CONSOLIDATED MINUTES OF THE 5TH ANNUAL GENERAL MEETING

Torre Venezia Suites, Timog Avenue, Quezon City

June 17, 2019

Board of Trustees Present:

Mr. Genaro L. Kong	Trustee / President
Ms. Jonnette Almanzar	Trustee / Vice-President
Ms. Eufrecina T. De Jesus	Trustee / Treasurer
Atty. Joselito D. Fernandez	Trustee / Corporate Secretary
Ms. Estrellita Borromeo	Trustee
Ms. Florencia De Castro	Trustee
Ms. Jacqueline Maglangit	Trustee
Ms. Reena Concepcion G. Obillo	Independent Trustee
Mr. Ricardo P. Lirio	Independent Trustee

CALL TO ORDER

Mr. Genaro L. Kong, President, acted as Chairman and called the meeting to order.

CERTIFICATION OF QUORUM

The Corporate Secretary, Atty. Fernandez, certified the existence of a quorum to validly transact business. The number of active members from January 2019 to May 2019 was 164,580, whether in person or through proxy attended. Hence, the meeting was formally started.

READING AND APPROVAL OF THE MINUTES OF THE 2018 ANNUAL GENERAL MEMBERSHIP MEETING LAST JUNE 19, 2018.

Mr. Genaro L. Kong, acting as Chairman, read the minutes of the 2018 Annual General Membership Meeting held last June 19, 2018. He also stated that a copy of the said Minutes is within the PPMBAI Head Office and is available during office hours to anyone interested.

Upon reading, members were asked if they have questions on the said Minutes. Hearing none, the Chairman asked for the approval of the Minutes of the 2018 Annual General Membership Meeting to include its completeness and accuracy.

Members' Resolution No. 1-2019

"Resolved as it is hereby resolved that the 2018 Annual General Membership Meeting Minutes held last May 31, 2018 at the 7th Floor, Jenkinsen Tower, Timog Ave. QC be and is hereby approved."

The votes casted and received on the approval of the Minutes of the 2018 Annual General Membership Meeting were:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
164,580	164,580	164,580	xxx	xxx

RATIFICATION OF THE 2018 BOARD RESOLUTIONS

The Chairman, then presented the 2018 Board Resolutions as follows:

1st Board Meeting (May 18, 2018)

-Determination of Quorum

-Dates and Venues of the 2018 Annual General Membership Meeting

-Acceptance of the resignation of Atty. Rei Alessandro Diaz as Corporate Secretary

-Temporary assignment of Atty. Joselito Fernandez as Corporate Secretary

2nd Board Meeting (August 24, 2018)

-Determination of Quorum

-Appointment of Noel Madriaga as General Manager

-Appointment of Atty. Phil Ephraim Elgo as Corporate Secretary

-Audited Financial Statement for 2017 was released last April 2018

-2017 Audit by Insurance Commission was closed

-Final review by Insurance Commission on HCA and CLIP

-MIS is on its developmental stage

3rd Board Meeting (October 29, 2018)

-Determination of Quorum

-Negotiations with National Reinsurance Corporation

-Purchase of Server for PPMBAI's System

-Increase the number of Trustees from 7 to 13

-Reappoint SGV & Co. as our external auditor for 2018

4th Board Meeting (January 29, 2019)

-Approval of HCA and CLIP by the Insurance Commission

-Finalization on the proposal of National Reinsurance Corporation

-Revised timeline on MIS

-Revision of the Corporate Vision Statement

-Increase in Members' exit age from 60 to 65 years old

-Resignation of Atty. Phil Ephraim Elgo as Corporate Secretary

-Appointment of Atty. Joselito Fernandez as Corporate Secretary

After the presentation, Members' were then asked if they have any questions regarding any of the 2018 Board Resolutions. Hearing none, the Chairman asked for the approval of the 2018 Board Resolutions.

Members' Resolution No. 2-2019

"Resolved as it is hereby resolved, that the 2018 Board Resolutions are hereby approved"

The votes casted and received on the approval of the 2018 Board Resolutions were as follows:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
164,580	164,580	164,580	xxx	xxx

READING OF THE PRESIDENT'S REPORT (OPERATIONAL AND FINANCIAL PERFORMANCE) FOR 2018

The Chairman, proceeded with his report for the operational and financial performance for the year 2018. He started with a comparative analysis of the collection between 2017 and 2018.

