

PRAXIS FIDES MBAI 2016 ANNUAL REPORT

Corporate Profile

Praxis Fides Mutual Benefit Association, Inc. was registered with the Securities and Exchange Commission on February 17, 1987. The license to operate as an MBA (mutual benefit association) was first granted by the Insurance Commission on January 11, 1995.

The idea of putting up Praxis Fides MBAI 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.

Although membership was first intended for Church workers, their small number prompted the Association to open its doors to a wider public, to also include what we like to call potential Church workers. In the main, membership is open to any resident of the province who shares in the Association's objectives. Most of the field workers (agents/ area reps) come from the ranks of church workers.

After 29 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 planholders. 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.

Praxis Fides MBAI is regulated by the Insurance Commission and enjoys tax exemption privileges from the Bureau of Internal Revenue. It is among the 9 members of the Philippine Chamber of Mutual Benefit Associations (PCHAMBA). The Board of

Trustees is composed of 7 dedicated and respected individuals who were duly elected by the general membership. The management team on the other hand is made up of 24 employees who were appointed based on relevant educational background and

competency. The company is also a member of Bulacan Chamber of Commerce and Industry.

Vision Statement

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 Statement

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.

Core Values

1. **F**-*aith in God our Father*
2. **A**- *ccountability*
3. **I** - *niative and Innovativeness*
4. **T**- *ransparency in Governance*
5. **H**- *uman Development*

Praxis Fides MBAI Logo

PFMBAI: initials of Praxis Fides Mutual Benefit Association, Inc., embodying our commitment for total human development, rooted in the *praxis* of life and nourished by the grace of *fides*. Its bifocal mission-vision ensures an integral approach to people empowerment.

Tongue of Fire: represents the guidance of the Holy Spirit. The light emanating from it is both a call and a challenge for all to project the faith rather than protect our faith.

Holy Bible: stands for the living Word of God, source of faith. a) Lk 11: 1-4: Necessity of prayer for the fruition of our concerted efforts for development; b) Lk 4: 18-20: the proactive divine strategy incarnated in Jesus Christ, who empowers the whole mankind.

Sign of the Cross: defines our chosen way of life, a commitment to serve not be served.



Membership

With 3 branch offices (Pandi, Sta. Maria, Baliuag)and 19 satellite offices and the company head office located in Malolos City business district, the total membership of Praxis Fides has reached more than 112,854 as of December 31, 2016.

AREA	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
ANG	39	31	41	0	0	163	153	117	148	253	188	178	166
BAL	55	66	96	0	0	132	464	350	386	599	350	381	360
BLG	0	0	0	0	0	0	71	217	247	393	528	521	414
BMA	0	0	0	0	0	0	0	0	0	562	406	584	471
BOC	142	213	273	0	0	680	880	996	1,212	961	781	724	715
BOC2	0	0	0	0	0	0	0	0	0	0	0	0	12
BUL	0	0	0	0	0	0	50	22	24	36	18	21	20
BUL2	0	0	0	0	0	0	0	0	0	0	0	57	139
BUS	399	702	486	0	0	662	922	1,487	1,972	1,589	1,855	1,584	1,323
CAL	0	0	0	0	0	28	111	82	78	110	63	129	108
CND	5	19	6	0	0	12	22	23	22	18	37	20	34
GTO	0	0	0	0	0	0	40	2	1	0	0	0	0
HAG	193	177	142	0	0	472	482	382	568	544	658	722	444
MAL	206	218	351	0	0	430	639	581	696	942	1,127	1,181	1,009
MAR	5	5	6	0	0	38	322	553	639	733	671	533	523
MEYC	40	15	10	0	0	110	8	0	0	2	3	0	1
NOVA	7	1	0	0	0	0	0	0	0	0	0	0	0
OPEN	36	12	3	0	0	0	0	0	0	0	0	0	0
PAN	832	766	837	0	0	1,284	2,578	2,593	2,700	2,347	2,171	2,429	2,375
PAN2	0	0	0	0	0	0	0	0	0	0	0	0	28
PAN3	0	0	0	0	0	0	0	0	0	0	0	0	16
PAOM	135	176	137	0	0	216	580	362	514	443	528	523	495
PB	224	160	259	0	0	395	767	1,118	1,195	1,458	1,356	888	827
PB2	0	0	0	0	0	0	0	0	0	0	0	627	803
PFO	115	54	76	0	0	193	218	134	127	274	209	197	255
PLA	0	0	0	0	0	0	4	0	0	0	0	0	0
SI	0	0	0	0	0	48	101	172	208	232	158	124	152
SJDM	84	75	94	0	0	219	283	535	449	609	478	361	318
SMA	198	237	269	0	0	881	1,015	1,335	1,709	2,245	1,854	854	1,075
SMA2	0	0	0	0	0	0	0	0	0	0	0	766	1,048
SMIG	0	0	0	0	0	0	94	335	76	357	354	579	820
SMIG1	0	0	0	0	0	0	0	0	0	421	12	10	5
SRA	293	269	376	0	0	471	582	490	633	594	794	674	765
VAL	41	64	123	0	0	213	340	360	370	256	214	241	297
Total	3,049	3,260	3,585	0	0	6,647	10,726	12,246	13,974	15,978	14,813	14,908	15,018

Insurance Claims

From 1998 to December 2016, Praxis Fides has a total of 1,099 deceased members with a total of P34,943,000 of life insurance which has been claimed by their respective beneficiaries.

