

2023 Annual Report



PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC

President's Report

In the ever-evolving landscape of our industry, it's crucial to take stock of our achievements, challenges, and opportunities. As I present our annual report for the year 2023, I am proud to highlight the remarkable growth and achievements of our company.

Market Performance

One of the key indicators of our success lies in the expansion of our market reach. In 2023, we witnessed a remarkable increase in the recruitment of new memberships, marking a significant milestone for our organization. Compared to the preceding year, our new membership acquisition surged by an impressive 12.33%. This surge translated into tangible numbers, with a total of 18,543 new members joining our ranks in 2023. This figure represents an average of 1,545 new members per month, a notable uptick from the 1,373 new members per month recorded in 2022.

Several factors have contributed to this notable growth trajectory. Firstly, our concerted efforts in refining our recruitment strategies have yielded positive results. Through targeted marketing campaigns, enhanced member benefits, and streamlined onboarding processes, we have effectively appealed to a broader audience base. Additionally, our commitment to delivering exceptional value and personalized experiences has resonated with prospective members, compelling them to choose our organization over competitors.

Furthermore, the increasing recognition of the value proposition offered by our company within the market ecosystem has played a pivotal role in driving membership growth. As consumers seek reliability, innovation, and trustworthiness in their service providers, our unwavering commitment to excellence has positioned us as a preferred choice among discerning individuals.

Recruitment Highlights

The year 2023 witnessed significant recruitment activity across various key areas. Notably, Pandi, Malolos, Sta. Maria 2, Bustos, and Baliuag emerged as focal points of recruitment efforts, demonstrating robust engagement and expansion within these areas.

Baliuag, in particular, experienced an outstanding Membership Growth (NMg) rate of 113%, reflecting our concerted efforts in bolstering our presence and fostering community engagement. Similarly, impressive growth rates were observed in BMA (65%), Norzagaray (52%), and San Miguel (40%), underscoring the effectiveness of our recruitment strategies and the dedication of our Area Representatives

Cluster Performance

Under the adept leadership of Cluster Head Eddie Santos, the G3 cluster achieved remarkable success throughout the year. Collaborating closely with Branch Manager Dennis de Guzman at the Sta. Maria Branch, the G3 cluster demonstrated exceptional performance, driving growth initiatives, and fostering a culture of excellence and teamwork.

Performing Area Representatives (ARs)

The areas with performing ARs serve as beacons of progress and exemplars of effective community engagement. Among these standout areas are Pandi (PAN), Bustos (BUS), San Rafael (SRA), Pulong Buhangin (PB), and Sta. Maria2 (SMA2). Each of these areas boasts a vibrant community spirit and a proactive approach towards addressing local challenges and opportunities.

In assessing the performance of our ARs, it is essential to highlight the clusters' percentages within these exemplary areas. These percentages serve as a testament to the ARs' effectiveness in mobilizing resources, fostering collaboration, and driving sustainable development initiatives.

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G7 Pandi (62%): Within the Pandi area, our ARs have demonstrated exceptional dedication and strategic acumen, with an impressive 62% of clusters showcasing high levels of performance. This achievement underscores the ARs' ability to galvanize community members and stakeholders towards shared goals and objectives. Under the astute supervision of Branch Manager Mac Gasis of Pandi Branch, our ARs have achieved significant milestones and made tangible contributions to the welfare and progress of the Pandi community.

G5 Bustos (60%): In Bustos, our ARs have succeeded in maintaining a high standard of performance, with 60% of clusters displaying commendable progress and impact. Through innovative approaches and inclusive leadership, our ARs have fostered a culture of collaboration and empowerment.

G8 Pulong Buhangin (58%): The Pulong Buhangin area has witnessed notable advancements under the stewardship of our ARs, with 58% of clusters demonstrating remarkable performance

Newly Recruited Area Representatives (ARs)

In 2023, the recruitment efforts for Area Representatives (ARs) witnessed significant growth compared to the previous year. The total number of newly recruited ARs in 2023 amounted to 60, marking a notable increase from the 45 ARs recruited in 2022. This increase represents a 33% rise in recruitment.

The recruitment drive in 2023 resulted in the appointment of 60 new ARs across various areas. Notably, the following areas saw substantial recruitment: BAL2 8, SRA, SMIG2, BOC and PAN (4 each).

Newly Established Areas:

In addition to bolstering existing areas with new ARs, 2023 also saw the establishment of two new areas:

SMIG2: Established on April 1, 2023, SMIG2 was inaugurated with Sub Area Coordinator (SAC) Rebecca Laxamana at its helm. This expansion signifies a strategic move to extend the organizational reach into new areas in San Miguel, Bulacan

Baliuag (BAL2): Another significant development was the establishment of BAL2 on October 1, 2023, with Sub Area Coordinator (SAC) Dante Castro appointed to lead this new area in Baliuag, Bulacan.

