



**KASAGANA-KA Mutual Benefit Association, Inc.**  
**5<sup>th</sup> Regular Meeting of the Board of Trustees**  
**KMBA Members' Center #5 Matimpiin St. Pinyahan, Quezon City**  
**May 31, 2022, 9:00 am**

**In Attendance:**

Board of Trustees:

- |  |                           |
|--|---------------------------|
| 1. Enriqueta V. Navarro                  | -President                |
| 2. Alma D. Gilbaliga                     | -Vice President           |
| 3. Jonalyn T. Andres                     | -Board Secretary          |
| 4. Teresita D. Padel                     | -Treasurer                |
| 5. Marlin C. Perez                       | -Board Member             |
| 6. Jeronima C. Teodoro                   | -Board Member             |
| 7. Philip Arnold P. Tuaño                | -Independent Board Member |
| 8. Atty. Maria Cleofe Gettie C. Sandoval | -Independent Board Member |

**Also Present:**

Board of Advisers:

9. Chona B. Capayas
10. Isabel M. Iliw-iliw
11. Dexter V. Flores

Board Member Emeritus

12. Leticia T. Rodriguez
13. Wenifreda F. Rodriguez

Management and Staff

- |                          |                      |
|--------------------------|----------------------|
| 14. Silvida R. Antiquera | -General Manager     |
| 15. Evelyn A. Lagmay     | -Finance Manager     |
| 16. Analyn A. Shih       | -Executive Assistant |



## **ORDER OF BUSINESS**

### **A. Board Agenda**

- I. Call to Order
- II. Prayer
- III. Determination of Quorum
- IV. Approval of Proposed Agenda
- V. Reading and Approval of the minutes of the previous meeting
- VI. Business arising from the previous meeting
- VII. Financial Report
  - a. Financial Statement (April 2022)
  - b. Investment as of April 30, 2022
  - c. Auditor's Report on 2021 Financial Statement
- VIII. For Discussion and Matters Requiring Resolutions
  - a. Appointment of External Auditor
  - b. Acceptance of KPF Representative
  - c. Proposed Investment
  - d. Creation of Mandated Committee
  - e. ICMIF Invitation
- IX. Other Matters
- X. Adjournment

## **DISCUSSION HIGHLIGHTS**

I. The meeting started at 9:53 am with a prayer.

### **II. Quorum and Agenda**

Board Secretary Jonalyn conducted a roll call and determined the presence of a quorum. All Trustees are present in the meeting. Pres. Enriqueta presented the proposed agenda for the day's meeting. BoT Alma moved to approve the proposed agenda, and duly seconded by BoT Teresita.

### **III. Reading and Approval of the Minutes of the Meeting**

Board Secretary Jonalyn read the minutes of the previous Board meeting. The Board found no clarification or comments on the minutes that needed discussions. BoT Marlin moved to approve the minutes of the previous Board meeting, duly seconded by BoT Jeronima.

### **IV. Business Arising**

GM Salve reported that there are no pending assignment.



## V. Financial Report

### A. Financial Statements for April 2022

FM Eve presented the Statement of Financial Position as of March 31, 2022. The summary of the report is provided below:

Particular	As of April 30, 2022	As of April 30, 2021	Variance	
			Amount	%
Total Assets	Php 233,558,188.02	Php 234,135,640.25	Php (577,452.23)	-0.25%
Total Liabilities	126,851,377.57	152,172,566.18	(25,321,188.26)	-17%
Total Fund Balance	106,706,810.45	81,963,074.08	(24,743,736.38)	-2.32%

On the other hand, the summary of the Income Statement for the month ended March 31, 2022, is as follows:

Particulars	As of April 30, 2022	As of March 31, 2022	Variance Amount
Gross Revenue	Php 3,441,188.16	Php 4,668,557.78	(Php 1,227,369.74)
Total Benefit Expense	2,673,764.89	2,909,267.84	(235,502.95)
Total Operating Expense	978,263.85	1,004,069.00	(25,805.15)
Total Investment Revenue and Other Income	278,945.91	429,040.96	(150,095.05)
Net Surplus (Loss) before Income Tax	68,105.33	1,184,261.90	(1,116,156.57)
Income Tax Expense	-	-	-
<b>Net Surplus (Loss)</b>	<b>68,105.33</b>	<b>1,184,261.90</b>	<b>(1,116,156.57)</b>

### B. Investments as of April 30, 2022

The portfolio mix as of April 30, 2022, is as follows:

Type of Investment	As of April 30, 2022	As of March 31, 2022
Cash in Bank	Php 23,525,215.57	Php 28,387,815.77
Time Deposit	3,191,173.51	3,191,229.42
UITF	22,619,545.88	22,754,652.97
Government Securities	73,178,366.33	73,178,366.33
Corporate Bonds	6,000,000.00	6,000,000.00
Mutual Fund	5,676,855.36	5,679,204.27
Stocks	13,913,300.00	14,130,100.00
LTNCD	5,000,000.00	5,000,000.00
KCOOP Loan	-	-
Investment Property	63626,256.98	63,708,385.19
<b>TOTAL INVESTMENTS</b>	<b>Php 216,947513.63</b>	<b>Php 221,812,953.96</b>

BoT Randy Tuaño suggested that in subsequent meetings it would be advisable to include in the presentation of the financial report the same month as last year not just the previous month so that the Board can have a more complete review and comparison of the reports.