Death Claims 1998-2016		
Area	Claims 1998-2016	AMOUNT
ANG	17	750,000.00
BAL	28	1,080,000.00
BLG	11	240,000.00
BMA	11	380,000.00
BOC	74	2,615,000.00
BUL	1	30,000.00
BUS	129	3,618,000.00
CAL	6	295,000.00
CND	8	210,000.00
HAG	57	1,930,000.00
MAL	79	2,555,000.00
MAR	14	380,000.00
OPEN	3	90,000.00
PAN	291	8,400,000.00
PAOM	39	1,270,000.00
PB	82	2,500,000.00
PFO	23	835,000.00
SI	6	160,000.00
SJDM	18	710,000.00
SMA	85	3,200,000.00
SMA2	3	90,000.00
SMIG	13	520,000.00
SMIG1	2	80,000.00
SRA	82	2,510,000.00
VAL	17	495,000.00
TOTAL	1099	34,943,000.00

Loans

Praxis Fides MBI offers different type of Loans, the Equity Loan, Collateral Loan and Mortgage Loan. As of end 2016 the total loan portfolio of the Association is P325,954.338.22.

The table below shows the total new releases per month:

NEW RELEASES 2016								
No.	Month	Certificate	Inc/ Dec	Mortgage	Inc/ Dec	Collateral	Inc/ Dec	Total
1	Jan	8,241,300.00	13%	3,620,000.00	321%		-100%	11,861,300.00
2	Feb	8,689,920.00	29%	1,415,000.00	-25%	238,000.00	198%	10,342,920.00
3	Mar	9,879,400.00	5%	22,220,000.00	361%	167,000.00	129%	32,266,400.00
4	Apr	10,544,500.00	8%	7,500,000.00	-13%			18,044,500.00
5	May	11,082,600.00	2%	8,870,000.00	82%			19,952,600.00
6	Jun	12,052,200.00	28%	8,010,000.00	585%	63,000.00	-96%	20,125,200.00
7	Jul	9,657,500.00	-1%	5,840,000.00	-21%	75,000.00	100%	15,572,500.00
8	Aug	10,066,200.00	34%	3,205,000.00	-44%	580,000.00	-	10,646,200.00
9	Sep	10,175,800.00	-12%	1,670,000.00	18%	176,000.00	100.00	12,021,800.00
10	Oct	10,897,200.00	21%	3,455,000.00	226%			14,352,200.00
11	Nov	10,199,000.00	27%	2,075,000.00	46%	120,000.00	71%	12,274,000.00
12	Dec	10,906,000.00	26%	5,720,000.00	-71%			16,626,000.00
		122,391,620.00		73,600,000.00		1,419,000.00		194,085,620.00

Creditors Right - To help members meet providential needs as well as productive requirements at relatively low interest and to inculcate in the minds of members the habit of thrift and value of money. To maximize the company's earnings through loans and minimize loss by strengthening collection procedure. Loan is a priveledge, not a right. As such, loans shall be made available to members of Praxis Fides MBI. As a general rule, loan application shall be made by the member borrower him/herself. All loans are secured by member's equity or collateral. For the certificate loan they are only allowed to avail loan up to 80-90% of their equity and 50-70% of market value of their collateral. And all Collateral loans are covered by a life insurance for qualified members.

TOTAL RELEASES 2016								
No.	Month	Certificate	Inc/ Dec	Mortgage	Inc/ Dec	Collateral	Inc/ Dec	Total
1	Jan	16,658,742.00	14%	3,800,000.00	198%	-	-100%	20,458,742.00
2	Feb	15,431,320.00	17%	2,434,000.00	-21%	283,000.00	254%	18,148,320.00
3	Mar	20,234,980.00	19%	24,674,000.00	375%	167,000.00	27%	45,075,980.00
4	Apr	19,865,275.00	12%	10,670,000.00	14%	163,000.00	-84%	30,698,275.00
5	May	19,768,165.00	6%	10,543,000.00	48%			30,311,165.00
6	Jun	20,648,599.00	23%	8,567,000.00	525%	83,000.00	-95%	29,298,599.00
7	Jul	18,710,063.25	13%	5,885,000.00	-23%	170,000.00	710%	24,765,063.25
8	Aug	16,888,444.00	27%	3,205,000.00	-49%	672,000.00	100%	20,765,444.00
9	Sep	20,575,838.00	7%	2,140,000.00	-79%	218,000.00		22,933,838.00
10	Oct	21,188,258.00	14%	3,520,000.00	115%			24,708,258.00
11	Nov	19,469,191.00	19%	2,825,000.00	-51%	120,000.00		22,294,191.00
12	Dec	20,195,192.95	17%	5,900,000.00	-70%			26,095,192.95
		229,634,068.20		84,163,000.00		1,876,000.00		315,553,068.20

Management

Praxis Fides MBAI - Board of Trustee has seven (7) competent members they are elected by the members entitled to vote on Annual General Meeting. Both Regular and Independent Trustee hold office for a term of three (3) years and each of them shall be entitled to hold office only for three (3) terms or a total of nine (9) years. Working with them is a general manager who supervises twenty four (24) well trained and dedicated Praxis Fides Employees.