People

In the realm of training and development, our focus remains steadfast on nurturing the capabilities of our personnel, particularly our Area Representatives (ARs), ensuring they are equipped with the knowledge and skills essential for success in their roles. Throughout the reporting period, significant efforts were directed towards the comprehensive training of newly recruited ARs, aimed at empowering them with a deep understanding of our products and operational frameworks.

The Management



PF Employee's Training and Development

The continuous growth and development of employees are paramount in fostering a culture of excellence and ensuring the achievement of organizational goals. In line with this principle, the following report outlines the training and development activities undertaken by Praxis Fides MBAI employees during the period June 2023 to August 2023.

1. Corporate Governance Seminar: Date: June 6-7, 2023

Participants: Corporate Secretary, Chief Audit Executive, Compliance Officer, and Chief Risk Officer

The aforementioned personnel attended a Corporate Governance Seminar organized by the Institute of Corporate Directors. This seminar aimed to enhance participants' understanding of corporate governance principles, regulatory frameworks, and best practices. It provided insights into governance challenges and strategies for effective risk management and compliance. The participation of key executives underscores the company's commitment to upholding the highest standards of corporate governance.

2. Basic Accounting Seminar:

Date: Part 1 - July 18, 2023; Part 2 - August 8, 2023

Participants: All Branch Managers and selected Staff

The Basic Accounting Seminar was conducted in two parts and was attended by all Branch Managers along with selected staff members. The seminar aimed to equip participants with fundamental accounting knowledge and skills essential for their roles within the organization

Area Coordinators (ACs) and Sub Area Coordinators (SACs) Recollection

The yearly recollection of ACs and SACs was held at Mt. St. Paul Retreat House in Benguet La Trinidad last September 28 to 30, 2023. Through various activities like guided sessions, prayer and meditations, they grew closer and learned important skills. This retreat provides them to reflect and renew spirituality.



PF Team Building Seminar

In 2023, Three Clusters embarked on a journey towards enhancing teamwork, communication, and collaboration through a comprehensive team building seminar. Comprising the clusters of Pandi, Bustos, and Pulong Buhangin, the seminar aimed to cultivate a more cohesive and effective working environment within the organization. The primary objective of the team building seminar was to strengthen the cluster relationships, foster a sense of unity, and develop strategies to overcome challenges collectively.



New Area Representative's Training (ARs):

Newly recruited ARs underwent an intensive Initial Product Knowledge (IPK) session conducted by their respective Area Coordinators (AC). This foundational training served as the cornerstone for their journey, providing them with a comprehensive grasp of our offerings and strategies.

Seminars Modules:

Following the IPK, ARs participated in a series of seminars designed to delve deeper into various aspects crucial to their roles. These modules covered diverse topics essential for their professional growth, including:

1. Kasaysayan, Pananaw, Misyon at Layunin: Exploring the historical context, perspectives, mission, and objectives of our organization, fostering a sense of purpose and alignment among the ARs.
2. Ang Pagsapi, Plano at Konsepto ng Ipon: Understanding the intricacies of membership, planning, and the concept of savings, laying the groundwork for effective financial guidance.
3. Ano ang AR at Documentation: Clarifying the role and responsibilities of ARs, along with the importance of meticulous documentation in ensuring operational efficiency and compliance.
4. AR's Benefit: Delving into the array of benefits available to ARs, highlighting the value proposition and incentives associated with their engagement.
5. Policy Holder Orientation: Equipping ARs with insights into the needs and expectations of policyholders, emphasizing customer-centricity and service excellence.

Health, Safety and Welfare

"5K" is a catchy acronym representing different aspects of Corporate Social Responsibility (CSR) of Praxis Fides MBI initiatives: namely KAALAMAN, KALUSUGAN, KAWANGGAWA, KABUHAYAN AT KAPANALIG

These are the projects accomplished for the year 2023:

1. Kaalaman (Knowledge): This refers to initiatives aimed at promoting education, skill development, and knowledge sharing within communities. This can include programs such as scholarships, educational workshops, and mentorship programs.

| | |
|----------------------|---|
| Project | College Scholarship - KAALAMAN Program |
| Target Date | 7/13/2023 |
| Date Accomplished | 8/24/2023 - 12/20/2023 |
| Budget | P96,000 |
| Actual Beneficiaries | 3 IT Students |

2. Kalusugan (Health): This focuses on initiatives that promote health and well-being within communities. Examples include healthcare access programs, wellness workshops, and campaigns promoting healthy living habits.