Board Emeritus Leticia Rodriguez noted that the collection in March was Php 1.1M higher compared to April. FM Evelyn replied that in previous seasons, the collection trend has actually increased in the months where each quarter ends compared to the normal months because during these periods KMBA receives remittances from the satellite offices of K-Coop.

The Financial Report and the Investment Mix as of 30 April 2022 was accepted upon motion of BoT Teresita and seconded by BoT Alma.

### C. Auditor's Report

Mr. Clark Babour from BDO Roxas Cruz Tagle and Co reported the Financial Statement for the year 2021.

He first discussed the new accounting standard to be implemented by the Insurance Commission on insurance companies and organizations offering insurance products. This new accounting standard is called PFRS 17 which is scheduled to be implemented on January 1, 2025. Based on the new accounting standard, there will be changes in how premiums are recorded. The financial statements of insurance companies for the year 2025 are required to comply with PFRS 17, as well as the regulation requires that the financial statements of the years 2023 and 2024 be reviewed and complied with in this new standard. As such, Mr. Babour stressed to study and prepare for this change right now. He also mentioned that the biggest impact of this change will be in the information system used by KMBA, since it will play a big role in ensuring that all information required in PFRS 17 is covered. Another area that should also be focused on is the actuarial valuation of KMBA reserves since it might be affected by the new standards.

KMBA's Financial Statement for 2021 is discussed below:

PARTICULARS	2021	2020	VARIANCE	
			AMOUNT	%
COMPARATIVE STATEMENT OF FINANCIAL CONDITION				
Total Assets	Php 230,635,866	Php 237,971,709	7,335,843	-3.1%
Total Liabilities	124,998,169	154,305,500	29,307,331	19.0%
Total Fund Balance	105,637,697	83,666,209	21,971,488	-26.3%
COMPARATIVE STATEMENT OF COMPREHENSIVE INCOME				
Revenues	42,721,359	41,328,110	1,393,249	3.4%
Income before Tax	24,445,013	7,693,949	16,751,064	217.7%
Tax Expense	17,882	3,481	14,401	413.7%
Net Income	24,427,131	7,690,468	16,736,663	217.6%
Other Comprehensive income	430,703	2,749,115	2,318,412	-84.3%
Total Comprehensive Income	24,857,834	10,439,583	14,418,251	138.1%

BoT Randy raised the question of the impact of PFRS 17 on KMBA operations. The external auditor responded that the new accounting standard would have great impact because it would completely change the previously learned and traditional recording methods, for example the treatment of premium payments received, as well as the traditional recognition of income.



The Report on the Financial Statement for the year 2021 was accepted by BoT Jeronima and seconded by BoT Marlin.

**BOARD RESOLUTION NO. 2022-08:  
ACCEPTANCE OF THE AUDITED FINANCIAL STATEMENT FOR THE YEAR 2021**

***RESOLVED**, to approve the audited Financial Statement for the year revised proposal for the year 2021, as reported by the external auditor BDO Roxas Cruz Tagle and Co.*

**VI. For Discussion**

**a. Appointment of External Auditor**

Audit Committee Chairperson Philip Arnold Tuaño discussed the appointment of an external auditor for the 2022 Financial Statement, in which the management is proposing the re-appointment of BDO Roxas Cruz Tagle and Co. If approved, this is the fourth year of the said external auditor in KMBA where they have provided significant assistance in the proper and timely submission of the required reports to government agencies. The management also sees that they will be of great help to KMBA in the proper implementation of the new accounting standard.

The total amount of professional fee of BDO Roxas Cruz Tagle and Co is Three Hundred Nine Thousand Five Hundred Fifty Six (Php 309,556).

The appointment of BDO Roxas Cruz Tagle and Co as external auditor for the Financial Statement of 2022 in the amount of Three Hundred Nine Thousand Five Hundred Fifty Six (Php 309,556) was accepted and approved under the leadership of BoT Teresita and seconded by BoT Alma.