Board of Trustees Profile 2016



MSGR. LUCIANO C. BALAGTAS

Chairman of the Board and President

Trustee since February 2014

Academic and Professional Qualifications:

AB Philosophy

Theology

Bachelor of Commerce in Science

Community Organizing/ Credit Union

Other Present Corporate Directorship

Company: St. Annes Chatolic School

Position: President

Seminars attended (Corporate & Governement)

Event: Corporate Governance

Date: June 2014



RAMON V. BAGAY

Vice- Chairman

Trustee since February 2015

Academic/ Professional Qualifications

Bachelor of Science and Commerce - Management

Other Present Corporate Directorship

Company: RCBC Savings Bank

Position: Branch Manager

Seminars attended (Corporate & Governement)

Event: Corporate Governance

Date: March 2016



ANTONIO F. JULIANO

Corporate Secretary

Trustee since February 2013

Academic/ Professional Qualifications

Bachelor of Science in Education

Other Present Corporate Directorship

Company: RCBM - Chancery Office

Position:

Seminars attended (Corporate & Governement)

Event: Corporate Governance

Date: March 2016



EDERLINDA G. DEL ROSARIO

Treasurer

Trustee since February 2016

Academic/ Professional Qualifications

Bachelor of Science in Commerce Certified Public Accountant

Other Present Corporate Directorship

Company: M. Sapa Multi-Purpose Cooperative

Position: Auditor

Seminars attended (Corporate & Governement)

Event: Corporate Governance

Date: March 2016



LUCIANA M. GONZALES

Auditor

Trustee since February 2013

Academic/ Professional Qualifications

Bachelor of Science in Bus. Accounting Certified Public Accountant

Other Present Corporate Directorship

Company: LMG Accounting Services

Position: General Manager

Seminars attended (Corporate & Governement)

Event: Corporate Governance

Date: March 2016



REV. FR. ANGELITO S. SANTIAGO

Trustee

Trustee since February 2012

Academic/ Professional Qualifications

AB Philosophy Master in Pastoral Theology

Other Present Corporate Directorship

Company: Bethlehem House of Bread

Position: Director

Seminars attended (Corporate & Governement)

Event: Corporate Governance

Date: March 2016



LEONORA D. SAN JUAN

Trustee

Trustee since February 2012

Other Present Corporate Directorship

Area Coordinator Bustos Area, Businesswoman

Seminars attended (Corporate & Governement)

Event: Corporate Governance

Date: March 2016

Board Committees

AUDIT COMMITTEE

Chairman: **Luciana C. Gonzales** (Independent Director)

Members:

Maxima Salhay

Eduardo Santos

Melody Gaddi

RENUMERATION COMMITTEE

Chairman: **Fr. Angelito Santiago** (Independent Director)

Members:

Ellaine Carla M. Pasco

Engr. Rodelio Cristobal

Ramon V. Bagay

EDUCATION COMMITTEE

Chairman: **Antonio Juliano**

Members:

Fr. Leon Coronel

Eduardo Santos

NOMINATION COMMITTEE

Chairman: **Herminia Mirandilla**

Members:

Leoncia San Jose

Susan Geronimo

INVESTMENT COMMITTEE

Chairman: **Ramon V. Bagay**

Members:

Nancy Jose

Msgr. Rev. Luciano Balagtas

CREDIT COMMITTEE

Chairman: **Leonora San Juan**

Members:

Maria Mae Joaquin

Mary Joy Del Rosario

Danilo Hernandez

Antonio Juliano

Corporate Governance

Praxis Fides Mutual Benefit Association Inc. (PFMBAI) is governed by the key principles of good corporate governance as embodied in the Association's By-Laws, Manual on Corporate Governance and Code of Ethics. The Association firmly adheres to the principles of fairness, accountability, transparency and integrity.

I. Objective

This Manual aims to provide the framework and support necessary to institutionalize good corporate governance in Praxis Fides MBAI.

II. Commitment to Good Corporate Governance

We take corporate governance to mean "a system whereby management enhances the value of a corporation by the way objectives are set and achieved, risk is monitored and managed, and performance is optimized, by taking into account corporate social responsibility."

With this understanding, Praxis Fides MBAi binds itself "to promote fairness, transparency and accountability" in all its corporate actions and endeavors.

Fairness provides the assurance that all members have their rights protected and are treated equitably. Promoting long-term shareholder value is important: trustees shall devote time and attention necessary to properly discharge their duties and responsibilities, in return for the trust given them by members. The Board of Trustees has duty to direct and manage in a manner fair to all, and act with prudence and justice. Fairness is intimately related to ethical practice. The BOT has the ultimate responsibility for creating a culture that promotes ethical practice and social responsibility throughout the corporation. A trustee must ensure that the company's goals, strategies, policies, and practices are right, good, proper and legal. A trustee shall not use his position to make profit or to acquire benefit or advantage for himself and/or related interests.

Accountability recognizes that the Board of Trustees is answerable to members who own the company. It is responsible for the actions of Management, which implements policies and strategic directions emanating from the Board. It involves assigning responsibility and measuring results, and the use of policies, plans, risk management systems and other systems of internal control and accounting and reporting systems. It serves to maximize value while meeting the financial and other legal and contractual obligations. In brief, the BOT must answer for the consequences of action or inaction.

Transparency requires that the Board of Trustees ensures timely and accurate disclosure on all material matters, such as the financial situation, performance, including disclosure of any material foreseeable risks. It requires a system of checks and balances and a system of monitoring and reporting based on accepted standards of adequate disclosure for both financial and non-financial information. There should be clear dividing lines among members, trustees and managers. Whenever they cross lines such as when trustees wear different hats (e.g. Chairman/CEO) this should be disclosed accordingly.

Board of Trustees

Basic Roles and Relationships

The General Membership, being the owners, holds supreme authority in the Association. It exercises this power through the General Assembly where it approves on an annual basis all official acts of the association and elects the members of the Board of Trustees.