| | |
|----------------------|---|
| Project | Medical Kit – (Digital <u>BP</u>monitor and Glucometer |
| Target Date | August 2023 |
| Date Accomplished | 9/15/2023 |
| Budget | P56,000.00 |
| Actual Beneficiaries | In all Praxis Fides Branches |

3. Kawanggawa (Compassion): This emphasizes initiatives that demonstrate compassion and empathy towards marginalized or vulnerable groups in society. This can include activities such as disaster relief efforts, support for orphanages or elderly care homes, and initiatives to address poverty and hunger.

| | |
|----------------------|---|
| Project | Rice Subsidy |
| Target Date | August 2023 |
| Date Accomplished | 12/27/2023 |
| Budget | P22,000.00 |
| Actual Beneficiaries | Minor and Major Seminary & San Juan De Dios <u>Bustos</u> |

| | |
|----------------------|--------------------------------|
| Project | Calamity (<u>Ayuda</u>) |
| Target Date | August 2023 |
| Date Accomplished | 8/4/2023 |
| Budget | P55,000.00 |
| Actual Beneficiaries | 11 Areas , 20 bags of 5kl rice |

Financial Highlights

This report summarizes the key financial metrics and performance indicators of Praxis Fides Mutual Benefit Association, Inc. for the period ending December 31, 2023. The financial highlights provide a snapshot of our financial health, operational efficiency, and profitability. The Association remain optimistic about our future prospects. We will continue to focus on strengthening our financial position and achieving sustainable growth.

Loans

In 2023, our association continued to serve our members with dedication and commitment. Despite the challenges posed by external factors, we remained resilient and focused on our mission to provide financial security and support to our members. This annual report encapsulates our performance and achievements throughout the year.

Out of 129,636 active members:

- Total borrowers availed policy loans: 15,156

Distribution by areas:

- Pandi: 15%
- Bustos: 10%
- Santa Maria (SMA2): 7.5%

Distribution by clusters:

- G7: 24.5%
- G5: 10.3%
- G3: 11.67%

Distribution by branch and loan amount:

- Pandi branch: Loan amount 20M - 27.7%
- Bustos branch: Loan amount 13.5M - 28.49%
- Santa Maria (SMA) branch: Loan amount 7.8M - 24.65%

Sources of Income

| Sources of Income | 2023 | 2022 |
|-----------------------------|--------------|--------------|
| Loans | 2,755,484.22 | 2,796,792.84 |
| Sale of property | 43,195.52 | 184,627.96 |
| Rent Income | 148,808.91 | 135,901.49 |
| Placements | 1,614,536.66 | 1,038,296.97 |
| Income from sales of stocks | 126,824.62 | 119,569.26 |
| Cash Dividends | 192,341.50 | 226,287.92 |

| | 2023 | 2022 |
|---------|---------------|---------------|
| S1 (MC) | 13,897,092.37 | 18,750,332.40 |

| | | |
|---------|-----------------|-----------------|
| S2 (IP) | 35,260,960.74 | 33,636,398.52 |
| | (12,703,281.08) | (12,616,826.00) |
| | 22,557,679.66 | 21,019,572.52 |

In 2023, income from placements (time deposits) increased to P19 million from P12 million in 2022. Total assets amounted to P1,163,971,740.00. Actual expenses for 2023 were lower than the budgeted expenses, with P88,067,864.54 spent compared to a budget of P93,212,324.73. Tagged earnings for 2023 totalled P40,187,555.53, with participating earnings at P3,215,004.44 (8% of tagged earnings) and non-participating earnings at P2,009,377.78 (5% of tagged earnings).

| Income from Placements | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| TDs/ Stocks | 19M | 12M |

| 2023 | Actual Expenses | Budget |
|---------------------|------------------------|---------------|
| Expenses vs. Budget | 88,067,864.54 | 93,212,324.73 |

| Tagged Earnings 2023 | Participating | Non- Participating |
|-----------------------------|----------------------|---------------------------|
| P40,187,555.53 | 88,067,864.54 | 93,212,324.73 |

Forest Lake

Praxis Fides MBI made a significant investment in Forest Lake Memorial Park in San Ildefonso Bulacan by acquiring 200 lawn lots. The total investment amount of 12,865,600.00 suggests a substantial commitment to this venture. Investing in memorial parks can be a strategic move, as they typically offer stable returns over time, given the constant demand for burial plots.

