



KASAGANA-KA  
Mutual Benefit Association, Inc.

**KASAGANA-KA Mutual Benefit Association, Inc.  
2nd Regular Board Meeting  
5 Don Francisco St., Don Enrique Heights  
Brgy. Holy Spirit, Quezon City  
March 10, 2017, 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              |
| 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       |

**Management & Staff**

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

**Absent**

- |                        |           |
|------------------------|-----------|
| 1. Ma. Anna DR Ignacio | – Adviser |
|------------------------|-----------|

Certified by:

  
Jerlene Perez  
Secretary



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March 10, 2017, 8:30 am**

- I.** Call to Order
- II.** Prayer
- III.** Determination of Quorum
- IV.** Approval of the propose Agenda
- V.** Approval of previous minutes of the meeting (January 29, 2016)
- VI.** Financial Report – January 2016 & Investment – March 2016
- VII.** For Discussion and Approval
  - a. Hospital Assist Program (HAP) for staff
  - b. Extension of Lorraine’s Contract
- VIII.** Updates
  - a. SEC amendment
  - b. List of nominees
  - c. ACGS
- IX.** Upcoming schedules
  - a. Strategic Planning: March 19-20, 2016 – Laguna
  - b. Learning sessions: March 28, 2016
    - i. ACGS
    - ii. Annual Statement
    - iii. ACGS Workshop for Compliance Officer – April 5, 2016
- X.** Adjournment



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**I. Prayer**

The meeting started with a prayer led by Board of Trustees (BoT) member Jona Parolan.

**II. Determination of quorum**

Board Secretary Jerlene Perez confirmed and noted each attendee in the meeting. Seven (7) out of the seven (7) Board members were present, enough for a quorum and for the Board meeting to continue.

**III. Approval of the propose agenda**

Since the copy of the propose agenda was sent in advance, Board President Elizabeth Yayon ask the member if they would want to add any points of discussion to those that were already mentioned. Board Treasurer Judea Gutierrez proposed to include discussion on K-Kalinga as part of the final agenda items.

**IV. Approval of previous minutes of the meeting (January 29, 2016)**

Board President Elizabeth Yayon ask the member of the board to go through the minutes silently. She then ask the members for any clarifications that needs to be discuss regarding the previous minutes of the meeting.

**Clarifications and discussion**

Board Adviser Ma. Anna Ignacio inquired about what was written on page 5 of the minutes regarding the budget for capacity building program, specifically on why the account used was called “technical development”. Evelyn Lagmay, KMBA’s Finance Manager, clarified that capacity building falls under this account in the association’s new chart of accounts. Ma. Anna then asked why the Management Information System (MIS) software was placed under depreciation. Evelyn clarified that with the acquisition of the new MIS software, depreciation costs were spread across five (5) years.

Adviser Ma. Anna next asked why the monthly rent was reflected under social and community expense instead of under rent expense. Evelyn explained to the group that Kasagana-ka Development Center Inc. (KDCI) is still paying for the rent of Room 504 in F&L building, that such rent includes a tax, and thus the use of the social and community expense account. FM Evelyn further clarified that KDCI’s contract for the unit would only end in April 2016. Once KMBA assumed rent payment, that would be the only time when the amount will be reflected under the association’s rent expense account. There were no further clarification from the board after this exchange.



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- Board member Ailene moved for the approval of the minutes of the previous Board meeting, January 29, 2017. Board member Jona seconded the motion. The Board approved the minutes.

#### **V. Financial report (January 2016)**

Finance Manager Evelyn Lagmay reported on the association's financial status for January 2016. Recorded assets totalled Php 140,252,714.35. This consisted of cash and cash equivalents, receivables, short-term financial assets and non-current assets. The said amount represented an increase of around Php 23 million or 21% compared to that of the same month during the previous year (January 2015). Evelyn noted that a large part of the cash amount is deposited in the association's time deposit accounts with Metrobank and BDO.

Meanwhile, liabilities totalled Php 97,766,113.70. This amount represented an increase of 17% compared to that of the same month during the preceding year (2015). Evelyn explained that the amount included the Php 5.00 savings or Revolving Fund (RF) that members were paying, and half of the Php 15.00 life insurance premium. Fund balance reached Php 42,486,600.65, which indicated an increase of 30% based on the previous year's figure. Liabilities and fund balance totalled Php 140,252,714.35. Net surplus amounted to Php 150,043.62 for the month of January 2016.