The Board of Trustees, composed of five (5) non-executive trustees and headed by a non-executive chairperson, derives its power from the General Assembly by means of elections, governs by means of strategic decisions, policies and oversight, and is fully accountable to the General Assembly.

The management team, on the other hand, headed by the President and General Manager, implements the strategic plans, policies and decisions of the Board of Trustees, and is accountable to the latter.

Trustees are the members' representatives and thus are accountable to them. Once elected to the Board, a trustee takes on fiduciary responsibilities and he is not there to represent specific interests. Sitting as a Board, trustees provide strategic guidance to the corporation, institute policy directives or approve policy initiatives of Management. They set standards of performance, monitor and oversee company performance. They are responsible for ensuring that Management is managing properly.

Being head of the governing body the Board, the chairperson should establish rapport with members and be accessible to them. The chairperson, especially, should keep his nose in, but his hands off, the day-to-day working of the business - which is the responsibility of management. However, the Board is responsible for setting the direction towards which the company must go, not Management.

Independent Trustee

Majority of trustees must be independent, and all trustees must be non-executive. Independence shall mean that: (i) trustee has not been an officer or employee of the company, its subsidiaries, affiliates or related interests, for at least three (3) years preceding term or incumbency; (ii) trustee is not related within the fourth degree of consanguinity or affinity, legitimate or common-law, to any trustee or senior officer of the company or any of its related companies; and (iii) trustee is free from any business or other relationships with the institution or any of its related companies which could possibly give rise to conflict of interest situation

Board Performance

The Board shall meet regularly to discharge its duties efficiently. A trustee who has been absent for three (3) consecutive or maximum five (5) of all meetings, regular and special, for whatever reason, during incumbency, shall be disqualified, and in future may no longer be elected to the Board.

A quorum of 2/3 is required for every meeting and for the approval of board resolutions to be valid. All reports and resolution are emailed five days in advance to all Trustee for them to review and further study.

A formal and rigorous annual evaluation of the Board's own performance and that of its committees and individual trustees shall be undertaken.

The Chairman of the Board shall hold meetings without the executives' presence to evaluate the executives' performance.

The Board, led by an independent trustee, shall meet annually without the chairman's presence to appraise the chairman's performance.

Praxis Fides MBAI holds its Annual General Membership Meeting every third Saturday of March. For the year 2017, the Association held its Annual General Membership Meeting on March 19, 2017 at St. Agatha Resort and Hotel Pavilion, Sta Rita Guiguinto, Bulacan.

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	Name of Trustee	Attended the Annual General Meeting	Number of	Number of	
			Regular/ Special Meetings Held in 2016	Regular/ Special Meetings Attended	
Chairman	Rev. Msgr. Luciano C. Balagtas	YES	13	13	100.00%
Vice Chairman	Ramon V.. Bagay	YES	13	13	100.00%
Treasurer	Ederlinda del Rosario	YES	13	12	92.31%
Secretary	Antonio F. Juliano	YES	13	13	100.00%
Auditor	Luciana M. Gonzales	YES	13	12	92.31%
BOT -Member	Rev. Fr. Angelito S. Santiago	YES	13	11	84.62%
BOT -Member	Leonora DS San Juan	YES	13	13	100.00%

Scheduled Meeting of BOT for 2017		
Month	Date	Meeting
January	January 19, 2017	Special Meeting
February	February 16, 2017	Regular Meeting
March	March 16, 2017	Special Meeting
April	April 20, 2017	Regular Meeting
May	May 18, 2017	Special Meeting
June	June 15, 2017	Regular Meeting
July	July 20, 2017	Special Meeting
August	August 17, 2017	Regular Meeting
September	September 21, 2017	Special Meeting
October	October 19, 2017	Regular Meeting
November	November 16, 2017	Special Meeting
December	December 14, 2017	Regular Meeting

Board Remuneration

The Trustees of Praxis Fides do 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.

The total remuneration received by the Trustees and Officers for the year 2016 is P809,000.00 inclusive of monthly allowance and performance-based incentive.

The following are the remuneration received by each Trustee for the year 2016:

Position	Name of Trustee	Amount
Chairman	Rev. Msgr. Luciano C. Balagtas	Php 123,000
Vice Chairman	Ramon V. Bagay	116,500
Treasurer	Ederlinda del Rosario	116,500
Secretary	Antonio F. Juliano	116,500
Auditor	Luciana M. Gonzales	116,500
BOT -Member	Rev. Fr. Angelito S. Santiago	110,000
BOT -Member	Leonora DS San Juan	110,000

The Board Committees

The Board of Trustees shall create committees as may be necessary, proper and/or convenient with powers and authority to carry out their functions. All committees shall be headed by a trustee, except the Election Committee, and all shall report directly to the Board of Trustees.

The Chair of a Committee is responsible for providing leadership to enhance effective and independent functioning of the Committee in order that it may fulfill its duties as herein outlined or subsequently elaborated in its own separate manual.

Audit Committee

Membership is to be composed of three members, headed by an independent trustee, with all members having the ability to read financial reports, and preferably with accounting/legal/finance background. The committee shall meet at least every quarter, or as often as necessary.

Responsibilities are:

1. Oversee the financial and disclosure process, including the performance of the internal audit and external audit functions; and provide first-instance review of reports coming from these sources.
2. Monitor accounting policies and principles, as well as risk management policies and practices; and ensure that such are always adequate, effective and in force.
3. Monitor, coordinate and facilitate compliance with existing laws, rules and regulations.
4. Act as internal audit arm of the company.
5. Recommend approval for selection of external auditors.

