



KASAGANA-KA

Mutual Benefit Association, Inc.

KASAGANA-KA Mutual Benefit Association, Inc.
2015-6 Board of Trustees Meeting
DEHHA Clubhouse, Don Francisco St., Don Enrique Heights,
Brgy. Holy Spirit, Quezon City
October 1, 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 Trustee

Board of Advisers

8. Leticia T. Rodriguez – Padilla
9. Wenifreda F. Rodriguez – Bagong Silang
10. Martiniana G. Mancio – Montalban
11. Chona B. Capayas – Masinag
12. Ma. Anna DR Ignacio – KDCI

Management & Staff

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

Absent

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 August 2015
- VII. Matters for discussion/Approval
 - A. K-Kalinga renewal
 - B. Finder's Fee
 - C. Trust Banking Group
 - D. Nomination and Election Guidelines
- VIII. Updates
 - A. Operations
 - B. Mutual Guaranty Fund
 - C. SEGURO
- 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

M s. Jerlene Perez, Board Secretary reported that the board members are in full attendance and therefore constitute a quorum . She also mentioned that the Board of advisers are all present.

III. Approval of the proposed agenda

M s. Beth Yayon, BOT President presented to the board the proposed agenda. There being no other additional agendum raised, BOT member Jona moved to approve the proposed agenda and was seconded by BOT Treasurer Judea .

BOARD RESOLUTION No 12, 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.

The review of the minutes was led by BOT President Beth. She has asked BOT Treasurer Judea to read the first part of the previous minutes including some clarifications up to financial report and statement for the month of June 2015. Then followed by BOT member Aileen on the investment mix. The reading continued with BOT member Jona and BOT member Marivic for the last part of the minutes.

BOT adviser mean praised the way the minutes was done, however, she also said that it failed to put in the minutes the actions and decisions made by the board during the meeting. Like, for instance, Independent board member Perla suggested that KMBA must have a code of ethics and code of conduct for the board members as well as the area coordinators. Further, she said that there must be a business arising from the previous updates. On the meeting of MiMAP with the insurance commission, she asked for an update but been told that the item is in the agenda section. She also proposed to make a resolution for the agreed 3 months maximum term for delayed remittance. She added that



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the said resolutions must be reviewed from time to time according to the prevailing market rate.

BOARD RESOLUTION No. 13, Series of 2015. APPROVAL OF THE MINUTES OF JULY 31, 2015 BOARD OF TRUSTEES MEETING

RESOLVED, as it is hereby resolved that the Board approved the MINUTES OF JULY 31, 2015 board of trustees meeting

V. Financial report for the month of June 2015.

Eve presented the highlights of the financial report for the month of August 2015. The total assets of Php 129,997,053.53 has increased to 23% compared to the same period of last year. It consists of cash & cash equivalents, receivables, short term financial assets and non-current assets. She explained that the increase of cash derived from the premium collection. The total Liabilities is Php 91,597,721.55 with an increase of 18 % on the same period of last year.

With regard to the Fund Balance, it amounts to Php 38,399,331.98 while the Net Surplus is Php 4,059,405.28. BLIP Claim registered at Php 306,609.36. Clip claim is Php 103,662.00 or 24% . OPEX has decreased at 17.49% for the month.

Eve further explained that there was an increase/adjustment in the salary that were credited in the month of august, thus the increase in the administrative expenses. Also, the other expenses such as transportation liquidation, performance and incentive of staff were credited in this month.

BOT Adviser Mean inquired about "post employment benefit"? Eve explains, this is an account title used for the employees' retirement plan. On the income which has increased to Php 710,555.39 compared to the previous month, Eve clarified that this is due to low claims recorded for the month and the interest and dividend income also contributed to the increase. BOT Adviser Mean asked the composition of the admitted asset. Eve explained, admitted asset derived from cash and cash equivalent, Financial Asset at Fair Value, Financial Asset and amortized cost, IT, property equipment and collections. Again BOT Adviser Mean inquired on the formula of IC in case KMBA buys a property. Eve explained that if it will be used as an investment, the formula is 25 %, or Php 32M of admitted assets. If the purpose is to buy a building for office use, then it is 10% or Php 3.8M of the Networth. BOT Adviser Mean also noticed the different classifications of funds: General Fund, Mutual Benefit Fund and



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Optional Fund. Eve explained that the General Fund is reserved for the administrative expenses of KMBA. The Mutual Benefit Fund is for expenditures for the basic life, while the Optional Fund is for the credit life. BOT Adviser Mean also asked about the management fee of KDCI, if was released this year. Eve said that effective 2014, the management fee were used to defray the expenses for the employees benefits such as K-Kabataan, Trainings, Health, etc per guidelines of KDCI. The remaining funds is incorporated in the Net Surplus account but proper recording is being done on this.