FM Evelyn likewise noted that the number of claims on the Basic Life Insurance Plan (BLIP) for the month was higher than that of the previous month (December 2015). BLIP claims for January 2016 amounted to Php 688,881.20 or a 25.53% increase. This was slightly higher than the standard which was 25%. She explained that seven (7) of the claims were by those who have been members for more than three (3) years, while the rest were by dependents of those who have been members for more than a year (?).

Claims for the Credit Life Insurance Plan (CLIP) was also higher, totalling Php 167,000.00 or 48.22% higher than the previous month. This was higher than the standard 35%. FM Evelyn explained that this was due to the fact that most of the CLIP claims for January 2016 were by long-time members who had bigger loans. Six (6) members were from KDCl and one (1) was from Cebu Caritas. Meanwhile, total operational expenses for the month was low, amounting to Php 570,903.92 or 19% of standard operating expense.

During the ensuing discussion, Board Adviser Leticia Rodriguez expressed concern over increases in the number and amount of claims and inquired about how such increases could be prevented. General Manager Silvida Antiquera, explained to the board that the association usually experiences an increase in the level of claims at



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the start of the year, and that such level then goes down during the succeeding months. Board Adviser Ma. Anna also added that it is normal for the association's revenues to be lower at the start of the year, and explained that what the KMBA should look out for are its financial figures during the last months of the year when it should be determining what it could do to catch up and achieve a better level for its fund balances.

### Investment (March 2016)

Evelyn also presented the list of investments for the month of March 2016. Below are the list of investment.

Type of Investment	Bank	Account Type	Maturity Date	Net Int.Rate	Face Amount
<b>CASH IN BANK</b>	<b>Metro Bank</b>	Current Acct. Gen. Fund #:007-032- 50403-1			542,088.79
		Current Account- CLIP #:032-7032-50480-5			493,541.05
		Current Account-BLIP Acct.# 032-50451-1			764,279.55
		Savings Account-BLIP Acct.#032-303217877- 5			6,511,258.09
		Savings Account-CLIP Acct.#032-3032-2221-3			815,802.44
	<b>Sub-Total</b>				<b>8,362,690.37</b>
	<b>BDO</b>	Savings Account Acct.#7250027686			51,460.03
		Current Account Acct#7258003871			378,865.67
	<b>Sub-Total</b>				<b>430,325.70</b>
	<b>China Bank</b>	Savings Account Acct.# 138-313121-3			<b>7,010.32</b>
<b>TOTAL</b>				<b>8,800,026.39</b>	



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<b>TIME DEPOSIT</b>	<b>BDO</b>	Regular Time Deposit Acct#372507309020	March 30, 2016 (30 Days)	0.400%	303,101.99
	<b>MBTC</b>	Regular Time Deposit Acct#032-1-03202782-0	April 15, 2016 (60 Days)	0.800%	4,068,621.90
		Regular Time Deposit Acct#032-1032028215	March 16, 2016 (30 Days)	0.800%	10,029,368.67
		Regular Time Deposit Acct#032-103202851-7	April 8, 2016 (30 Days)	0.400%	806,441.81
		Regular Time Deposit Acct#032-1-03202951-3	March 28, 2016 (30 Days)	0.800%	2,001,066.66
<b>TOTAL</b>					<b>17,208,601.03</b>
<b>GOVERNMENT SECURITIES</b>	<b>BDO</b>	RTB10-04 ISIN#PIID1023H046	August 15, 2023 (10years-Tradable)	2.600%	10,000,000.00
	<b>Metro Bank</b>	FXTN 25-08 ISIN#PIBD2535L086	Dec. 16, 2035 (25years-Tradable)	6.320%	15,035,000.00
	<b>FMIC</b>	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
	<b>CHINA BANK</b>	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
<b>TOTAL</b>					<b>61,162,000.00</b>
<b>CORP. BONDS</b>	<b>FMIC</b>	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
<b>TOTAL</b>					<b>14,500,000.00</b>
<b>MUTUAL FUNDS</b>	<b>FMIC</b>	Save & Learn Fixed Income Fund (SALFIF)		2.2219	5,000,000.00
	<b>SUNLIFE</b>	Government Securities Fund (GS Fund)		1.5594	2,000,000.00
<b>Sub-Total</b>					<b>7,000,000.00</b>