RBC Ratio Score

The RBC score serves as a key indicator of the Association's Capital Adequacy, representing its capacity to fulfil financial obligations effectively. In pursuit of financial stability, the Association endeavours to eradicate the presence of Non-Admitted Assets (NAAs) within its portfolio of problematic mortgage loan accounts. These NAAs encompass both interest income receivable and principal amounts that have not been remitted by non-performing borrowers. By addressing and mitigating these NAAs, the Association aims to bolster its financial resilience and enhance its ability to meet its commitments.

| | 2022 | 2021 |
|-------|-------------|-------------|
| RBC % | 252% | 234% |

Corporate Governance

Board of Trustee

The Praxis Fides Board of Trustees serves as the guiding force behind the Association's commitment to sound corporate governance. Comprised of seven non-executive members, the Board sets the tone for responsible governance, diligently overseeing the affairs, funds, and property of the organization. Through their collective expertise and dedication, the Board ensures that Praxis Fides operates with integrity and accountability.

The Board of Trustees is committed to continuous improvement and excellence in governance. Through on going evaluation and refinement of policies, practices, and procedures, the Board seeks to enhance the effectiveness of its oversight functions and promote the long-term sustainability of the Association. By fostering a culture of innovation and adaptability, the Trustees remain responsive to evolving challenges and opportunities in the dynamic landscape of corporate governance.



Board Performance

In 2023, meticulous records of attendance for regular and special board meetings were diligently maintained, culminating in a formal and comprehensive evaluation of the Board's performance, along with its committees and individual trustees, conducted on December 10th of that year.

Board Performance

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| TRUSTEE | DESIGNATION | Annual Meeting | Orientation Seminar | Regular/ Special Meeting | % |
|-------------------------|---------------|----------------|---------------------|--------------------------|------|
| <u>Julietta V. Cruz</u> | Chairman | Yes | Yes | 11 | 92% |
| Fr. Francisco Carson | Vice-Chairman | Yes | Yes | 11 | 92% |
| Mary Joy Del Rosario | Secretary | Yes | Yes | 9 | 75% |
| Allan Martin | Treasurer | Yes | Yes | 12 | 100% |
| <u>Virginia Saclot</u> | Auditor | Yes | Yes | 11 | 92% |
| Emilia Pasco | Member | Yes | Yes | 11 | 92% |
| Ma. Estela Santos | Member | Yes | Yes | 10 | 83% |

Schedule Meeting of BOT for 2023

| Month | Date | Meeting |
|-----------|--------------------|-----------------|
| January | January 27, 2023 | Regular Meeting |
| February | February 24, 2023 | Special Meeting |
| March | March 31, 2023 | Regular Meeting |
| April | April 28, 2023 | Special Meeting |
| May | May 26, 2023 | Regular Meeting |
| June | June 30, 2023 | Special Meeting |
| July | July 28, 2023 | Regular Meeting |
| August | August 25, 2023 | Special Meeting |
| September | September 28, 2023 | Regular Meeting |
| October | October 27, 2023 | Special Meeting |
| November | November 24, 2023 | Regular Meeting |
| December | December 15, 2023 | Special Meeting |

The Trustees of Praxis Fides are not compensated with a regular income but are instead provided with certain allowances and honoraria to cover their expenses related to their roles. Specifically:

1. Per Diem for Meetings: Trustees receive per diem payments for attending special and regular meetings. This per diem is intended to cover gasoline and transportation expenses incurred while attending these meetings.
2. Monthly Honorarium: Trustees are given a monthly honorarium, which varies depending on the position and responsibilities they hold within the association.

Board Performance

The total per diem and monthly honorarium for the Board of Trustees (BOT) in 2023 amounted to PHP 1,054,500.00. This amount includes:

- Monthly allowances
- Performance-based incentives

These payments to the Trustees are categorized as part of the total administrative expenses of the company.

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- Performance-based incentives

These payments to the Trustees are categorized as part of the total administrative expenses of the company.

Summary of Per Diem for Meetings

| Trustee | BOT Regular Meetings | Committee Meetings | BOT Special Meetings | Total |
|------------------------|----------------------|--------------------|----------------------|------------|
| <u>Julieta B. Cruz</u> | 72,000.00 | 51,750.00 | 7,500.00 | 131,250.00 |
| Fr. Francisco Carson | 62,500.00 | 6,750.00 | 10,000.00 | 79,250.00 |
| Mary Joy del Rosario | 62,500.00 | 16,500.00 | 5,000.00 | 84,000.00 |
| Allan Martin | 67,500.00 | 40,500.00 | 10,000.00 | 118,000.00 |
| <u>Virginia Saclot</u> | 67,500.00 | 46,500.00 | 7,500.00 | 121,500.00 |
| Ma. Estela T. Santos | 63,750.00 | 17,000.00 | 6,250.00 | 87,000.00 |

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

Board of Trustees Continuing Education

The Board of Trustees Continuing Education Orientation Seminar was held immediately following the Annual General Meeting, where newly elected trustees were elected. This seminar aimed to provide essential knowledge and understanding to the new trustees about the Praxis Fides MBAI, its history, governance structure, and financial standing.