M s. Eve presented the list of investments as of September 2015.

Type of Investment	Bank	Account Type	Maturity Date	Net Int. Rate	Face Amount
	Metro Bank	Current Acct. Gen. Fund #:007-032-50403-1			1,168,684.44
		Current Account- CLIP #:032-7032-50480-5			584,095.64
		Current Account-BLIP Acct.# 032-50451-1			523,583.33
		Savings Account-BLIP Acct.#032-303217877-5			6,319,447.42
		Savings Account-CLIP Acct.#032-3032-2221-3			1,078,060.66
	Sub-Total				8,505,187.05
	BDO	Savings Account Acct.#7250027686			51,408.75
		Current Account Acct#7258003871			434,206.29
	Sub-Total				485,615.04
	China Bank	Savings Account Acct.# 138-313121-3			7,010.32
TOTAL					8,997,812.41



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TIME DEPOSIT	BDO	Regular Time Deposit Acct#372507309020	Oct. 8, 2015 (30 Days)	0.400%	302,516.67
	MBTC	Regular Time Deposit Acct#032-1-03202782-0	Oct. 10, 2015 (30 Days)	1.100%	4,052,031.05
		Regular Time Deposit Acct#032-1032028215	Oct. 30, 2015 (30 Days)	0.800%	10,000,000.00
		Regular Time Deposit Acct#032-103202851-7	Oct. 5, 2015 (30 Days)	0.800%	804,379.54
TOTAL					15,158,927.26
TOTAL	BDO	RTB10-04 ISIN#PIID1023H046	Aug. 15, 2023 (10years-Tradable)	2.600%	10,000,000.00
	Metro Bank	FXTN 25-08 ISIN#PIBD2535L086	Dec. 16, 2035 (25years-Tradable)	6.320%	15,035,000.00
	FMIC	FXTN 25-08 ISIN#PIBD2535L086	Dec. 16, 2035 (25years-Tradable)	6.480%	5,000,000.00
		FXTN 25-08 ISIN#PIBD2535L086	Dec. 16, 2035 (25years-Tradable)	6.430%	4,000,000.00
	CHINA BANK	FXTN 25-08 ISIN#PIBD2535L086	Dec. 16, 2035 (25years-Tradable)	6.486%	7,127,000.00
		RTB10-04 ISIN#PIID1023H046	Aug. 15, 2023 (10years-Tradable)	2.600%	10,000,000.00
		FXTN 10-59 ISIN# PIBD1024H595	Aug. 20, 2024 (10years-Tradable)	3.300%	10,000,000.00
TOTAL					61,162,000.00
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
		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					119,818,739.67



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PORTFOLIO MIX as of September 2015

Type of Investment	Investment Limit (IC Code)	Current Placement as of August 28, 2014	% of Placement w / Admitted Assets	Potential for Placement	
				%	Amount
Cash in Bank		Php 8,997,812.41	7.94%		
Time Deposit		Php 15,158,927.26	13.38%		
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%	3,325,399.60
KDCI LOAN		Php 5,000,000.00	4.41%		
Total Funds		Php 119,818,739.67			
Admitted Assets as of Dec. 2014 per IC Audit		Php 113,253,996.00		Php 21,464,298.20	

Ever mentioned to the board that the mutual fund investment with sunlife is not gaining good interest rate since then. BOT Adviser Mean suggested to just leave it there and finish the 5 year term to avoid possible losses. GM Salve added that FMIC is of better performance compared to other investment house. BOT Adviser Mean explained that there is a difference in rates of Corporate bonds like SMIC and Meralco compared to Mutual Funds that is FMIC and SUNLIFE. Corporate bonds is based in net interest rate, while the Mutual Funds is based in NAVS placement. BOT adviser Mean asked, what is the portfolio mix for the month of September, how does KMBA fared with other MBAs? According to GM Salve, other MBAs she talked to have been using the same investment mix as ours and follows strictly the IC regulation on investment placement.

VI. For Discussion/Approval

A. K-Kalinga Renewal

GM Salve informed the board that the contract with Bankers Assurance Corporation for the K-Kalinga will expire on December 9, 2015 and that a notice of contract renewal has been sent to KMBA. She said that since K-Kalinga is a big boost to KMBA products bundling, she asked for board's



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approval to renew the contract to be able to continue market the K-Kalinga to the members.

BOT Treasurer Judea moved to approve the renewal of contract with the Bankers Assurance Corporation effective December 10, 2015 to December 9, 2016 and it was seconded by BOT member Marivic.

BOARD RESOLUTION No. 52, Series of 2015. APPROVAL FOR THE RENEWAL OF CONTRACT WITH THE BANKERS ASSURANCE CORPORATION FOR DECEMBER 10, 2015 TO DECEMBER 9, 2016.

