MAGDIWATA BASIC CARE-
MUTUAL BENEFIT ASSOCIATION, INC.

ANNUAL REPORT
2025

PUROK 4 A, BRGY. 5 , SAN FRANCISCO, AGUSAN DEL SUR
mbcmba.com | 085-839-5384 | MBC MBA

ALL ABOUT MBC-MBA

(Formerly PeoplesBankofCaraga-MutualBenefitAssociation, Inc.)

In 2004, the management of Peoples Bank of Caraga, Inc. provided insurance services to its microfinance members (aka PABK Members) to protect them against unforeseen events that could significantly affect them financially. Peoples Bank of Caraga, Inc. insured its members through a commercial insurer under a group life insurance policy. The Accidental Death and Accidental Medical Reimbursement were insured with the commercial insurance company, while the Natural Death and Hospitalization were insured with PBC's in-house insurance, known as PHeLIP (PABK Health and Life Insurance Program).

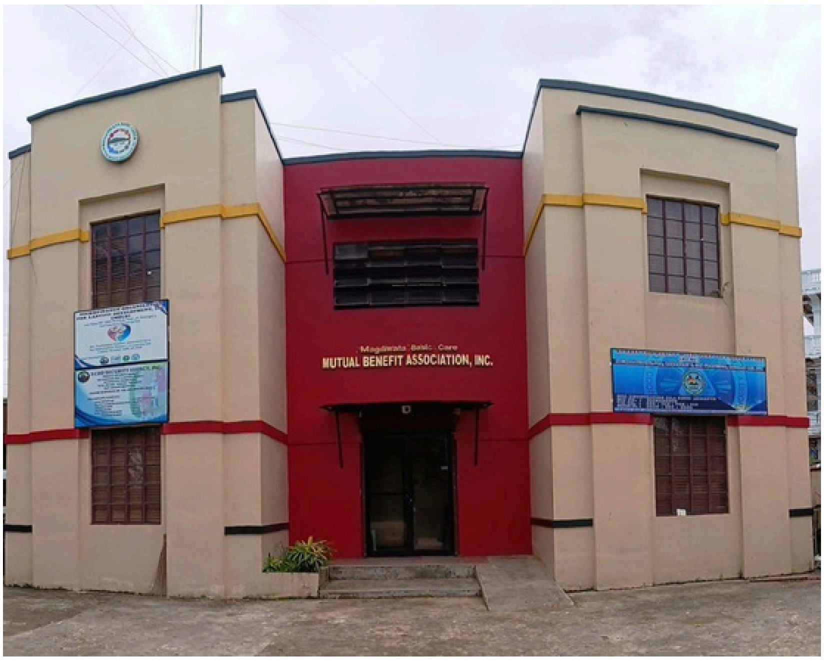
After a few years of operation, the only drawback the management of PBC experienced with its partner/commercial insurance company was the very long processing time for claim payments, which could take as long as 1 year.

In 2007, RIMANSI proposed that PBC establish a Mutual Benefit Association, which could grant our micro-insurance business legal personality through its technical assistance. PBC and RIMANSI entered into a MOA last October 2, 2007.

PBC-MBA became a juridical person on September 30, 2008, when the Securities and Exchange Commission issued its license on that date. The Insurance Commission issued its license to operate on October 28, 2009, and finally approved its product license on June 7, 2010. PBC-MBA formally started its operations in July 2010.

Since its formal operation in July 2010, PBC-MBA has remained steadfast in its mission to provide affordable, accessible, and meaningful micro-insurance services to its members. Over the years, it has continued to evolve and adapt to meet the changing needs of its community, all while upholding its core values of solidarity, mutual help, and care for the financially vulnerable.

With the change in management at the Peoples Bank of Caraga, Inc. in 2019, it became necessary to realign the association's identity to reflect both its new direction and its enduring commitment to its members. Since then, the members have approved the change in the association's name. The Securities and Exchange Commission officially approved the new name on September 26, 2024. The renaming of PBC-MBA to Magdiwata Basic Care – Mutual Benefit Association (MBC-MBA) signifies a new chapter, one rooted in community identity and local heritage, as embodied by Mt. Magdiwata, the region's landmark symbol of strength and resilience.



