



KASAGANA-KA
Mutual Benefit Association, Inc.

**KASAGANA-KA Mutual Benefit Association, Inc.
1st Regular Board Meeting
5 Don Francisco St., Don Enrique Heights
Brgy. Holy Spirit, Quezon City
January 29, 2016, 8:30 am**

Present

Board of Trustees

- | | |
|------------------------|-------------|
| 1. Elizabeth N. Yayon | – President |
| 2. Judea T. Gutierrez | – Treasurer |
| 3. Jerlene B. Perez | – Secretary |
| 4. Ailene V. Ramos | – Member |
| 5. Marivic R. Loterte | – Member |
| 6. Ma. Jona K. Parolan | – Member |

Board of Advisers

- | | |
|---------------------------|-----------------|
| 7. Leticia T. Rodriguez | – Padilla |
| 8. Wenifreda F. Rodriguez | – Bagong Silang |
| 9. Martiniana G. Mancio | – Montalban |
| 10. Chona B. Capayas | – Masinag |

Management & Staff

- | | |
|-------------------------|----------------------|
| 1. Silvida R. Antiquera | – Gen. Manager |
| 2. Evangeline E. Pe | – Operations Manager |
| 3. Evelyn A. Lagmay | – Finance Manager |
| 4. Analyn A. Shih | – Exec. Assistant |

Absent

- | | |
|------------------------|---------------------|
| 1. Perla F. Batingal | – Independent Board |
| 2. Ma. Anna DR Ignacio | – Adviser |

Certified by:


Jerlene Perez
Corporate



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- I.** Call to Order
- II.** Prayer
- III.** Determination of Quorum
- IV.** Approval of the propose Agenda
- V.** Approval of previous minutes of the meeting (October 30, 2015)
- VI.** Financial Report & Investment: Financial Statement for December 2015
- VII.** 4th Quarter Report
- VIII.** Amendment of 2016 Budget
- IX.** Proxy Voting
- X.** Updates
 - a. Amendment of Articles of Incorporation & By-Laws
 - b. Bacolod Management Forum
 - c. ICMIF Conference
- XI.** Adjournment



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I. Prayer

The meeting started with a prayer led by Board member Jona Parolan.

II. Determination of quorum

Board Secretary Jerlene Perez confirmed that there is a quorum, with six (6) out of the seven (7) trustees present in the meeting. Independent trustee, Perla Batingal, sent a notice about not being able to attend the KMBA activity due to an emergency meeting.

III. Approval of the proposed agenda

Board President Elizabeth Yayon presented the meeting's proposed agenda items and inquired from the other members if they would want to add anything. As no other trustee wanted to add to the agenda, the body proceeded with the meeting.

IV. Approval of minutes of previous meeting (October 30, 2015)

As the minutes of the previous meeting was circulated beforehand, and there being no motions or points of discussion raised with regard to its content, Board President Elizabeth asked the body for a motion of approval.

- Board member Jona formally moved for the minutes' approval, seconded by Board member Ailene Ramos. The meeting then proceeded with the next agenda item – the report on the association's financial status.

V. Financial status report (December 2015)

Evelyn Lagmay, KMBA Finance Manager, reported on the association's financial status for December 2015. Total assets recorded amounted to Php 138,684,532.16. This consisted of cash and cash equivalents, receivables, short-term financial assets, and non-current assets. The total amount increased by Php 24 million or by around 22% as compared to the same month of the previous year (2014). Evelyn also reported that part of the cash has been temporarily deposited to a time deposit account of Metrobank and BDO while the association has yet to find an investment with a good rate of return.

Liabilities meanwhile totalled Php 98,255,871.13. This represented an increase of 20% compared to the same month for the previous year (2014). Fund balance amounted to Php 40,428,661.03. Liabilities and fund balance totalled Php 138,684,532.16. Net surplus reached Php 6,653,071.54 for the month of December 2015. Basic Life Insurance Plan (BLIP) claims for the month slightly decreased to Php 330,000.00, or 19.35% compared to the previous month of November 2015 which totalled Php 569,601.68. Claims for Credit Life Insurance Plan (CLIP) also decreased to Php 65,393.00 or 21.68% compared to the figure for the previous month (November 2015).