Seminar Agenda:

1. History of Praxis Fides MBAI: The seminar commenced with a detailed exploration of the rich history of Praxis Fides MBAI, highlighting its founding principles, milestones, and evolution over the years. This session aimed to instill a sense of appreciation for the organization's legacy among the newly elected trustees.
2. Board Charter: A comprehensive overview of the Board Charter was presented, elucidating the roles, responsibilities, and expectations of the trustees. Emphasis was placed on the principles of accountability, transparency, and fiduciary duty, which serve as guiding pillars for the effective governance of Praxis Fides MBAI.

Board of Trustees Continuing Education

3. Financial Condition: The financial health and condition of the Association were meticulously reviewed, providing insights into its revenue streams, expenditure patterns, and overall financial performance. This segment aimed to equip the trustees with a clear understanding of the Association's fiscal landscape, enabling them to make informed decisions in their stewardship roles.

4. Corporate Governance Orientation Program (CGOP): Newly elected trustees were apprised of the necessity to attend the Corporate Governance Orientation Program (CGOP), a vital initiative designed to deepen their understanding of corporate governance principles and practices. The participation of Fr. Francisco Carson and Ms. Mary Joy del Rosario in the CGOP conducted by the Institute of Corporate Directors (ICD) on September 6, 2023, was duly noted.

Board Committees

The Board of Trustees has the authority to establish committees as deemed necessary, proper, or convenient, and to endow these committees with the necessary powers and authority to fulfil their functions. Each committee will be led by a trustee, with the exception of the Election Committee. All committees are required to report directly to the Board of Trustees.

The Chair of each Committee is tasked with providing leadership to ensure the committee operates effectively and independently, enabling it to carry out its duties as defined herein or as further detailed in its own specific manual.

Audit Committee

The Audit Committee is created: To determine compliance with policies and procedures. Assess the quality of internal controls. Evaluate the quality of risk management. Evaluate compliance with rules and guidelines established by regulatory agencies. Assess compliance with accounting standards. Review the effectiveness and security of information technology systems. Review the strength of the code of ethics and actions to handle violations. Provide additional oversight to internal accounting practices that external auditors may not focus on. Opine on the quality of work of external auditors. Verify physical assets and inventory.

The Committee provides internal audit service, monitor the adequacy and effectiveness of the internal control manual of the Association. And promote transparency and accountability to the General Membership.

Audit Committee

For the year 2023, the committee held eight (8) regular meetings to discuss and approve the following matters:

- Initial findings of Internal Auditor
- Budget Planning for 2024
- New Audit Procedures & Program
- Committee Action Plan for 2024
- Review and approval of the external auditor. Audit annual fee is One hundred twenty five thousand pesos (P125,000.00) exclusive of value added tax and out of pocket expenses.
- Review and approval of non-audit services of the external auditor.
- Updates and implementation of New Accounting System (PFAS)
- Review and approval of the Audited Financial Statements 2023 which was release on March 15, 2024.

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

| Committee Member | Designation | Meetings Attended | % of Total Meeting |
|-------------------------|--------------------|--------------------------|---------------------------|
| Virginia Saclot | Chairperson | 8 | 100 % |
| Emil John Edejer | CAE | 8 | 100 % |
| Allan Martin | Member | 7 | 88 % |
| Angelica Antonio | Member | 7 | 88 % |

Corporate Governance Committee

In 2023, the Corporate Governance Committee conducted a review of the corporate governance manual. As part of this review, the committee updated the following key policies: the Board Charter, the Grievance and Whistleblowing Policy, and the Customer Welfare Policy. These updated policies were subsequently approved by the Board of Trustees.

Summary of Meetings of Corporate Governance Committee

| Committee Member | Designation | Meetings Attended | % of Total Meeting |
|-------------------------|--------------------|--------------------------|---------------------------|
| Fr. Francis Carson | Chairperson | 3 | 100 % |
| Julieta Cruz | Member | 3 | 100 % |
| Mary Joy Del Rosario | Member | 2 | 88 % |
| Melody Gaddi | Key Officer | 3 | 100% |

Nomination Committee

The Nomination Committee is created: To guide members in selecting qualified leaders to protect the interest of the association.

