, Staff and all non- executive directors of the Association.

2018 Remuneration Committee		Number of	Meetings	Percentage
Member	Designation	Meetings	Attended	
Fr. Joseph Cruz	Chairman	3	3	100%
Mr. Ramon Bagay	Member	3	3	100%
Fr. Angel Santiago	Member	3	3	100%
Donata Mendoza	Member	3	3	100%

Risk Management and Related Party Transaction Committee

Board of Trustees, Employees and Work Force of the Association are required to disclose their interest in transactions, contracts and loans in the Association and other material transactions involving conflict of interest. The extent of related party transactions involves the beneficiary, amount, nature and term of transactions. For 2018 , related party transaction pertains to the Privilege Loan/ Car Loan of some members of the BOT and Staff amounting to P8,415,953.44. The committee has conducted the review and ensured that the transactions are fair and at arm's length.

The committee supervised the bidding of Praxis Fides MBAI Souvenir Book and awarded the project to the bidder with good quality sample at a reasonable price. The committee also reviews the supplier of stationeries and supplies, official receipts and other forms if the quality and price is still competitive in the market.

The anti-corruption program of the association includes the protection of the association from bribery, extortion and nepotism. The risk committee reviews all collateralized loans to check if all the requirements and standards are met.

The Association is exposed to a variety of financial risks in relation to financial instruments. The main types of risks are market risks, credit risks, and liquidity risks. The Association's risk management is coordinated with the Board of Trustees and focuses on actively securing the Association's short-to medium-term cash flows by minimizing the exposure to financial markets. For 2018, the board conducted a review of effectiveness of the company's risk management and internal control system and reported it to the shareholders during the AGM.

KEY RISKS

Market Risk

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

Credit Risk

Credit Risk is the risk that counterparty fails to discharge an 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 investment 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 fail due without incurring unacceptable losses or cost.

Credit Committee

Creditors Right

- To help our members meet providential needs as well as productive requirements at relatively low interest.
- To inculcate in the minds of its members the habit of thrift and the value of money.
- To provide loans at low risk through proper documentary requirements and documentation procedures.
- To maximize the company's earning through loans and minimize loss by collection procedures.
- Loan is a privilege and not a right. As such, loans shall be made available to members of Praxis Fides MBAI.
- As a general rule:
 - (1.) loan application shall be made by the member borrower him/ herself only.
 - (2.) All loans are secured by member's equity or collateral. For the certificate loan they are only allowed to avail up to 80- 90% of their equity and 50- 70% of the market value of their collateral.
 - (3.) All collateral loans are covered by a credit life insurance for qualified members, and
 - (4.)collaterals submitted as security shall have its annotation of the encumbrance by the Registry of Deeds.

PRAXIS FIDES MANAGEMENT AND STAFF



Gener C. Luciano
General Manager



The **ARM (Area Releases Maximizer)** conducted September 13, 2018 is a group of AC's and AR's which aims to maximize the use of Certificate Loans to promote and educate the members, to patronize their equities and know the benefits of it.



2018 Board of Trustees conducted a **Feeding Program** last December 14, 2018 for less fortunate children. The project is a Board of Trustee's initiative, one way to promote the association's **Corporate Social Responsibility**.



Community Service

San Rafael Area Christmas Gift Giving at San Rafael Municipal Jail - December 26, 2018



Leadership Seminar

October 22, 2018



Last October 19-20, 2019 Praxis Fides MBI held its **STRAT PLAN REVISIT** at Sitio Antonio Resort in Pandi, Bulacan. Activities include:

- Reviews of the Corporate Governance Manual
- Vision - Mission Review and Modification
- Financial Performance Reviews



DRT FARM For 2018, the association harvested Mangoes and Dalandan. The regular trimming of the timber trees such as Mahogany and Narra were done in the months of May and June. Representatives of the Bulacan Agricultural State College (BASC), its technicians and students conducted regular visits and studies regarding Dalandan fruit-bearing-program.





PRAXIS FIDES

MUTUAL BENEFIT ASSOCIATION, INC.

#35 Paseo del Congreso, Catmon, City of Malolos, Bulacan
Tel. No. (044) 791-3558; (044) 662-4288

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Praxis Fides Mutual Benefit Association, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2018 and 2017, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

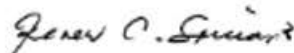
In preparing the financial statements management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the Association's financial reporting process.

The Board of Trustees reviews and approves the financial statements including the schedules attached therein, and submits the same to the members.

AMC & Associates, the independent auditor appointed by the members, has audited the financial statements of the Association in accordance with Philippine Standards on Auditing and in its report to the members has expressed its opinion on the fairness of presentation upon completion of such audit.