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UITF			Placement Date	NAVPU (3/9/16)	
	<b>BDO</b>	UITF-Money Market Fund	Jan. 10, 2016	1,494.04	10,000,000.00
<b>MBTC</b>	UITF-Money Market Fund	Jan. 11, 2016	1,5438	10,000,000.00	
				<b>20,000,000.00</b>	
<b>STOCK</b>	<b>FMIC SECURITIES BROKERAGE CORP.</b>	PETRON Preferred Shares Series A.		6.300%	<b>8,000,000.00</b>
<b>GRAND TOTAL</b>					<b>136,670,627.42</b>

### Portfolio Mix

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 8,800,026.39	6.35%		
Time Deposit		Php 17,208,601.03	12.41%		
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			
<b>Admitted Assets as of Dec. 2015 per IC Audit</b>		<b>Php 138,662,988.56</b>			<b>Php 32,898,344.86</b>

Board Adviser Ma. Anna noticed that amounts invested in Metrobank and First Metro Investment Corporation (FMIC) were larger than those lodged with BDO and Chinabank. FM Evelyn explained that interest rates of the first two institutions were higher than those given by other banks. Adviser Ma. Anna advised the association to identify other banks or financial institutions wherein KMBA's investments could be lodged. The board adviser also noted that investment in Unit Investment Trust Fund (UITF) went beyond the limit set by the Insurance Commission (IC). She also explained that during the last forum in Bacolod, they learned that the IC limit of 10% was for every institution or bank.

GM Silvida recommended a review of the proposal submitted by Metrobank's investment manager. According to her, IC is already allowing MBAs to get their own



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investment fund managers. This way, MBAs' funds could be better protected and made to earn more. Ma. Anna suggested that the association should review again if it needs to engage such service at this point as investment managers would usually require a percentage cut on the association's investment earnings.

**VI. Other Discussion points and approved motions**

**a. Hospital Assist Program (HAP)**

GM Silvida reported to the Board that KDCI has issued a memo in relation to a new benefit for its employees called Hospital Assist Program or HAP. Under the said program, family members of a KDCI employee can now have health insurance. Each employee may enroll her spouse or children (up to 21 years old) at Php 500 per dependent. GM Silvida suggested a similar benefit to KMBA employees.

According to her, while the association has not allocated any amount for this kind of program, earnings from PhilHealth and K-Kalinga may be used instead. Board Adviser Ma. Anna further explained that Kasagana-ka is currently divided into four (4) organizations – KDCI, K-Coop, KEEPf, and KMBA. The Php 1 million fund representing Kasagana-ka's income from its Pure-it initiative may be used to support the HAP. The said program will be managed by KDCI.

HAP will match the amount contributed by the employees for the insurance. Employee-beneficiaries and their dependents could reimburse hospital expenses by just presenting their official receipts (ORs) or proof of payment. Ma. Anna also suggested that KMBA Board members be included as HAP beneficiaries. The Board was happy with the proposal and thus agreed to secure HAP slots for its employees and Board members, with the fund to come from the association's income in the form of commission from the PhilHealth and K-Kalinga initiatives.

**Contribution schedule:**

Members' contribution	Php	500.00 per individual
KDCI/KMBA's counterpart	Php	500.00
<b>Total contribution</b>		<b>Php 1,000.00</b> (max. of 10 days or Php 500/day)





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- Board member Jona formally moved for the approval of the proposal. Board member Marivic seconded the motion. The whole Board adopted the motion (Board Resolution No. 55, series of 2016, Hospitalization Assist Program for KMBA staff, Board, and coordinators).

**b. Extension of Lorraine Mangaser's contract**

GM Silvida reported to the Board that Lorraine Mangaser's contract for writing KMBA's magazine for its 10<sup>th</sup> year anniversary on May 31 will end on April. The KMBA General Manager requested the Board to extend Lorraine's contract. She explained that KMBA needed write ups on its election procedures, consortium initiatives, and requirements for the Asean Corporate Governance Scorecard (ACGS). The contract extension will mean an additional Php 25,000 for Lorraine's professional fee. Board Treasurer Judea moved for the Board's approval of Lorraine's contract extension and additional Php 25,000 honorarium. Board member Ailene seconded the motion, and the Board approved it.