For the year 2023, the committee held four (4) regular meetings to discuss and approve the following matters:

1. Praxis Fides MBAI Election Code

Qualification of a Board of Trustees

The following are the minimum qualifications for Praxis Fides MBAI's BOT candidate:

- a. Maximum age is 62 years old and must be physically fit;
- b. Active member for at least one (1) year and in good standing of Praxis Fides MBAI, candidate member whose membership expired/matured and availed a new membership (BR 2020-21 Addendum);
- c. With competency and leadership skills to execute the duties of a trustee;
- d. No conflict of interest or not engage in business similar to the company and its subsidiary's business.
- e. If not workforce, candidate shall not be related to any personnel, Area Coordinator and Area Representative up to third degree of consanguinity or affinity, legitimate or common-law.

2. Disqualification to the Board of Trustee

- a. A person convicted by final judgment of an offense that is punishable by imprisonment for a period exceeding six (6) years, or of a violation of the Corporation Code of the Philippines committed within six (6) years prior to the date of her or his election.
- b. Related to any personnel, Area Coordinator and Area Representative up to fourth degree of consanguinity or affinity, legitimate or common-law.
- c. Elected and served as Board of Trustee for nine years
- d. A person whose membership has been terminated to due to various reasons or has resigned membership with the Association.

3. 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 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.

4. Validity of Proxy Forms to 5 years

5. Screening of BOT candidates 2024-2025

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

| Committee Member | Designation | Meetings Attended | % of Total Meeting |
|-------------------------|--------------------|--------------------------|---------------------------|
| Ma. Estela Santos | Chairperson | 3 | 100 % |
| Emilia Pasco | Member | 3 | 100 % |
| Maxima Salhay | Member | 3 | 100 % |
| Bernadette De Guzman | Member | 3 | 100 % |

The Credit Committee

The Credit Committee together with the Board of Trustees has approved New and Competitive Interest Rates for Policy Loans to promote and encourage our members to leverage their equity wisely. Now's the perfect time to maximize and explore their options and make the members financial goals a reality.

Loan Maximization Program aim to:

- a.To extend emergency loan assistance during quarantine period,
- b.To help uplift our members lives,
- c. To recover from their loses and,
- d.To promote maximization of Certificate Loans as well.

Loan Releases

| TOTAL RELEASES 2023 | | | | |
|----------------------------|--------------|-----------------------|----------------------|-----------------------|
| No. | Month | Policy Loan | Mortgage Loan | Total |
| 1 | Jan | 21,177,871.00 | 450,000.00 | 21,627,871.00 |
| 2 | Feb | 16,735,556.00 | 11,300,000.00 | 28,035,556.00 |
| 3 | Mar | 16,841,834.00 | 7,690,000.00 | 24,531,834.00 |
| 4 | Apr | 13,877,984.00 | 2,470,000.00 | 16,347,984.00 |
| 5 | May | 14,750,050.66 | 2,650,000.00 | 17,400,050.66 |
| 6 | Jun | 21,761,113.00 | 10,690,000.00 | 32,451,113.00 |
| 7 | Jul | 19,429,881.00 | 500,000.00 | 19,929,881.00 |
| 8 | Aug | 19,842,279.84 | 3,760,000.00 | 23,602,279.84 |
| 9 | Sep | 16,207,556.85 | 2,311,000.00 | 18,518,556.85 |
| 10 | Oct | 12,263,122.50 | 1,900,000.00 | 14,163,122.50 |
| 11 | Nov | 15,936,811.47 | 1,700,000.00 | 17,636,811.47 |
| 12 | Dec | 20,357,699.00 | 650,000.00 | 21,007,699.00 |
| | | 209,181,759.32 | 46,071,000.00 | 255,252,759.32 |

AUDIT AND BROC COMMITTEE



Audit



Board Risk Oversight

INVESTMENT COMMITTEE

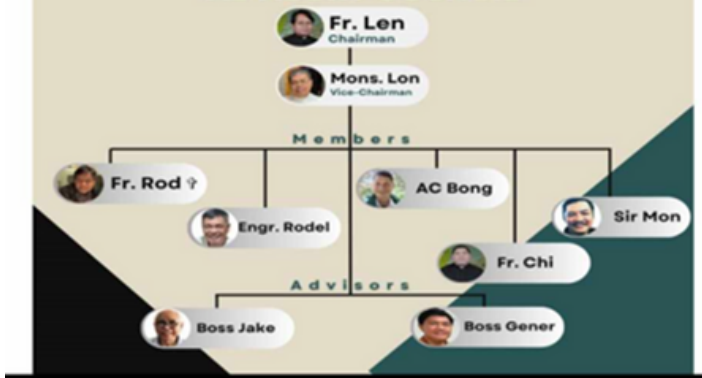


Investment



Credit

ADVISORY COUNCIL



ELECTION COMMITTEE



CORPORATE GOVERNANCE COMMITTEE



Corporate Governance



Compensation



Corporate Social Responsibility

In Loving Memory of Fr. Rodrigo Samson (1949-2024)

It is with deep sorrow that we announce the passing of Fr. Rodrigo Samson, a visionary leader and co-founder of Praxis Fides MBI. Fr. Samson's legacy is etched in the heart of our organization, having served as the Chairman of the Board of Trustees five times and as a dedicated member of the Praxis Fides MBI Advisory Council. His unwavering commitment, wisdom, and guidance have been a beacon for all who have had the privilege of working alongside him. Fr. Samson's contributions have left an indelible mark on our community and his spirit will continue to inspire us. May he rest in peace.