**BOARD RESOLUTION NO. 2022-09:  
APPROVING THE ENGAGEMENT OF BDO ROXAS CRUZ TAGLE AND CO AS EXTERNAL  
AUDITOR FOR THE 2022 FINANCIAL STATEMENT**

**RESOLVED**, to approve the engagement of BDO Roxas Cruz Tagle and Co as external auditor for the 2022 Financial Statement for the amount Three Hundred Nine Thousand Five Hundred Fifty Six (Php 309,556).

**b. Acceptance of the KPF Representative to the KMBA Board**

GM Salve discussed that according to the Bylaws of KMBA, KPF as an organization of employees has a representative on the Board of KMBA. This year, the elected chairperson of KPF is Mr. Joseph Lopez, and he will sit as part of the KMBA Board.



The Board approved and accepted the KPF representative Mr. Joseph Lopez upon motion by BoT Marlin and seconded by BoT Jeronima.

**BOARD RESOLUTION NO. 2022-10:  
ACCEPTANCE OF THE KPF REPRESENTATIVE TO THE KMBA BOARD**

**RESOLVED**, to accept Mr. Joseph Lopez to the KMBA Board, being the representative of the employees organization, KPF.

**c. Proposed Investments**

FM Eve discussed the proposed new investments as recommended by the Treasury Committee. Currently, there is Php 10M that can be deposited as additional investment, but according to the committee, the only deposit for long term investment is only P5M so as not to affect the liquidity of KMBA and the remaining P5M can be put into short term investment. The investment offers received by KMBA are as follows:

LONG TERM	ISSUER	INVESTMENT TYPE	TENOR	INDICATIVE RATE	OFFER PERIOD	SETTLEMENT DATE
FMIC	Filinvest Land	Bond	5 years	6.41% - 6.81%	June 2-10, 2022	June 20, 2022
Security Bank	Ayala	Bond	2 years	4.32% - 4.72%	June 15-21, 2022	June 30, 2022
FMIC	Ayala	Bond	2 years	4.32% - 4.72%	June 15-21, 2022	June 30, 2022

SHORT TERM	ISSUER	INVESTMENT TYPE	TENOR	INDICATIVE RATE
FMIC	Government	T Bills	180 days	1.70%
FMIC	Government	T Bills	360 days	1.98%

Of the aforementioned investment offers, the recommendations of the management and the Treasury Committee are as follows:

1. For long term investment, Ayala Bond for 2 years for Php 5 million
2. For short term investment, FMIC Treasury bill for 180 days in the amount of Php 5 million

The Board approved and accepted the proposed long term investment in Ayala and short term investment in Treasury bills led by BoT Teresita and seconded by BoT Alma.

**BOARD RESOLUTION NO. 2022-11:  
APPROVING THE LONG-TERM AND SHORT-TERM INVESTMENTS**

**RESOLVED**, to approve the investment to Ayala Bond amounting to Five Million (Php5,000,000.00) Pesos for two years and the short-term investment to Treasury Bills amounting to Five Million (Php 5,000,000.00) Pesos for one hundred eighty (180) days.



**d. Creation of the Remuneration Committee**

GM Salve discussed that as part of the ASEAN Corporate scorecard, the Insurance Commission has issued a directive on the formation of a Remuneration Committee a mandatory committee that MBAs should have,. The main task of the committee is to set policies regarding the compensation and benefits of employees at the executive level.

The Board approved and accepted the formation of the Remuneration Committee headed by BoT Jeronima and seconded by BoT Marlin.

***BOARD RESOLUTION NO. 2022-12:  
CREATION OF REMUNERATION COMMITTEE***

**RESOLVED**, to approve the creation of the Remuneration Committee as mandated by the Insurance Commission.

**e. ICMIF Invitation**

GM Salve informed that ICMIF has sent an invitation to KMBA to attend its Centenary Conference to be held on October 24-28, 2022 in Rome, Italy. ICMIF is the international network of KMBA, in which Kasagana-ka actively participates in its activities. KMBA may send two delegates: one is GM Salve and the other is GM from K-Coop Mr. Dexter Flores. KMBA got a subsidy so the amount of registration fee to be paid is only 600 euros from the original price of 3,200 euros.

The Board approved and accepted GM Salve's attendance at the ICMIF Centennial Anniversary and Conference to be held in Rome, Italy led by BoT Alma and seconded by BoT Teresita.

***BOARD RESOLUTION NO. 2022-13:  
AUTHORIZED REPRESENTATIVE TO ICMIF CENTENARY CONFERENCE***


**RESOLVED**, to approve the attendance of Ms. Silvida Antiquera as the official delegate of KMBA to ICMIF Centenary Conference on OCTOBER 24-28, 2022 to be held in Rome, Italy.

**XI.**


**Adjournment**

There being no other matters discussed, the meeting ended at 10:40 am upon motion of BoT Alma and duly seconded by BoT Marlin.

Prepared by:

  
Jonalyn T. Andres  
Secretary

Attested by:

  
Enriqueta V. Navarro  
President