This transition is not just a change of name, but a reaffirmation of the association's purpose: to offer basic care through mutual support—an ethos that MBC-MBA continues to uphold. Despite the challenges of selecting a name that would truly reflect its values and aspirations, the organization found inspiration in its geographical and cultural context, allowingit to embrace fully-its identity as a locally grounded, member-owned, and member-driven institution.

Today, Magdiwata Basic Care – MBA continues its journey of service with renewed commitment, stronger governance, and a clear vision to become a sustainable microinsurance provider that protects the lives and dreams of its members, especially those in underserved and low-income sectors. With regulatory compliance from the Securities and Exchange Commission and the Insurance Commission, and with guidance from industry partners like MiMAP, MBC-MBA remains a beacon of security and solidarity in the communities it serves.

VISION

We envision being a sustainable microinsurance provider nationwide, fostering financial inclusion and resilience for all communities through innovative and accessible solutions.

MISSION

Provide EFFICIENT insurance services to the members and their dependents and beneficiaries.

Corporate Values

I GET CAP

Integrity,
God-Centered,
Efficiency,
Teamwork,
Commitment,
Accountability,
Professionalism

PRODUCTS

MBC-MBA is a social organization that provides insurance to its members. It is an association that has no capital stock, issues certificates of membership that provide for the payment of benefits in the event of disability or death of its members and dependents, and accumulates funds by collecting fees or dues from its members. Its products are as follows:

1. Basic Life Insurance Plan (**BLIP**)
2. Credit Life Insurance Plan (**CLIP**)
3. Hospitalization Assistance Pamilya Insurance Plan (**HAPI**)

COMPARATIVE REPORT

The General Manager, Linda Grace B. Arevalo, presented the Comparative Report on the performance of the Basic Life Insurance Plan (BLIP), Credit Life Insurance Plan (CLIP), and Hospitalization Assistance Pamilya Insurance Plan (HAPI) for Calendar Years 2024–2025.

The presentation highlighted the association's membership growth, product performance, claims experience, and operational trends for the period under review.

It was reported that active membership rose from 3,340 in 2024 to 3,731 in 2025, an 11.7% increase. Likewise, new enrollment reached 605 members through partner networks. Among the partner institutions, RCMC recorded the highest increase in recruitment performance with a 47.6% growth compared to the previous year.

The General Manager further discussed the financial performance of the association's insurance products. BLIP contributions significantly increased while paid claims decreased, indicating improved fund stability and risk management. CLIP premiums remained generally stable while continuing to provide loan protection support to partner borrowers and members. Meanwhile, HAPI contributions and claims both increased, reflecting the association's continued commitment to extending hospitalization, sickness, and maternity assistance to members.

A comparative financial performance matrix was likewise presented, summarized as follows:

Category	2024	2025	Variance (%)
BLIP contributions	P247,022.40	P341,151.60	+24.50%
CLIP contributions	P145,470.32	P145,249.52	-0.15%
HAPI contributions	P205,724.00	P285,099.50	+38.58%
BLIP paid claims	P131,005.50	P 89,045.25	-32.03%
CLIP paid claims	P 30,000.00	P 72,000.00	+140%
HAPI paid claims	P 50,450.00	P 70,150.00	+39.05%

THE
BOARD OF TRUSTEES

PRESIDENT

OCTAVIUS S. DORIA

Age	:	48
Educational Background	:	Bachelor of Science in Agriculture Major in Animal Science
Other Present Corporate Directorship:		None
Trainings and Seminars Attended	:	

- Governance and AMLA Workshop for MiMBAs, June 16-18, 2021
- Management Forum: “Thriving in the New Normal”, November 23-26, 2021
- National Microinsurance Forum: "Facing Uncertainty through Strategic Innovations", January 25-26, 2022
- Management Forum: "Improving Regulatory Compliance and Operating Systems", August 24-26, 2022

