



KASAGANA-KA

Mutual Benefit Association, Inc.

KASAGANA-KA Mutual Benefit Association, Inc.
2015-4 Board of Trustees Meeting
DEHHA Clubhouse, Don Francisco St., Don Enrique Heights,
Brgy. Holy Spirit, Quezon City
June 26, 2015, 9:00 am

Present

Board of Trustees

1. Elizabeth N. Yayon – President, Marilao
2. Judea T. Gutierrez – Treasurer, Padilla
3. Jerlene B. Perez – Secretary, Head office
4. Ailene V. Ramos – Member, Sumulong
5. Marivic R. Loterte – Member, Bagong Silang
6. Ma. Jona K. Parolan – Member, Tungko
7. Perla F. Batingal – Independent Board

Board of Advisers

8. Leticia T. Rodriguez – Padilla
9. Wenefreda F. Rodriguez – Bagong Silang
10. Martiniana G. Mancio – Montalban
11. Chona B. Capayas – Masinag

Management & Staff

12. Silvida R. Antiquera – Gen. Manager
13. Evelyn A. Lagmay – Finance Manager
14. Analyn A. Shih – Admin. Officer

Absent

1. Ma. Anna DR Ignacio – KDCL

Certified by:

Jerlene B. Perez
Secretary



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ORDER OF BUSINESS

- I. Invocation
- II. Determining the quorum
- III. Review and approval of the agenda
- IV. Approval of the Minutes of the last regular Board meeting
- V. Business Arising from the last board meeting
- VI. Financial Report for the month of June 2015
- VII. Matters for discussion/Approval
 - A. Date of Annual General Meeting
- VIII. Other Matters
- IX. Adjournment



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I. Invocation

The board of trustees meeting started at 9 :00 in the morning with a prayer led by BoT Adviser Weny.

II. Determining the quorum

Ms. Jerlene Perez, Board Secretary reported that the board members are in full attendance and therefore constitute a quorum. She mentioned that BoT Adviser Mean will not be able to attend the meeting due to a previous commitment.

III. Approval of the proposed agenda

Ms. Beth Yayon, BOT President presented to the board the proposed agenda. There being no other additional agendum raised, BOT member Aileen moved to approve the proposed agenda and was seconded by BOT member Marivic.

BOARD RESOLUTION No 7, Series of 2015. APPROVAL OF THE PROPOSED AGENDA

RESOLVED, as it is hereby resolved that the Board approved the proposed agenda for the Board of Trustees meeting

IV. Reading and approval of the minutes of the last board meeting.

BOT President Beth led the review of the minutes. The board members silently read the minutes. Ms. Eve made a correction on page 2, Total Liabilities, it's Php 84M, instead of Php 4M. It was unintentional typographical error. BoT Adviser Weny requested the body to read the 'Philippine Peso' or Php as 'Peso', does not have to mention anymore the word 'Philippine' while reading the financial report. The Board agreed with the suggestion of BOT Adviser Weny.

Since there were no clarifications raised, BOT Treasurer Judea moved to approve the minutes of the last meeting and it was seconded by BOT member Jona.

BOARD RESOLUTION No. 8, Series of 2015. APPROVAL OF THE MINUTES OF MAY 29, 2015 BOARD OF TRUSTEES MEETING



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RESOLVED, as it is hereby resolved that the Board approved the MINUTES OF THE MAY 29, 2015 board of trustees meeting

V. Financial report for the month of May 2015.

Ms. Eve presented the highlights of the Financial report of KMBA as of May 2015. The total assets is Php123,719,703.83. This is composed of cash & cash equivalents, receivables, short term financial asset and non-current asset. The assets has increased by Php 23M or 24% compared to the same period of last year. The total liabilities is Php86,876,419.88 or an increase of 19% compared to same period of last year.

With regard to the fund balance, it amounts to Php36,843,283.95. The total liabilities and fund balance is Php123,719,703.83. The Net Surplus is Php2,510,355.16 for the month of May 2015.

KMBA BLIP claims has decreased compared to the same period of last year with a total amount of Php456,353. CLIP claims decreased by 25.39% or Php85,000. The Operational expenses (OPEX) also decreased at 17.31%. BOT Adviser Letty asked what was the reason of OPEX decrease? Ms. Eve explained that the re-classification of accounts such as the collection expenses which was treated as ope xis now classified as benefit expense to be taken from the excess in fund balance over 20% of liabilities. In addition, with the existence of an optional product (CLIP), expenses have been shared to CLIP, thereby, opex decreases. BOT Letty asked if KMBA need to inform the Insurance Commission on expenses under the excess in liabilities. GM Salve said yes as required under the rule of IC as the regulatory body for all MBAs. Expenditures are closely monitored and should not exceed 20% of the total premium collection.