MR. RAMON V. BAGAY
Chairman


MR. GENER C. LUCIANO
President


FR. JOSEPH D. CRUZ
Treasurer

Signed this 15th day of April 2019



Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
Praxis Fides Mutual Benefit Association, Inc.
(A Non-Stock, Non-Profit Organization)

35 Paseo del Congreso, Catmon
Malolos, Bulacan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Praxis Fides Mutual Benefit Association, Inc. (the Association), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in fund balance and statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) applicable to Mutual Benefit Associations (MBAs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the *Code of Ethics for Professional Accountants in the Philippines* (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS applicable to MBAs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Certified Public Accountants

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2018 required by the Bureau of Internal Revenue as disclosed in Note 28 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS applicable to MBAs. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

AMC & ASSOCIATES

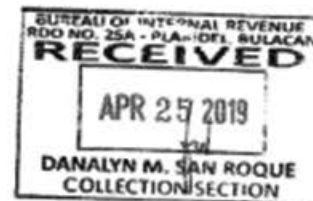
By: 
Ariel D. Gonzales
Partner
CPA Certification No. 89570
TIN 169-688-077-000
PTR No. 7336494, Jan. 7, 2019, Makati City
BIR Accreditation No. 08-003584-1-2019
(Mar. 06, 2019 to Mar. 05, 2022)
BSP Accreditation (Category B)
(valid until Dec. 31, 2020)
IC Accreditation No. SP-2018/003-R
(Mar. 3, 2018 to Mar. 2, 2021)
SEC Accreditation No. 1331-AR-1 (Group C)
(Sep. 28, 2016 to Sep. 27, 2019)

April 15, 2019

FIRM ACCREDITATION

Aquino, Mata, Calica & Associates

- BCA Accreditation No. 4275 - valid until June 28, 2020
- SEC Accreditation No. 0164-FR-2 (Group B) - September 14, 2016 to September 13, 2019
- BIR Accreditation No. 08-002582-0-2017 - valid until December 21, 2020
- IC Accreditation No. F-2018/002-R - March 3, 2018 to March 2, 2021
- BSP Accreditation (Category B) - valid until December 31, 2020
- CDA/CEA No. 0075-AF - March 20, 2018 to March 19, 2021



PRACTITIONER'S COMPILATION REPORT

To the Management
Praxis Fides Mutual Benefit Association, Inc.
(A Non-Stock, Non-Profit Organization)
35 Paseo del Congreso, Catmon
Malolos, Bulacan

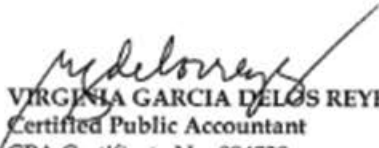
I have compiled the accompanying financial statements of **Praxis Fides Mutual Benefit Association, Inc. (A Non-Stock, Non-Profit Organization)** based on information you have provided. These financial statements comprise the statement of financial position of **Praxis Fides Mutual Benefit Association, Inc.** as at December 31, 2018, the statement of comprehensive income, statement of changes in fund balance and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I have performed this compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised), *Compilation Engagements*.

I have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Philippine Financial Reporting Standards (PFRS) applicable to Mutual Benefit Associations (MBAs). I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to me to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with *PFRS applicable to MBAs*.


VIRGINIA GARCIA DELOS REYES
Certified Public Accountant
CPA Certificate No. 094539
TIN 143-345-655-000
BIR Accreditation No. 05-004260-001-2016
valid until September 15, 2019
PRC/BOA Certificate of Accreditation No. 3085
valid until October 25, 2021
CDA Accreditation No. CEA 0135 (Renewal)
valid until February 20, 2020
PTR No. 2482842, Jan. 14, 2019, Plaridel, Bulacan



PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
 (A Non-Stock, Non-Profit Organization)
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2018 AND 2017
 (Amounts in Philippine Peso)