For the year 2016, Audit Committee comprised entirely by Independent Director and Non-Executive Member. The committee held eight (8) meetings in 2016.

		Number of	Number of	
Position	Audit Committee	Meetings Held in 2016	Meetings Attended	%
Chairman	Luciana Gonzales , CPA	8	8	100.00%
Member	Melody T. Gaddi	8	8	100.00%
Member	Maxima Salhay	8	8	100.00%
Member	Eduardo Santos	8	8	100.00%

The following are the highlights of the meeting:

1. Review and approval of the Audited Financial Statements 2016 which was released on March 15, 2017 of which this is within the 120 days limit from the financial year end. The committee also recommend for the approval of external auditor of Praxis Fides MBAI, AMC and Associates was highly recommended by the committee, the fee based on the scope of work is P110, 000.00
2. Pass the resolution that all qualified Area Representative should have a ARs Bond according to their monthly production.
3. Unremitted Collections
4. Non- Performing Loans.
5. Formulation of Whistle Blowing Policy - members, employees, area coordinators and area representatives are encouraged to report all unethical practices to the concerned immediate superior of the head of HR Department. This policy is intended to provide and secure whistleblowing without fear of adverse.
6. Anti-Corruption program – all workforce of the Association are encourage not to accept any monetary or equivalent gifts in exchange of favors or bribery.

7. Gender equality and development – although Praxis Fides was established by Catholic Priests, all religions, gender and sexual orientations are encourage to be a member of Praxis Fides for them to have a life insurance and retirement plan .

Remuneration/ Compensation Committee

Membership shall be composed of three members, who are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgment

The committee shall meet at least two (2) times a year, or as otherwise required by the Board. Only members of the Committee have the right to attend. However, other individuals such as the Executive(s) and external advisers may be invited to attend for all or part of any meeting as and when appropriate. No person shall be present when his or her remuneration or contractual arrangements are discussed

Responsibilities are:

- 1 .Develop a compensation policy to attract, retain and motivate those people of the highest caliber who have the skills needed to achieve the Company's objectives year on year and which balances the interests of the shareholders, the Company and its employees.
2. Determine and recommend for Board approval the policy and schedule for the compensation of Management, allowances of trustees and committee meetings, incentives of Area Coordinators/Representatives, as well as all other monetary or quasi-monetary benefits
3. Approve the design of, and determine targets for any performance related pay schemes operated by the Company and approve the total annual payments under such schemes.
4. Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is recognized.

For 2016, Remuneration and Compensation Committee held 2 meetings and attended by all members.

Corporate Governance & Education Committee

Membership is to be composed of three members, headed by the vice chairperson, who is the ex-officio compliance officer. Meetings are to be held as often as necessary but not less than two (2) times a year.

Responsibilities are:

1. Create and maintain an effective Manual on Corporate Governance, and spearhead the development of a culture of good corporate governance in the Board, management and general membership.
2. Establish the expertise needed in the Board and Management; and act as search, selection and nomination committee to this end.
3. Evaluate the company's corporate governance practices at least every end of fiscal year.
4. Review material or significant RPTs to determine whether they are in the best interests of the shareholders. Any RPTs if any will be disclosed and will be conducted in such a way ensuring that they are fair and at arms' length.
5. Review yearly and evaluation of the Strategic Plan of the Association as well as the Mission and Vision of the company.

Credit Committee

Membership shall be composed of three (3), the head being an independent trustee. Meetings shall be at least once a month.

Responsibilities are:

1. Assist the Board to discharge its responsibility to exercise due care, diligence and skill to oversee, direct and review the management of credit risk within the loan portfolio.
2. Monitor loan policies and practices, and ensure that all policies laid down by the Board of Trustees are being complied with
3. Recommend new policies for the Board's approval as needed, inclusive of credit limits, terms, interest rates, and risk management

4. Review and approve all loans within its approving limit (presently, above P100K) and all loans needing final Board approval (presently, above P500K). For loans needing Board approval, a unanimous vote of the committee is required.

Investment Committee

Membership shall be composed of at least two (2) members, with the President & GM being an additional ex-officio voting member. If the Chairman of the Board is not a member of the Investment Committee, the Chairman may attend Committee meetings and vote on Committee actions. In addition, up to two (2) additional individuals may be Advisors to the Committee and are welcome to participate in all aspects of Committee meetings and activities, except voting. Meetings shall be held as required by the Board but not less often than quarterly

Responsibilities:

1. Review and recommend for approval by the Board investment policies, including investment objectives and strategy.
2. Select and approve the Advisors to the Committee, with the concurrence of the Board. Such Advisors have a renewable one-year term and serve at the pleasure of the Committee and the Board.
3. Recommend for Board approval the selection of investment managers, custodians, consultants and other investment professionals as appropriate.

Nomination/ Election Committee

Membership shall be composed of three (3) independent members, to be headed by any qualified member. The committee shall exist even after the elections and shall serve until their successors have been appointed and qualified. Meetings shall be held at least two (2) times every year, in function of the General Assembly elections

Responsibilities:

1. Formulate rules and regulations governing the conduct of nominations and elections during the annual members' meeting, as well as in special elections should such occur.
2. Prepare and issue ballots to be used and supervise the conduct of elections.
3. Canvass the votes and proclaim the results of the elections.
4. Certify the election returns to the Presiding Officer

For the year 2016, ELECOM held 3 meetings, The release of notice of annual general meeting was posted 30 days in advance on our website February 15, 2016, on the same date the election circulars was distributed to the members thru the Area Coordinator. Profiles of the BOT candidates was also posted on the same date. Proxy forms was also distributed to members and can be easily download at the website.