RESOLVED, as it is hereby resolved that the Board approved the renewal of contract with the Bankers Assurance Corporation.

B. Finder's Fee

GM Salve shared that there are groups or individuals willing to help in marketing KMBA products particularly the BLIP to expand the membership but they asked if they get a "finder's fee." BOT Adviser Ana suggested, it is right to give a commission fee to have a fast expansion of members. BOT Adviser Mean suggested to ask other insurance group how they handle finder's fee. She added that it also depends on the quantity they can produce.

C. Trust Banking Group

GM Salve informed the board that Metrobank Trust Banking Group has offered their services as Fund Manager to KMBA's investments. She said that the group may be invited in the next board meeting to better understand their proposal.

D. Nomination and Election Guidelines

GM Salve reported to the board that she and the members of the election committee have attended the annual general meeting of CARD MBA in Tranca, Laguna last September 9, 2015. They were able to observe the process of conducting the election on the day of the meeting. She said that Vangie will prepare the guidelines and the processes that will be involved in the proxy voting starting from the center level. It will be presented to the Board and the KDCL managers for coordination. BOT Adviser Mean said that it is much better if the election process of KMBA and KDCL is



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synchronized to save on costs. She added that KMBA prepare a process map to easily to understand the process.

VII. Operation Updates

GM Salve reported to the board that as of July 2015, the members has increased to a total of 41,402 or 165,608 individuals BLIP and 12 for CLIP only for the month of July alone. K-Kalinga has enrolled 1,073 for the month of July. The top diseases causing death of members and dependents from January to June 2015 are Respiratory, Cardio Vascular, Nephrological, Gastro Intestinal and Gynecological. BOT Secretary Jerlene shared that these diseases are similar to the result of labtest of CBs conducted by KDCL.

GM Salve reported that they have provided product orientation to potential clients such as the employees of the Asia Ceramic Corporation located in Sto. Tomas, Pampanga, People's Tanglaw Cooperative in Bagong Silang, Philthrra Livelihood Partners in Medellin and Daang Bantayan and Center for Community Assistance and Development (CCAD). With the help of BOT Adviser Weny, People's Tanglaw cooperative started the enrollment process

KMBA attended the following training/Forum on ICMIF Country Study, Mi-MBA Evaluating potential partner agent, 7 Habits for Managers and Habitat for Humanity.

On the ICMIF Country Study preliminary report, it mentioned that some MBAs are having problems with their own MFIs. BOT Adviser Mean who made the assessment? GM Salve replied that an independent assessor has been commissioned to conduct the country study.

GM Salve informed that there will be a meeting set between MiMAP and IC on Oct. 12, 2015 to discuss, among others, the about the MBAs lending money to MFI. The proposal is up to 10 percent of the total admitted asset and it will be treated also as admitted asset. GM Salve also reported that CARD MRI gave P1M to Rimansias endowment fund.

On the Mutual Guaranty Fund, GM Salve reported that the KMBA is included in the first seven (7) MBAs that will participate in the fund. She said that the first year, KMBA's contribution is Php 81,401. BOT Adviser Mean inquired if this is a program of MiMAP and if this is different from RIMANSI and asked what is the proof of KMBA's share. GM Salve answered, RIMANSI has been transformed to MiMAP and this is already a program of MiMAP (Rimansi). A separate board members of this fund will be formed with IC representative in the body. The



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bank who will take on the investment should be able to provide a certificate as proof for the contribution for every contributory MBA.

GM Salve reported the result of the evaluation conducted by RIMANSI for the last six (6) months. She gladly shared that KMBA topped the 24-hour claim settlement. BOT Adviser Mean commented that it better that KMBA provide fast and quality service to the members.

BOT Judea shared her visit with GM Salve in Cebu. She said that she's able to talk to the members during their monthly meeting and she confirmed that the members appreciate their being a members of KMBA. She also talked to those who were given the product orientation and there are many participants in that meeting who wanted to to enroll in the insurance.

BOT Adviser Chona shared their experience in their travel to Paglaum cooperative in Mindanao. According to her, Paglaum have a Mortuary Assistance Program equivalent to K-Kalinga of KMBA and Funeral Care Assistance Plan or KoK of KDCI. They also have health care until 30 days of coverage depends on package or plan that the members get. Their life insurance is partnered in climbs. She added that Paglaum cooperative also earn from their building rental. In terms of MVAH case of Paglaum, they are not so strict in requirements.

VIII. Other Matters

On the performance evaluation of the General Manager, BoT Secretary Jerlene reported the result of the evaluation conducted by the board of trustees on the performance of GM Salve who got a grade A which is equivalent to 50% of her monthly salary.

IX. Adjournment

The meeting ended at 12 :20 in the afternoon.

Prepared by:  Jerlene B. Perez
Board Secretary