	2018		2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 5)	P 199,956,072	P	209,768,424
Short-term investments (Note 6)	81,248,155		30,988,917
Loans and other receivables (Note 7)	222,805,766		227,223,792
Financial assets at amortized cost (Note 8)	3,000,000		-
Financial assets at fair value through profit and loss (Note 9)	131,196,331		99,593,135
Prepayments	683,837		986,359
Total Current Assets	638,890,161		568,560,627
NON-CURRENT ASSETS			
Loans and other receivables (Note 7)	181,840,569		147,747,509
Financial assets at fair value through other comprehensive income (Note 10)	27,500,000		22,500,000
Property and equipment (Note 11)	15,376,247		16,245,764
Investment property (Note 12)	91,057,602		93,037,255
Total Non-current Assets	315,774,418		279,530,528
TOTAL ASSETS	P 954,664,579	P	848,091,155
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
Accounts payable and other liabilities (Note 13)	P 10,722,020	P	12,932,248
Liability on individual equity value (Note 14)	677,322,919		601,199,316
Basic contingent benefit reserve (Note 15)	1,167,724		982,862
Claims payable on basic contingent benefit (Note 16)	1,730,000		1,835,000
Income tax payable	96,152		38,931
Total Current Liabilities	691,038,815		616,988,357
NON-CURRENT LIABILITIES			
Accounts payable and other liabilities (Note 13)	42,324		151,017
Retirement benefit obligation (Note 21)	6,627,121		6,627,121
Total Non-Current Liabilities	6,669,445		6,778,138
Total Liabilities	697,708,260		623,766,495
FUND BALANCE			
Free and unassigned fund balance	224,104,156		206,885,809
Assigned fund balance (Note 19)	40,000,000		40,000,000
Accumulated other comprehensive loss (Note 19)	(56,956,319)		(56,149,149)
Total Fund Balance	207,147,837		224,324,660
TOTAL LIABILITIES AND FUND BALANCE	P 954,664,579	P	848,091,155



See Notes to Financial Statements.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Amounts in Philippine Peso)

	2018		2017
REVENUES			
Interest on:			
Loans (Note 7)	P 38,872,048	P	31,984,881
Investment securities and deposits with banks (Notes 5, 6, 8 and 10)	7,306,446		4,171,569
Insurance fund (Note 18)	25,631,692		22,804,068
General fund (Note 18)	13,602,734		14,663,020
Service charges and fees (Note 7)	7,477,313		7,168,850
Income from sale of financial assets at fair value through profit or loss (Note 9)	2,096,938		2,568,896
Membership fees (Note 18)	1,194,300		924,400
Others (Note 17)	6,760,107		5,035,332
	102,941,578		89,321,016
EXPENSES			
Fair value loss on financial assets at fair value through profit or loss (Note 9)	3,978,709		-
Operating expenses (Note 17)	33,043,605		26,817,342
Benefit expenses (Note 17)	8,455,000		7,420,000
	45,477,314		34,237,342
PROFIT BEFORE TAX	57,464,264		55,083,674
TAX EXPENSE (Note 22)	1,996,005		1,712,233
NET PROFIT	55,468,259		53,371,441
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment defined benefit obligation (Notes 19 and 21)	-	(	940,663)
Items that will be reclassified subsequently to profit or loss			
Fair value loss on available-for-sale (AFS) financial assets during the year (Note 9)	-	(	3,982,595)
Fair value loss on disposed of AFS financial assets reclassified to profit or loss (Note 9)	2,814,623		2,814,623
	-	(	2,108,635)
TOTAL COMPREHENSIVE INCOME	P 55,468,259	P	51,262,806

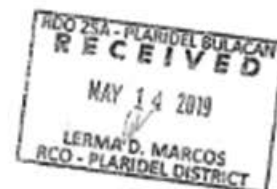
RCO ZSA - PLARIDEL BULACAN
RECEIVED
MAY 14 2019
LERMA D. MARCOS
RCO - PLARIDEL DISTRICT

See Notes to Financial Statements.

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
 (A Non-Stock, Non-Profit Organization)
 STATEMENTS OF CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
 (Amounts in Philippine Peso)

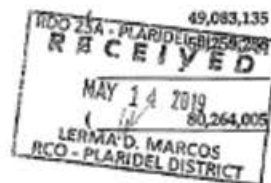
	Free and Unassigned Fund balance	Assigned Fund Balance	Accumulated Other Comprehensive Loss	Total (As Restated)
Balance at January 1, 2018				
As previously reported (Note 19)	P 206,885,809	P 40,000,000	(P 22,561,149)	P 224,324,660
Effect of adoption of PFRS 9 (Notes 15)	(15,413,312)	-	15,413,312	-
As restated (Note 19)	191,472,497	40,000,000	(7,147,837)	224,324,660
Contributions during the year (Note 18)	166,717,862	-	-	166,717,862
Withdrawals during the year	(113,430,859)	-	-	(113,430,859)
Transfer to liability on individual equity value (Note 14)	(76,123,603)	-	-	(76,123,603)
Total comprehensive revenue for the year	55,468,259	-	-	55,468,259
Balance at December 31, 2018 (Note 19)	P 224,104,156	P 40,000,000	(P 7,147,837)	P 256,956,319
Balance at January 1, 2017 (Note 19)	P 196,930,412	P 40,000,000	(P 20,452,514)	P 216,477,898
Contributions during the year (Note 18)	147,118,318	-	-	147,118,318
Withdrawals during the year	(111,847,380)	-	-	(111,847,380)
Transfer to liability on individual equity value (Note 14)	(78,676,982)	-	-	(78,676,982)
Total comprehensive revenue for the year	55,371,661	-	(2,108,635)	53,263,026
Balance at December 31, 2017 (Note 19)	P 206,885,809	P 40,000,000	(P 22,561,149)	P 224,324,660

See Notes to Financial Statements.



PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Amounts in Philippine Peso)

	2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	P 57,464,264	P	55,083,674
Adjustments for:			
Impairment losses (Note 7)	5,128,721		3,300,000
Unrealized fair value loss of financial assets at fair value through profit or loss (Note 9)	3,978,709		-
Depreciation (Notes 11 and 12)	1,585,794		1,639,788
Income from sale of financial assets at fair value through profit and loss (Note 9)	(2,096,938 )	(	2,568,896)
Gain on sale of investment property (Note 12)	(2,910,378)		-
Interest income (Notes 5, 6, 7 and 10)	(46,178,494 )	(	36,156,450)
Gain on sale of property and equipment (Note 17)	-		(218,000)
Operating profit before working capital changes	16,971,678		21,080,116
Increase in loans and other receivables	(26,884,374 )	(	4,399,760)
Decrease in prepayments	302,522		6,134
Increase (decrease) in accounts payable and other liabilities	(2,318,921)		1,663,978
Increase (decrease) in claims payable on basic contingent benefit	(105,000)		460,000
Increase in retirement benefit obligation	-		444,197
Increase in basic contingent benefit reserve	184,862		130,744
Cash generated from (used in) operations	(11,849,233)		19,385,409
Interest received on loans and other receivables (Note 7)	30,952,667		29,501,560
Cash paid for income taxes (Note 22)	(1,938,784 )	(	2,386,694)
Net Cash From Operating Activities	17,164,650		46,500,275
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets at fair value through profit or loss	15,598,168		25,105,497
Interest received on bank deposits and investment securities (Notes 5, 6, and 10)	7,306,446		4,171,569
Proceeds from sale of investment property (Note 12)	4,454,118		-
Increase in investment property (Note 12)	435,913		7,569,380
Acquisitions of property and equipment (Note 11)	(716,277 )	(	1,864,636)
Increase in financial assets at amortized cost (Note 8)	(3,000,000)		-
Increase in financial assets at fair value through other comprehensive income	(5,000,000 )	(	5,000,000)
Additions to financial assets at fair value through profit or loss (Note 9)	49,083,135	(	43,865,712)
Decrease (increase) in short-term investments	-		4,857,801
Proceeds from sale of investment property (Note 12)	-		228,000
Net Cash Used in Investing Activities	(80,264,005 )	(	8,798,101)
CASH FLOWS FROM FINANCING ACTIVITIES			
Members' contributions during the year (Note 18)	166,717,862		147,118,318
Members' withdrawals during the year	(113,430,859 )	(	111,847,380)
Net Cash From Financing Activities	53,287,003		35,270,938
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,812,352)		72,973,112
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	209,768,424		136,795,312
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	P 199,956,072	P	209,768,424



See Notes to Financial Statements.

CORPORATE INFORMATION

Office Hours : 9:00 AM - 5:00 PM
NO NOON BREAK Mondays – Fridays
www.praxisfides.webs.com
praxisfides@gmail.com

MAIN OFFICE MALOLOS BRANCH

#35 PaseodelCongreso, Catmon, Malolos City, Bulacan
(044) 791-3558 / (044) 662-4047
0922 803 2979 / 0917 504 6222

Investor Relation Officer : Melody T. Gaddi
0917 504 6222 / 044 662-4019
pfmgaddi@gmail.com

BALIUAG BRANCH

2nd Floor, PLM BLG., BagongNayon, Baliuag, Bulacan
(044) 8962787 / 0917 515 2877

BUSTOS BRANCH

Poblacion, Bustos, Bulacan
(044) 234 7294 / 0917 659 9536

PANDI BRANCH

Bunsuran 3rd, Pandi, Bulacan
(044) 7693826 / 0975 205 3511

STA. MARIA BRANCH

Poblacion, Sta. Maria Bulacan
(044) 896 2787

BOCAUE BRANCH

Mc Arthur H-iway, Lolomboy, Bocaue, Bulacan
0906 074 5860

*“For possible concerns or complaints, please call or contact
any of the above number”*