During the Pre-General Assembly Meeting and on the Actual Annual General Assembly, Chairman of Nomination Committee Herminia Mirandilla discussed the ELECOM circulars, the Criteria and Qualification for Board candidate nomination and proclamation. Ms. Mirandilla also discussed the conduct of election where the general members present shall elect the candidate for directors individually.

Voting members fill up the ballots writing on it the name of candidates they choose or prefer. PFMBAI sets a term limit of nine (9) years for its directors and a limit five (5) board seats that an individual director may hold simultaneously.

Position	Audit Committee	Number of	Number of	%
		Meetings Held in 2016	Meetings Attended	
Chairman	Herminia Mirandilla	3	3	100.00%
Member	Susan Geronimo	3	3	100.00%
Member	Leoncia San Jose	3	3	100.00%

Mr. Perlito Dimla act as the Independent Scrutineer have reviewed the result of the election. The election or voting result was posted on the screen with the approving, dissenting and or abstaining vote tabulated.

Candidate	Voted	%	Abstain
Fr. Joseph Cruz	37,976	33%	310
Fr. Ramon Garcia	37,434	32%	305
Atty. Warlito Gogolin	19,300	17%	157
Mary Joy del Rosario	21,556	19%	176
TOTAL	116,266		948

Compliance & Risk Management Committee

Good governance shall be the main responsibility of the Board of Trustees and its Committees.

To strictly observe and implement the provisions of this Manual, any violation of its provisions by any member of the Board of Trustees shall be sufficient cause for removal from trusteeship.

The Compliance Officer shall be responsible for determining any violation of these provisions, and, subject to the requirements of due process, shall recommend to the Chairman of the Board proper action to be taken.

The Compliance Officer ensures the Board of Directors, management and employees are in **compliance** with the rules and regulations of regulatory agencies, that company policies and procedures are being followed, and that behavior in the organization meets the company's Standards of Conduct.

Risk Management was created by the Association to identify, assess and prioritize the following risks that may affect the company. The following risks are the Liquidity Risk, Credit Risk and Compliance Risk.

The Compliance Officer Mr. Ramon V. Bagay certifies that Praxis Fides Mutual Benefit Association, Inc was compliant in all aspects with the rules and regulation of its regulatory agencies.

Another function of the Compliance and Risk Management Committee is the approval process and accreditation of suppliers. The association considers the following criteria for choosing the best supplier, it should be cost efficient, good quality and customer service and if they are member of the Association.

Related Party Transaction - 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 2016 , related party transaction pertains to the Priveledge Loan/ Car Loan of some members of the BOT and Staff amounting to P4,4,14,863.00

General Manager's Report

Praxis Fides MBAI on its 30th Year of Existence

On its 30 years of existence, PFMBAI offers “first class” Retirement Plans with Life Insurance & Financial Assistance to its 112,854 active member-owners mostly residing in Bulacan.

As of end_2016, Praxis Fides MBAI has an Assets of P768M and is projected to reach P1B! by end_2018. Its Net Income now marks at P63M level while its OPEX Ratio to Gross Income is @32.4% (meaning to say for every one Peso [P1.00] it saves P0.67 for its income).

PFMBAI continually adopts the code of Corporate Governance principles to encourage protection of the interests of the policyholders and creditors. There is a yearly assessment of the Board performance wherein the committee accomplishments and individual attendance to the meetings are both considered. The GM or the CEO's performance is also assessed every year along with the company's employees using the improved EPA Form which was revised last November 18, 2015.

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

PFMBAI now has 26 Performing Area Coordinators (ACs &Sub_ACs) who represent 26 Parishes here in Bulacan. In the association's 26 Area Offices in 20 towns of Bulacan, it has four (4) Satellite Offices (in Pandi, in Sta. Maria, in Baliuag, & in Bustos) to ensure visibility, availability of the product, and accessibility of its member-owners.

Staying true to its Vision: “PinagsamangYamang-Tao, BuhaynaGanapangTungo”, it does its best in embodying both the financial & spiritual growth of each member towards having Total Human Development (THD).

PFMBAI Annual New_Members Average for the past 5 years is@ 1,208 New plans per Month or 14,490 plans sold per Year! This record is a consistent high level of performance from a total of 302 Performing ARs!

One can imagine how this challenging performance of PF recruitment works & how each monthly collection is being accomplished before every cut-off dates.

PFMBAI has a very good marketing formula strengthened by “active participation” of each work force (535 ARs & only 24 PFO employees) & our willingness to share each talents, treasure and time.

Other than providing optimum retirement plans to its member-owners, the PRAXIS FIDES' Mission: “MagtiponTayo’t Mag-Impok, Makatugon at Maglingkod” ensures that the contributions are safely managed to provide life insurance, equity availment & collateral loan supportive of career and financial advancement opportunities.

In the 26 areas of PFMBAI, it has now Total Insurance in Force worth P3,429,999,000.00.

As of end_2016 PFMBAI has released at least P 34.9 M worth of Death Claims to a total of 1,099 plans.

As of End_2016 PFMBAI's ratio of Pensioners /Members who reached Plan Maturity versus Death Claims is 2.21:1

Equitable payment of dividends to shareholder, as of end 2016 the Association gives a 10% of the net income as dividend policy to all members amounting to P521,665,325.30

For the year 2016, we have planted 100 new seedlings of Mahogany at Dona Remedios Trinidad. Also for the year 2017 all lights in our offices will be replaced by led light because it is more environmental and cost friendly.