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Operational expenses reached Php 329,670.00 which represented a slight increase of 20% compared to the total amount for the previous month due to specific expenses in December such as the production and distribution of calendars and Christmas gifts, and payment of auditors' fees. Evelyn also explained again how KMBA's fund is segregated, with all administrative expenses charged to General Fund, those related to BLIP charged to the Mutual Benefit Fund, and those connected to CLIP charged to Optional Fund.

Investment (January 2016)

Evelyn also presented the list of investments for the month of January 2016, informing the Board about the association's investment in Unit Investment Trust Fund (UITF) Philippines amounting to Php 20 million deposited in Metrobank and BDO.

Type of Investment	Bank	Account Type	Maturity Date	Net Int.Rate	Face Amount
CASH IN BANK	Metro Bank	Current Acct. Gen. Fund #:007-032-50403-1			1,383,279.36
		Current Account- CLIP #:032-7032-50480-5			584,095.64
		Current Account-BLIP Acct.# 032-50451-1			947,446.95
		Savings Account-BLIP Acct.#032-303217877-5			3,550,290.16
		Savings Account-CLIP Acct.#032-3032-2221-3			1,041,155.13
	Sub-Total				7,506,267.24
	BDO	Savings Account Acct.#7250027686			51,443.12
		Current Account Acct#7258003871			458,265.42
	Sub-Total				509,708.54
	China Bank	Savings Account Acct.# 138-313121-3			7,010.32
TOTAL					8,022,986.10



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TIME DEPOSIT	BDO	Regular Time Deposit Acct#372507309020	February 24, 2016 (30 Days)	0.400%	302,987.53
	MBTC	Regular Time Deposit Acct#032-1-03202782-0	February 12, 2016 (30 Days)	0.800%	4,062,843.64
		Regular Time Deposit Acct#032-1032028215	February 8, 2016 (30 Days)	0.800%	10,021,348.49
		Regular Time Deposit Acct#032-103202851-7	February 4, 2016 (30 Days)	0.800%	805,877.60
		Regular Time Deposit Acct#032-1-03202951-3	February 22, 2016 (30 Days)	0.800%	2,000,000.00
TOTAL					17,193,057.26

GOVERNMENT SECURITIES	BDO	RTB10-04 ISIN#PIID1023H046	August 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)		2.2219	5,000,000.00
	SUNLIFE	Government Securities Fund (GS Fund)		1.5594	2,000,000.00
Sub-Total					7,000,000.00



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STOCK	FMIC SECURITIES BROKERAGE CORP.	PETRON Preferred Shares Series A.		6.300%	8,000,000.00
UITF			Placement Date	NAVPU (1/28/16)	
	BDO	UITF-Money Market Fund	Jan. 10, 2016	1,494.04	10,000,000.00
	MBTC	UITF-Money Market Fund	Jan. 11, 2016	1,5438	10,000,000.00
					20,000,000.00
GRAND TOTAL					135,878,048.36

PORTFOLIO MIX as of January 27, 2016

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 8,022,986.10	5.79%		
Time Deposit		Php 17,193,057.26	12.40%		
Gov't. Sec.		Php 61,162,000.00	44.11%		
Corp. Bonds	25%	Php 14,500,000.00	10.46%	14.543%	20,165,747.14
Mutual Fund	10%	Php 7,000,000.00	5.05%	4.952%	6,866,298.86
Stocks	10%	Php 8,000,000.00	5.77%	4.231%	5,866,298.86
UITF	10%	Php 20,000,000.00	14.42%		
Total Funds		Php 120,331,881.24			
Admitted Assets as of Dec. 2014 per IC Audit		Php 135,878,043.36			Php 32,898,344.86

- Board Treasurer Judea Gutierrez moved to approve the drafted association plan and budget, which was seconded by Board member Ailene Ramos.