**VII. Updates on recent activities**

**a. SEC amendment**

GM Silvida reported that the Securities and Exchange Commission (SEC) has already approved KMBA's amendments to its Articles of Incorporation and By-Laws with regard to lengthening Board members' term of office. For Board members with a term of two (2) years, the amendment extended their term to three (3) years, while those with a term of one (1) year shall now serve for two (2) years. The number of Board members was also increased from seven (7) to nine (9).

**b. ASEAN Corporate Governance Scorecard (ACGS)**

The General Manager then reported on the results of the recent ACGS for KMBA. The report highlighted the visit of the KMBA General Manager and some Board members to the Institute of Corporate Directors (ICD) office in Makati City to talk to Mr. Roberto Bascon and discuss the reasons for KMBA's low marks in the ACGS conducted last June 2015. Mr. Bascon explained that the assessor failed to find many of the information that she was looking for in the KMBA website.



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The website required some log-in information and password, and the assessor might have just decided not to go through anymore with accessing the files that she needed. Also, because she doesn't want to reveal her identity as assessor (Mr. Bascon noted that even ICD doesn't know the identity of assessors who are scoring each MBA.) GM Silvida explained that the KMBA website was created before the Insurance Commission (IC) came out with its circular on the ACGS.

The website design had to integrate some security measures to protect KMBA's information, including its financial reports. Mr. Bascon reiterated the need for MBAs to be open and transparent with its operation. This, according to him, was part of the training on good governance. After the report, Board Adviser Ma. Anna suggested that KMBA file a formal complaint to ICD regarding the results of the assessment. The association could also coordinate with the Microinsurance MBA Association of the Philippines (MiMAP) in writing to ICD about the ACGS.

**c. Nomination process**

KMBA Operations Manager Evangeline Pe then reported on the results of the nomination process conducted in the field offices. The process was able to identify ten (10) nominees for the upcoming KMBA Board election:

**Central 1:**

Anita Manundo (Tandang Sora)  
Judith Tandog (Batasan)

**Central 2:**

Estrella Medel (Camarin)

**North 1:**

Marissa Loyola (Tungko)  
Rita dela Cruz (Sapang Palay)  
Nida Cuizon (Norzagaray)

**East 1:**

Josefina Torres (Marikina)



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**East 2:**

Isabel Iliw-iliw (Padilla)

**South 2:**

Elizabeth Fuentes (Trece Martires)

Evangeline requested the Board to choose new members to the association's election committee as two (2) of the committee's members – Reschelle Vega of Marilao and Angela Malilin of Las Piñas – have ended their term as coordinators, while Judith Tandog was included in the nominees for the Board election.

**d. K-Kalinga case**

Board Treasurer Judea shared the case of a member who was a fire victim in Padilla. The member acquired five (5) units of K-Kalinga, but these were not submitted by the concerned Socioeconomic Officer (SO) to the association due to over withdrawal of savings. KMBA's Account Manager Adrian San Andres inquired on the case and found out that not one POC (meaning?) was entered for the said member. General Manager Silvida suggested allowing the member to claim Social Initiative Against Catastrophe (SICAT) benefits but the Field Manager (FM) did not agree to it. According to the FM, damage suffered by the member from the fire was not that extensive.

The Board Treasurer inquired on how much damage to one's house would it take to qualify for a K-Kalinga claim. Dexter Flores, KDCI Area Manager, clarified that the coordinator should also consider in her assessment which parts of the house were damaged or affected. Judea suggested that K-Kalinga claim requirements and policies be explained more clearly to members so as not to create much expectations among them. Members should also be informed in a timely manner about the insufficiency of their savings to cover for K-Kalinga payments, in order to prevent similar cases from recurring in the future.

**e. Upcoming activities**

GM Silvida informed the Board members about the upcoming Kasagana-ka strategic planning on 19-20 March 2016, and the RIMANSI training on ACGS




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and annual statement on 28 March 2016 and RIMANSI workshop on 5 April 2016.


**X. Adjournment**

There being no other matter to discuss, a motion to adjourn the meeting was raised and seconded. The Board of Trustees meeting formally ended at 12:30 pm.

Certified by:

  
Jerlene B. Perez  
Secretary

Attested by:

  
Elizabeth N. Yayon  
President