PFMBAI has for the record granted a 4-Year PF College Scholarships to ten (10) students of Information Technology, and five (5) Public Schools in Bulacan who received Educational Support from the association through its “Adopt-A-School Program”.

It has Medical/Financial assistance not only to its workforce but also to the community through its membership with the Bulacan Chamber of Commerce & Industries (BCCI).

PFMBAI has for its workforce (the Area Representatives and Employees) continuous competency-building programs (such as trainings and up-to-date seminars related to per-desk functions) plus annual Spiritual Retreats.

PFMBAI also provides excellent member-customer service through competent & well motivated service personnel

With the PFMBAI website: praxisfides.webs.com commits to its 112K members a very personalized customer service handled by very competent PFMBAI personnel.

The presence of the PFO Head office in Malolos (a center area in Bulacan) plus its 4 Satellite Offices and 26 area offices ensure visibility & product accessibility to its all member-owners

PFMBAI open doors for Risk Protection Programs & Safety to both the Life and Amount Collected by all of its workforce.

PFMBAI gives life & accident protections to all of its active (performing) workforce at age or even overage. The ARs & Staff as active Church workers/officers in their respective parish organizations get full support from the PFMBAI.

To reach as far as 3 decades of existence is not an easy task, but because of your Love & Respect to each Work, Dedication to Serve for Others, and Faith to the Almighty PFMBAI has done so, and will do so in the years to come

Praxis Fides MBAI proudly presents top 15 gold Performing Ar

**SIX-Time Gold Medalist
Year 2009-2016**



AR Elilucio San Diego
Bustos Area



AR Maxima Salhay
Pandi Area



AR Aurora Javier
Pandi Area



AR Angelica Antonio
PB Area



AR Rufina Guballa
PB Area



AR Leonisa Cristobal
Sta. Maria Area



AR Marcelina Dayag
SMA 1 Area

**SEVEN-Time Gold Medalist
Year 2009-2016**



AR Flordeliza Villanueva
Bustos Area

**Eight-Time Gold Medalist
Year 2009-2016**



AR Elizabeth Carla
Pandi Area



AR Danilo Hernandez
SMA 2 Area



AR Marlyn Reyes
SMA 2 Area



AR Josefina Halili
SMA 1 Area



AR Francisca San Diego
Bustos Area



AR Francy Flores
Bustos Area



AR Luzviminda Santos
Pandi Area

A bird's Story

Membership plans need to be protected from Risks of pre-terminations





PFMBAI: “30 Taong Tapatnapaglilingkod, sakasapia’y nagbubuklod”
Pagiging-totoosamaayosnapangangalagasabawatisangplanoangnagbibigkis,
hanggangsaito’y mahinog.





Kapatiran at ugaling magtipid at mag-impok
Maayos na relasyon Pagkakapantay-pantay ng atensyon
Forced Savings
THD



Seguridad sa buhay, Pagkakuha ng Claims Hindi natapos na plano o nahihinto (CL), Mga equity-applied loans, Mga pre-terminated na plano

CLUSTER EQUITY AND AVAILMENT TABLE

Eq_M

200							
175		171M					
150						139M	
125			102M	98M			
100	90M						
75					72M		
50		28M		26M		29M	29.8M
25	11.8M		15M		12M		2M
	G2	G3	G4	G5	G6	G7	
	BOC MAR MEYC VAL	SMA PB SJDM	MAL HAG PAOM CAL	BUS SRA	ANG BAL BMA SI SMG	BLG BUL PAN	CND PFO OTHERS

EQUITY		703M	100%
EQ_AVAILMENT		125M	17.8%



Paghiramng halagasanahonng pangailangan at planong pension,
Pagtangkilng malilit (Mutual Aid) ng unit nagiging Investment ng malalaki, Kalituhan
kung sino ang dapat isapin ng unit dapat ay kapwagabayan (awareness)

Towards "Buhay na Ganap"

Kailangan maging spiritually & financially stable ang buhay dahil kailangan ay
makatulong din sakapwa

Iwasan ang pagkakaroon ng "identity crisis"

Proteksyon sa mga planong magkasapi

1. Pangangalagang AR namagkaroon ng "on time" nahulog ang bawat kasapi.
2. Kaalaman ng kasapi sa mga benepisyong maayos na paghuhulog at pagtangkil sa
Certificate Availment

Proteksyon sa mga planong magkasapi

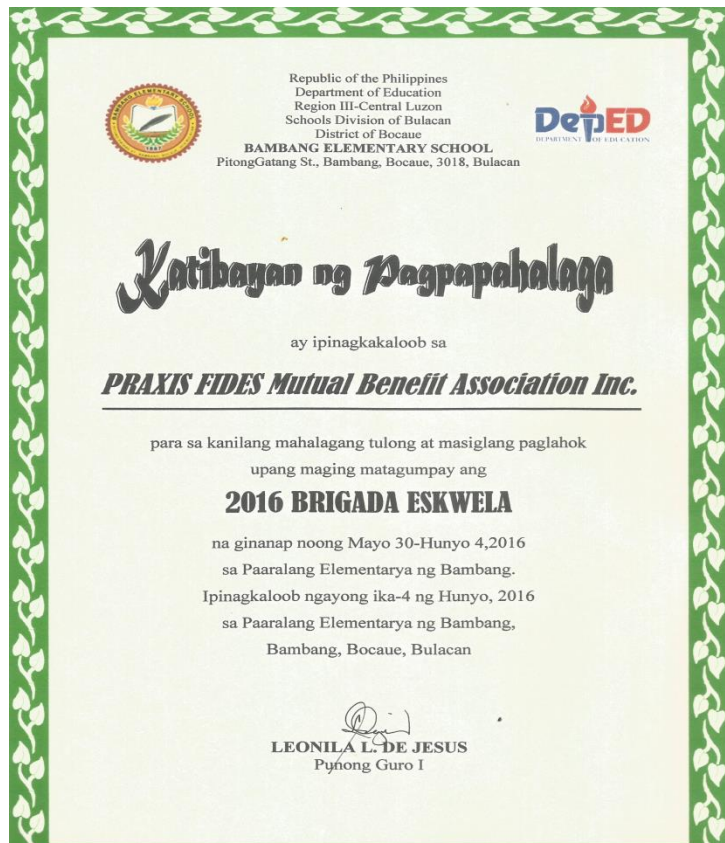
3. Pag-iingat ng samahang kasapi ng itinuturing na "investment" ang PFMBAI.
4. Paghanap ng mga "good payor na borrowers" namayroong kakayanang magbayad on-
time.