In Loving Memory



Fr. Rodrigo "Rod" Samson
1949 - 2024

- CO FOUNDER OF PRAXIS FIDES MBI
- PRAXIS FIDES BOARD OF TRUSTEE - 20 YEARS
- 5 - TIME CHAIRMAN OF PRAXIS FIDES BOARD OF TRUSTEE
- MEMBER OF PRAXIS FIDES ADVISORY COUNCIL

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2023 AND 2022
(Amounts in Philippine Peso)

| | 2023 | 2022 |
|--|------------------------|------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents (Note 5) | P 188,829,916 | P 185,078,286 |
| Short-term financial assets (Note 6) | 62,668,271 | 76,577,126 |
| Loans and other receivables (Note 7) | 166,371,211 | 235,389,048 |
| Financial assets at amortized cost (Note 8) | 54,325,138 | 31,739,555 |
| Financial assets at fair value through profit or loss (Note 9) | 303,160,946 | 315,554,440 |
| Other current financial assets (Note 10) | 17,436,082 | 3,573,591 |
| Prepayments | 535,904 | 843,116 |
| Total Current Assets | 793,347,468 | 848,755,162 |
| NON-CURRENT ASSETS | | |
| Long-term financial assets (Note 6) | 86,509,076 | 69,664,856 |
| Loans and other receivables (Note 7) | 104,714,546 | 60,291,545 |
| Financial assets at fair value through other comprehensive income (Note 11) | 82,650,000 | 82,650,000 |
| Property and equipment (Note 12) | 25,196,493 | 13,633,115 |
| Investment property (Note 13) | 75,774,202 | 76,012,770 |
| Retirement asset (Note 23) | 3,247,971 | 2,145,412 |
| Total Non-current Assets | 378,092,288 | 304,397,698 |
| TOTAL ASSETS | P 1,171,439,756 | P 1,153,152,860 |
| LIABILITIES AND FUND BALANCE | | |
| CURRENT LIABILITIES | | |
| Accounts payable and other liabilities (Note 14) | P 12,941,666 | P 9,360,443 |
| Liability on individual equity value (Note 15) | 697,065,420 | 699,743,289 |
| Basic contingent benefit reserve (Note 16) | 1,474,836 | 1,491,894 |
| Other benefits on basic policies (Note 18) | 35,501,739 | 35,467,374 |
| Claims payable on basic contingent benefit (Note 17) | 2,290,000 | 2,445,000 |
| Income tax payable | - | 26,584 |
| Total Current Liabilities | 749,273,661 | 748,534,584 |
| NON-CURRENT LIABILITY | | |
| Accounts payable and other liabilities (Note 14) | 7,750 | - |
| Total Liabilities | 749,281,411 | 748,534,584 |
| FUND BALANCE (Note 21) | | |
| Free and unassigned fund balance | 340,028,077 | 330,793,294 |
| Assigned fund balance | 82,686,253 | 74,036,542 |
| Accumulated other comprehensive loss | (555,985) | (211,560) |
| Total Fund Balance | 422,158,345 | 404,618,276 |
| TOTAL LIABILITIES AND FUND BALANCE | P 1,171,439,756 | P 1,153,152,860 |

PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(A Non-Stock, Non-Profit Organization)
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in Philippine Peso)