VI. Fourth quarter updates

KMBA General Manager, Silvida Antiquera, then reported on the association's activities during the last quarter of 2015. Some of the points highlighted were the following:



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Assets	Php 138.6 M
Liabilities (50% reserves & RF)	98.2 M
Fund Balance (guaranty fund, unassigned surplus, Net surplus)	40.4 M
Member's collection	147.5 M
Member's Premium	13.9 M
BLIP Claims	5.5 M
CLIP Claims	1.2 M
K-Kalinga POC sold	14,534
Total active members	42,218

VII. Amendments to the 2016 budget

Finance Manager, Evelyn then presented to the Board the proposed amendments to the 2016 budget:

Revenues:

1. Additional members shall now be 8,000, from the old target of 5,000, in order to maintain operational expenses at 20% of overall budget (?)
2. New total proposed budget is Php 9.2 million, from the old figure of Php 8 million
3. Members' contribution of Php 36 million based on target of 50,000 members

Expenses:

1. Professional and technical development: allocated Php 150,000.00 for the capacity building budget to support training and continuing education activities of eleven (11) Board members and twenty five (25) area coordinators of the association
2. Depreciation for information technology (IT) equipment: additional Php 1.4 million for the Management Information System (MIS) software (from Php 500.00.00)
3. Social and community service: additional Php 31,400.00 for office rent (two units)

Assets and liabilities:

The association expects total assets and liabilities to reach Php 174 million in 2016.

- Board member Jona moved to approve the amended budget, which was seconded by Board member Ailene. The Board unanimously approved the 2016 amended budget.



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VIII. Proxy voting

After the group's discussion on the amended budget, Evangeline Pe, KMBA Operations Manager, then shared to the Board the process and schedule for the proxy voting:

Nomination process:

- | | |
|-----------------------|--|
| January 20-29 | The Socioeconomic Officers (SO)s, together with KMBA's Account Officer (AO) shall determine the status of present area coordinators for each branch (as potential candidate to fill up vacated Board of Trustees posts). |
| February 1-12 | The SOs shall inform the center members regarding area coordinators who are qualified to run as Board members, and they will then ask such members to fill up the required nomination and candidate's profile forms. |
| February 15-26 | Accomplished forms shall be submitted to the concerned Cluster Managers (CM) who will check on the accuracy and completeness of information provided by the members. |
| February 29 - March 4 | Area Managers shall collect all accomplished forms from field offices and shall set a second review with the election committee to come up with a final list of candidates. |
| March 7-25 | KMBA Accounts Officer shall bring all the candidates' profiles to each field office, together with the proxy voting forms. The KMBA election committee shall also give an orientation to each cluster on the proxy voting process. Meanwhile, the Field Manager (FMs) shall also outline the nomination and the proxy voting process to the SOs so the latter can also explain it to the center members. |
| March 28 - May 6 | Members shall select and vote from the list of candidates during the association's General Assembly those who they want to serve in KMBA's Board of Trustees. The SOs shall return to Field Managers all collected proxy voting forms, which shall be placed in sealed envelopes. The KMBA AO shall gather all sealed envelopes from each field office. The KMBA Operations Manager and |



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election committee shall set a date for counting the collected proxy votes. After tallying the votes, the AO shall provide the Field Manager of each field office with copies of the results of the counting. Actual voting for Board members shall be done on 31 May 2016 during KMBA's General Assembly.

Operations Manager Evangeline Pe also reported that the branches were able to identify potential candidates: four (4) from the East sector, one (1) from the North, and two (2) from the South.

IX. Updates

a. Amendment of Articles of Incorporation and By-Laws

General Manager Silvinda Antiquera then reported to the Board members that the Insurance Commission (IC) has already approved the amendments submitted by KMBA. These will be brought back to the Securities and Exchange Commission (SEC) for final approval.

b. Bacolod Management Forum

The KMBA General Manager also reported on her attendance to the forum in Bacolod, together with the association's Finance Manager. Systems discussed during the forum, like the record-keeping application could be useful to mutual benefit associations (MBAs). A program called "Cloud Back Up", that was based in Singapore, could store an organization's electronic files.

c. ICMIF Conference

GM Silvinda then reported on the Sri Lanka conference organized by the International Cooperative and Mutual Insurance Federation (ICMIF). KMBA was among the three (3) organizations in the Philippines that ICMIF has chosen to support (the other two are CARD and ASKI) to help broaden KMBAs' operation in the country.




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X. Adjournment

The Board of Trustees meeting formally ended at 1 pm.

Certified by:


Jerlene B. Perez
Secretary

Attested by:


Elizabeth N. Yayon
President