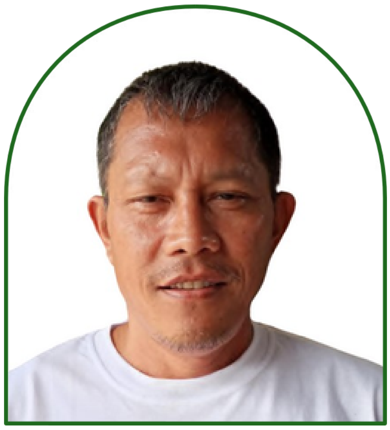
VICE PRESIDENT

JUDITH I. LITERATUS

Age	:	59
Educational Background	:	High School Graduate
Other Present Corporate Directorship	:	None
Trainings and Seminars Attended	:	

- AMLA and Corporate Governance, 2017 Governance and Anti-
- Money Laundering Act Seminar Workshop, October 28-30, 2024

TREASURER



RANIL P. MAGSALAY

Age	:	50
Educational Background	:	Automotive Technology
Other Present Corporate Directorship	:	None
Trainings and Seminars Attended	:	AMLA and Corporate Governance, October 14, 2025

REGULAR MEMBER

CRISTINA A. BULAON

Age	:	73
Educational Background	:	Bachelor of Science in Medical Technology
Post Graduate	:	Master's in Business Administration
Other Present Corporate Directorship	:	Microfinance Organization for Lasting Development, Inc.
Trainings and Seminars Attended	:	

- Governance and AMLA Workshop for MiMBAs, May 16-18, 2022
- Management Forum: "Improving Regulatory Compliance and Operating Systems", August 24-26, 2022
- IFRS 17 Masterclass (Advanced Lecture Series), October 9-10, 2023

INDEPENDENT TRUSTEE

ZAINELIO T. LAZAGA, CPA

Age	:	34
Educational Background	:	Bachelor of Science in Accountancy
Other Corporate Directorship	:	None
Trainings and Seminars Attended	:	

- Governance and AMLA Workshop for MiMBAs, June 16-18, 2021
- Introduction to Risk Management, May 20, 2021 Management
- Forum: “Thriving in the New Normal”, November 23-26, 2021
- National Microinsurance Forum 2022: "Facing Uncertainty through Strategic Innovations", January 25-26, 2022
- Management Forum: "Improving Regulatory Compliance and Operating Systems", August 24- 26, 2022
- IFRS 17 Masterclass (Advanced Lecture Series), August 9-10, 2023

INDEPENDENT TRUSTEE

ARLENE S. RARO

Age	:	56
Educational Background	:	BSBA Major in Financial Management Undergrad BEEd
Other Present Corporate Directorship	:	Microfinance Organization for Lasting Development, Inc.
Trainings and Seminars Attended	:	

- Governance and AMLA Workshop for MiMBAs, March 2012
- Basic Microinsurance Training Course, March 2015
- Governance and AMLA Workshop for MiMBAs, June 16-18, 2021
- Management Forum: “Thriving in the New Normal”, November 23-26, 2021
- National Microinsurance Forum 2022: "Facing Uncertainty through Strategic Innovations", January 25-26, 2022
- Management Forum: "Improving Regulatory Compliance and Operating Systems", August 24- 26, 2022

INDEPENDENT TRUSTEE

GINANET L. ABAGON

Age	:	51
Educational Background	:	Bachelor of Science in Commerce Major in Management
Other Present Corporate Directorship	:	Rural Community Multipurpose Cooperative (RCMC)
Trainings and Seminars Attended	:	

- National Microinsurance Forum 2022: "Facing Uncertainty through Strategic Innovations", January 25-26, 2022
- Online Financial Literacy Program: "Kaalamang Pinansyal, Ngayon Na!", October 31, 2023 Financial Technology
- Education - Training of Trainers Program, November 22-24, 2023

BOARD COMMITTEES

BOARD RISK OVERSIGHT COMMITTEE

CHAIRMAN
GINANETL. ABAGON
Independent Trustee

SECRETARY
CRISTINA A.BULAON
Regular Member

MEMBER
ZAINELIOT.LAZAGA, CPA
Independent Trustee

AUDIT/RELATED PARTY TRANSACTION COMMITTEE

To assist the Board of Trustees in fulfilling its oversight responsibilities for (a) the integrity of the association's financial statements, (b) the association's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the association's internal audit function and independent auditors.