Ms. Eve reported that KMBA placed an investment to BDO Treasury bills amounting to Php7M. It also extended emergency loan to and lend Php5M to KDCL as emergency loan with 5% interest per annum.

GM Salve informed the board that BPI is giving 7% flat interest rate for 3 years, this is a bit high compare to 5% interest rate offered by KMBA to KDCL. She also explained to the body that as a sister company, it is proper for KMBA to help KDCL for its funding need. KDCL agreed to a 5% interest rate and promised to pay and return the fund they borrowed at the time stipulated in the contract agreement. In the event that KDCL will not be able to return the fund on the expected date, they promised to pay their loan until November 30 of this year or before end of the year. The Board agreed to lend P5M to KDCL with provision that interest rate is same or not less than what KMBA earned from its investments.



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The practice of lending money by MBAs to MFIs is currently discussed within Mi-MBA network and is seeking the approval of Insurance Commission for this matter.

Ms. Eve presented the list of investments as of June 25, 2015.

Type of Investment	Bank	Account Type	Maturity Date	Net Int. Rate	Face Amount	
	Metro Bank	Current Acct. Gen. Fund #:007-032-50403-1			815,567.10	
		Current Account- CLIP #:032-7032-50480-5			574,932.71	
		Current Account-BLIP Acct.# 032-50451-1			521,334.56	
		Savings Account-BLIP Acct.#032-303217877-5			2,446,219.14	
		Savings Account-CLIP Acct.#032-3032-2221-3			388,720.50	
	Sub-Total				4,746,774.01	
	BDO	Savings Account Acct.#7250027686				51,193.68
		Current Account Acct#7258003871				304,196.02
	Sub-Total				355,389.70	
	China Bank	Savings Account Acct.# 138-313121-3				7,010.32
TOTAL					5,109,174.03	

	BDO	Regular Time Deposit Acct#372507151176	June 30, 2015 (30 Days)	0.400%	302,063.32
		MBTC	Regular Time Deposit Acct#032- 1-032028215	Aug. 04, 2015 (30 Days)	0.600%
	Regular Time Deposit Acct#032- 103202782-0		July 03, 2015 (30 Days)	0.600%	4,027,281.56
	Regular Time Deposit Acct#032- 103202851-7		July 03, 2015 (30 Days)	0.600%	802,750.66
TOTAL					9,176,218.09



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	BDO	Treasury Bills PIBD 12141094	Sept. 2, 2015 (69 days)	1.604%	7,000,000.00
		RTB 10-04 ISIN # P I I D 1023H 046	Aug. 15, 2023 (10 years - Tradable)	2.600%	10,000,000.00
	Metro Bank	FXTN 25-08 ISIN # P I B D 2535L 086	Dec. 16, 2035 (25 years - Tradable)	6.320%	15,035,000.00
		FMIC	FXTN 25-08 ISIN # P I B D 2535L 086	Dec. 16, 2035 (25 years - Tradable)	6.480%
	FXTN 25-08 ISIN # P I B D 2535L 086		Dec. 16, 2035 (25 years - Tradable)	6.430%	4,000,000.00
	CHINA BANK	FXTN 25-08 ISIN # P I B D 2535L 086	Dec. 16, 2035 (25 years - Tradable)	6.486%	7,127,000.00
		RTB 10-04 ISIN # P I I D 1023H 046	Aug. 15, 2023 (10 years - Tradable)	2.600%	10,000,000.00
		FXTN 10-59 ISIN # PIBD 1024H 595	Aug. 20, 2024 (10 years - Tradable)	3.300%	10,000,000.00
	TOTAL				68,162,000.00
CORP. BONDS	FMIC	SMIC - Fixed Rate Bond	July 16, 2019 (7 years)	4.800%	7,500,000.00
		Meralco Fixed Rate Bond	Dec. 12, 2020	3.5%	7,000,000.00
TOTAL				14,500,000.00	
MUTUAL FUNDS	FMIC	Save & Learn Fixed Income Fund (SALFIF)		2.1285	5,000,000.00
	SUNLIFE	Government Securities Fund (GS Fund)		1.5359	2,000,000.00
Sub-Total					7,000,000.00
STOCK	FMIC SECURITIES BROKERAGE CORP.	PETRON Preferred Shares Series A.		6.300%	8,000,000.00
EMERGENCY LOAN		KDCI		5.000%	5,000,000.00
GRAND TOTAL					116,947,392.12