**CONGRATULATIONS for the 30th anniversary of PRAXIS FIDES
MBAI !!!**

Corporate Social Responsibilities

Praxis Fides MBAI recognizes its role as a partner in promoting a better life for the Filipino people. It supports government initiatives towards economic recovery and assists in creating opportunities for the common good. The company is also actively involved in various charitable works that helps the less-fortunate members of our society. Among the significant activities that Praxis Fides participated in 2016 were the following.

1. Calamity Drive for Victims of Typhoon Lawin from Region 1,2, CAR and Region 5, thru the Bulacan Chamber and Commerce
2. Gospel Outreach Alive , Immaculate Concepcion Parish, Pandi, Bulacan
3. Brigada Eskwela 2016 – Bambang Elementary School, Bambang, Bocaue, Bulacan



4. Outreach Program- Tahanan Mapagkalinga ni Madre Rita


PRAXIS FIDES MBAI
#35 Paseo del Congreso, Catmon, City of Malolos, Bulacan
Tel. No. 044-7913558 / 6624288 / 6624019
Cel. No. Loan - 0922 8032970 / 0917 8264038
MC - 0917 5046222

email add: praxisfides@gmail.com
website: <http://www.praxisfides.webs.com>

**OUTREACH PROGRAM
CHRISTMAS GATHERING**

Venue: TAHANAN MAPA GKALINGA NI
MADRE RITA, INC.
Topas St. Phase 2 Rosaryville Subdivision Sta.
Cruz Guiguinto, Bulacan
Date: Dec. 13, 2016 @ 1:00 PM.

AREA: Balagtas



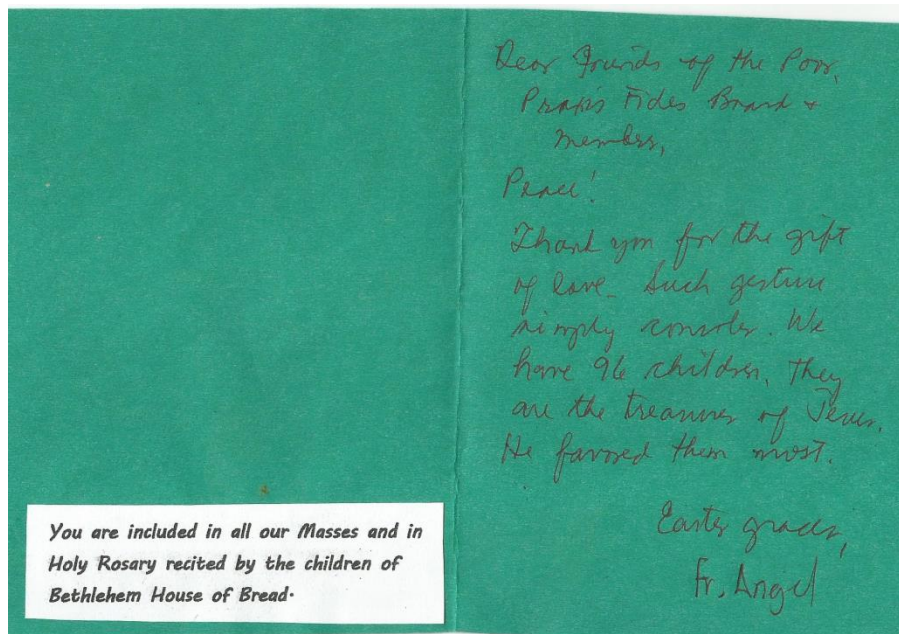


5. Feeding Program for Abandoned Childred : Beneficiary: Bethlehem House of Bread





6. Feeding Program for Malnourished Children: Sitio Buga Brgy. San Isidro Paombong, Bulacan



Dear Prosis Fides Area Coordinators,
Peace!

Our grateful appreciation for carrying
them in your arms, holding them
close to your heart & telling them
they're most favored by God.
Your gentle affirmations are
captured forever in their
memories.

Maroonig Belarat po!

My priestly blessings,

Fr. Angel

You are included in all our Masses and in
Holy Rosary recited by the children of
Bethlehem House of Bread.

Seminars and Trainings



Business Accounting Technology Seminar – attended by Mr. Mark Justine Gutierrez, Ms. Bernadette de Guzman, Ms. Rea Angelo and Ellaine Carla m. Oasco..



Tax Update Seminar – attended by Ms. Chery De Leon



Seminar on DOLE Update and Basic Health and Safety Orientation – May 24, 2016 @ HBCC, Malolos, Bulacan