For purposes of ensuring transparency and fairness for all stakeholders, the Related Party Transactions Committee (the "Committee") is constituted by the Board of Trustees (the "Board") to review proposed Related Party Transactions for the purpose of determining whether or not the transaction is on terms no less favorable to the Association than terms available to any unconnected third party under the same or similar circumstances.

CHAIRMAN
ZAINELIO T. LAZAGA, CPA
Independent Trustee

SECRETARY
GINANET L. ABAGON
Independent Trustee

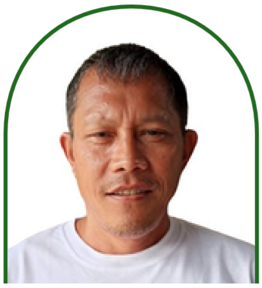
MEMBER
ARLENE S. RARO
IndependentTrustee

CORPORATE GOVERNANCE/NOMINATION AND ELECTION COMMITTEE

The Governance Committee will assist the Board of Trustees of the Magdiwata Basic Care-Mutual Benefit Association, Inc., in fulfilling its responsibilities regarding the organization's governance and in identifying and recommending candidates for Board Trustees.

CHAIRMAN
ZAINELIO T. LAZAGA, CPA
Independent Trustee

SECRETARY
ARLENE S. RARO
Independent Trustee



MEMBER
RANIL P. MAGSALAY
Treasurer

REMUNERATION COMMITTEE

The Association has established a Remuneration Committee, which is responsible, amongst other things, for reviewing and approving the remuneration policy and the total individual remuneration packages for the employees. The Remuneration Committee's work includes preparing the Association's annual remuneration report.

CHAIRMAN

JUDITH I. LITERATUS

Vice President

SECRETARY

ARLENE S. RARO

Independent Trustee

MEMBER

ZAINELIO T. LAZAGA, CPA

Independent Trustee

CORPORATE GOVERNANCE

MBC-MBAI is committedto promoting corporate good governance within its organization and among its stakeholders. Together with the Board of Trustees and Management, MBC-MBA will remain steadfast in monitoring the organization's performance, strive to make sound decisions, and hold its governing board accountable for executing our corporate goals.

BOARD OF TRUSTEES

The Board should be composed of Trustees with a collective body of working knowledge, experience, or expertise relevant to the association's industry/sector. The Board should always ensure that it has an appropriate mix of competence and expertise, and that its members remain qualified for their positions, individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the organization's needs in the evolving business environment and strategic direction.

The Board of Trustees of MBC-MBA shall consist of seven (7) members, who shall be elected every three years by a majority of the Board at its annual meeting.

The independent trustees shall be elected by the majority of its members upon nomination of the Corporate Governance Committee of the Board of Trustees.

BOARD MEETINGS

The Board of Trusteesshallmeetregularly every 3rd Saturday of the month at the main office of Magdiwata Basic Care-Mutual Benefit Association, Inc., unless otherwise previously agreed upon by the members of the Board of Trustees.

MBC-MBA holds its annual general meeting every 2nd Saturday of May. For 2026, MBC-MBA held its 15th annual general meeting on May 16, 2026, at FRIEND Research and Training Center, Purok 5, Lapinigan, San Francisco, Agusan del Sur.

Board of Trustees	Position	Attended Annual General Meeting	No. of Monthly Meetings Held	No. of Monthly Meetings Present	%
Octavius S. Doria	President	✓	7	6	85%
Judith I. Literatus	Vice President	✓	7	6	85%
Ranil P. Magsalay	Treasurer	✓	4	4	100%
Cristina A. Bulaon	Regular Member	✓	7	7	100%
Zainelio T. Lazaga	Independent	X	7	4	57%
Arlene S. Raro	Independent	✓	7	6	85%
Ginanet L. Abagon	Independent	✓	7	6	85%

BOARD REMUNERATION

The members ofthe Board shall notreceiveany salary. Still, they shall be entitled to gratuity, per diem, and reimbursement of all necessary expenses incurred in connection with attendance at committee and board meetings, provided that all entitlements, benefits, and emoluments received shall be subject to approval by majority vote of the general membership.