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PORTFOLIO MIX as of June 25, 2015

Type of Investment	Investment Limit (IC Code)	Current Placement as of August 28, 2014	% of Placement w / Admitted Assets	Additional Placement	
				%	Amount
Cash in Bank		Php 5,109,174.03	4.51%		
Time Deposit		Php 9,176,218.09	8.10%		
Gov't. Sec.		Php 68,162,000.00	60.19%		
Corp. Bonds	25%	Php 14,500,000.00	12.80%	12.197%	13,813,499.00
Mutual Fund	10%	Php 7,000,000.00	6.18%	3.819%	4,325,399.60
Stocks	10%	Php 8,000,000.00	7.06%	2.936%	3,325,399.50
KDCILOAN		Php 5,000,000.00	4.41%		
Total Funds as of June 25, 2015		Php 116,947,392.12			
Admitted Assets as of Dec. 2014 per IC Audit		Php 113,253,996.00		Php 21,464,298.20	

VI. Matters for Discussion/Approval

A. Date of the Annual General Meeting

GM Salve reiterated to the board that the date of the annual general meeting based on the constitution and by-laws is every May 31 of each year. SEC is strictly monitoring compliance of this rule. BOT Adviser Letty suggested that KMBA comply with the SEC ruling, thus the 10th annual general meeting will be on May 31, 2016. BOT Treasurer Judea moved to approve the date of the annual general meeting is on May 31 of every year and this was seconded by BOT member Jona.

BOARD RESOLUTION No. 9, Series of 2015. APPROVAL OF THE DATE OF THE ANNUAL GENERAL MEETING

RESOLVED, as it is hereby resolved that the Board approved the conduct of the annual general meeting on May 31 of every year.



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VII. Other Matters

A. RF Withdrawals

BoT Adviser Weny shared the sad experience of a beneficiary of member from Bagong Silang in relation to RF withdrawal. But before going into the details of the problem, GM Salve called on AM Gener of KDCI to sit in the meeting to properly address the issue and find solution to it.

B. Delayed release of RF of member. The member died and the beneficiary who is the daughter went to Bagong Silang branch several times to get the RF of her late mother. Everytime she asked the staff at the branch for the said request, the staff would tell her that the requested RF has yet to be validated by KMBA. On another instance, she was told that the branch don't have sufficient funds to pay the RF. The same scenario of reasoning happened everytime she goes to the branch for follow up. Until on the third month, the beneficiary took to the "ulat hotline" of KDCI. KDCI brought the case to the branch for action. The branch staff was alarmed and suspected that BOT Adviser Weny is responsible for that incident report.

Ms. Eve clarified that the KMBA schedule of RF validation is done every Tuesday and Thursday and the validated accounts will be emailed immediately back to the branch who requested the validation. Not having enough fund for RF is not a valid and acceptable reason. The branch can replenish their RF fund before they run out of cash.

AM Gener explained that request for validation of CBs account to KMBA must be regularly scheduled by branches to avoid the same problem. Release of CB's RF must be done within the period of 3 days after signing of RF withdrawal. If the release of RF do not happen within 3 days period, the concerned parties may inform KDCI thru call or text to resolve the problem at the soonest possible time.

B. Lost withdrawal form

Withdrawal slip form already signed by the member was lost. The KDCI SO has misplaced the form that resulted to lapses of their KMBA accounts. The KDCI SO advised the member to sign again another withdrawal form at the branch office.



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AM Gener responded that with the cited situation the SO is responsible for the lost withdrawal form and with this, the SO is the one responsible to provide the form and asked the member to sign it, either in the center during meeting or at the house of the member. CBs must not be punished by the negligence of the SO.

C. Center resolution for savings withdrawal

BOT member Jona informed the Board of a case wherein the members of the center paid the loan of a delinquent member. The members are hoping that the RF of the delinquent member be released to them to settle the loan balance they have assumed of their delinquent member. FM Dondon suggested to them to sign a center resolution requesting the release of the said RF in which they did. But until until this date, no amount of money was released to them.

AM Gener said that he will asked FM Dondon to do a memorandum for the release of RF of those resigned and delinquent members to the center or members who paid and settled their loan, as reimbursement of the payments made.

VIII. Adjournment

The meeting was adjourned at 4:45 P.M.

Prepared by:  Jerlene B. Perez
Board Secretary