| | 2023 | 2022 |
|--|---------------------|---------------------|
| REVENUES | | |
| Member's contribution (Note 20) | P 155,057,211 | P 174,614,717 |
| Interest income on: | | |
| Loans (Note 7) | 23,841,237 | 19,390,511 |
| Investment securities and deposits with banks (Notes 5, 6, 8, 9 and 11) | 21,985,369 | 13,770,876 |
| Gain on sale of financial assets at fair value through profit or loss (Note 9) | 1,425,292 | 1,434,831 |
| Service charges and fees (Note 7) | 5,387,573 | 5,242,727 |
| Membership fees (Note 20) | 927,150 | 825,550 |
| Fair value gain on financial assets at fair value through profit or loss (Note 9) | 1,266,793 | - |
| Others (Note 19) | 8,655,525 | 10,655,087 |
| | 218,546,150 | 225,934,299 |
| EXPENSES | | |
| Allocation for liability on individual equity value (Notes 15 and 19) | 99,956,015 | 113,686,749 |
| Operating expenses (Note 19) | 48,447,613 | 38,952,109 |
| Benefit expenses (Note 19) | 11,945,000 | 11,280,000 |
| Fair value loss on financial assets at fair value through profit or loss (Note 9) | - | 18,958,863 |
| Increase (decrease) in reserve for basic contingent benefit (Notes 16 and 19) | (17,058) | 152,952 |
| | 160,331,570 | 183,030,673 |
| PROFIT BEFORE TAX | 58,214,580 | 42,903,626 |
| TAX EXPENSE (Note 24) | 3,069,567 | 1,540,232 |
| NET PROFIT | 55,145,013 | 41,363,394 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Actuarial loss of post-employment defined benefit obligation (Notes 21 and 23) | (344,425) | (211,560) |
| Remeasurements of post-employment defined benefit obligation (Notes 21 and 23) | - | 7,198,362 |
| | (344,425) | 6,986,802 |
| TOTAL COMPREHENSIVE INCOME | P 54,800,588 | P 48,350,196 |

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, 2023 AND 2022
(Amounts in Philippine Peso)

| | Free and Unassigned Fund balance <i>(Note 21)</i> | Assigned Fund Balance <i>(Note 21)</i> | Accumulated Other Comprehensive Loss <i>(Note 21)</i> | Total |
|---|---|--|---|--------------------------|
| Balance at January 1, 2023 | P 330,793,294 | P 74,036,542 | (P 211,560) | P 404,618,276 |
| Appropriation for the year | (51,910,230) | 51,910,230 | - | - |
| Reversals of appropriation for the year | 6,000,000 | (6,000,000) | - | - |
| Withdrawals for the year | - | (37,260,519) | - | (37,260,519) |
| Total comprehensive income for the year | <u>55,145,013</u> | <u>-</u> | <u>(344,425)</u> | <u>54,800,588</u> |
| Balance at December 31, 2023 | <u>P 340,028,077</u> | <u>P 82,686,253</u> | <u>(P 555,985)</u> | <u>P 422,158,345</u> |
| Balance at January 1, 2022 | P 290,473,424 | P 123,111,971 | (P 7,198,362) | P 406,387,033 |
| Recoveries of delisted accounts for the year | (1,043,524) | - | - | (1,043,524) |
| Withdrawals for the year | - | (49,075,429) | - | (49,075,429) |
| Total comprehensive income for the year | <u>41,363,394</u> | <u>-</u> | <u>6,986,802</u> | <u>48,350,196</u> |
| Balance at December 31, 2022 | <u>P 330,793,294</u> | <u>P 74,036,542</u> | <u>(P 211,560)</u> | <u>P 404,618,276</u> |

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, 2023 AND 2022
(Amounts in Philippine Peso)

| | Free and Unassigned Fund balance <i>(Note 21)</i> | Assigned Fund Balance <i>(Note 21)</i> | Accumulated Other Comprehensive Loss <i>(Note 21)</i> | Total |
|---|---|--|---|----------------------|
| Balance at January 1, 2023 | P 330,793,294 | P 74,036,542 | (P 211,560) | P 404,618,276 |
| Appropriation for the year | (51,910,230) | 51,910,230 | - | - |
| Reversals of appropriation for the year | 6,000,000 | (6,000,000) | - | - |
| Withdrawals for the year | - | (37,260,519) | - | (37,260,519) |
| Total comprehensive income for the year | <u>55,145,013</u> | <u>-</u> | <u>(344,425)</u> | <u>54,800,588</u> |
| | | | | |
| Balance at December 31, 2023 | <u>P 340,028,077</u> | <u>P 82,686,253</u> | <u>(P 555,985)</u> | <u>P 422,158,345</u> |
| | | | | |
| Balance at January 1, 2022 | P 290,473,424 | P 123,111,971 | (P 7,198,362) | P 406,387,033 |
| Recoveries of delisted accounts for the year | (1,043,524) | - | - | (1,043,524) |
| Withdrawals for the year | - | (49,075,429) | - | (49,075,429) |
| Total comprehensive income for the year | <u>41,363,394</u> | <u>-</u> | <u>6,986,802</u> | <u>48,350,196</u> |
| | | | | |
| Balance at December 31, 2022 | <u>P 330,793,294</u> | <u>P 74,036,542</u> | <u>(P 211,560)</u> | <u>P 404,618,276</u> |

See Notes to Financial Statements.