	PRODUCT/SERVICE							
YEAR	Admission Fee		BASIC LIFE INSURANCE (BLIP)			RETIREMENT SAVINGS FUND		
	Premium Collection	Members Collected	Active Members	Premium Collection	Members Collected	Active Members	Premium Collection	Members Collected
2017	Php10,713,763	107,138	192,396	Php142,235,572	364,707	269,234	Php35,034,779	269,498
2018	Php10,776,788	107,768	210,847	Php155,946,978	399,864	341,927	Php44,659,210	343,532
Increase (Decrease) in %	0.59%	0.59%	10%	10%	10%	27%	27%	27%

PRODUCT/SERVICE						
YEAR	CREDIT LIFE INSURANCE (CLIP)			Hospitalization Care Assistance		
	Active Members	Premium Collection	Members Collected	Active Members	Premium Collection	Members Collected
2017	190,170	Php11,351,663	362,125	10,226	Php1,241,400	12,414
2018	210,847	Php13,758,353	399,864	10,520	Php1,996,800	19,968
Increase (Decrease) in %	**11%**	**21%**	**10%**	**3%**	**61%**	**61%**

Said collection were further broken down per Division:

PER DIVISION – FOR THE YEAR 2018				
PRODUCT	**NCR, South and North Luzon**	**Visayas**	**Mindanao**	**TOTAL**
BASIC LIFE INSURANCE (BLIP)	82,734,258	14,993,442	58,219,260	**155,946,960**
CREDIT LIFE INSURANCE (CLIP)	7,759,345	1,103,633	4,895,375	**13,758,353**
RETIREMENT SAVINGS FUND	24,908,002	3,428,584	16,355,720	**44,692,306**

For Claims, the President presented the following for 2018 against the performance of 2017.

CLAIMS, EQUITY RETURN AND BENEFIT PAYMENT

YEAR	BASIC LIFE INSURANCE (BLIP)		CREDIT LIFE INSURANCE (CLIP)	
	No. Of Claims	Claims Payment	No. Of Claims	Claims Payment
2017	6,648	Php46,357,689	5,988	Php4,101,265
2018	9,650	Php56,635,083	5,118	Php6,566,053
Increase (Decrease) in %	45%	22%	-15%	60%

CLAIMS, EQUITY RETURN AND BENEFIT PAYMENT

YEAR	RETIREMENT SAVINGS FUND		Hospitalization Care Assistance	
	No. Of Claims	Claims Payment	No. Of Claims	Claims Payment
2017	6,023	Php5,443,249	90	Php183,952
2018	8,223	Php10,991,505	158	Php582,567
Increase (Decrease) in %	37%	102%	76%	217%

Claims for 2018 were broken down into Equity Returns and Death Benefit.

	BASIC LIFE INSURANCE (BLIP) – Resignation, Claims and Benefit Payment		
YEAR	Equity Return	Death Benefit	Total
2017	Php16,146,499	Php29,170,056	Php45,316,555
2018	Php26,673,667	Php32,352,060	Php59,025,727
Increase (Decrease) in %	65%	11%	30%

Into Division.

PER DIVISION (FOR THE YEAR 2018)				
PRODUCT	NCR, South and North Luzon	Visayas	Mindanao	TOTAL
DEATH BENEFIT	16,461,539	2,432,080	13,458,441	32,352,060
EQUITY RETURN	16,128,252	1,441,166	9,104,249	26,673,667
TOTAL	32,589,791	3,873,246	22,562,690	59,025,727

And Claims were classified into Dependents and Member

FOR THE YEAR 2018						
BENEFIT PAID TO	Equity Return		Death Benefit		TOTAL	
	Number of Claims	Amount	Number of Claims	Amount	Number of Claims	Amount
Dependent	-	Php0	936	Php9,399,000	936	Php9,399,000
Member	8,223	Php26,673,667	491	Php22,953,060	8,714	Php49,626,727
TOTAL	8,223	Php25,381,031	1,427	Php32,352,060	9,650	Php59,025,727

Next, the President showed the Audited Financial Highlights for 2018 showing the Total Assets, Total Liabilities and Fund Balance.

PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION, INC. (AUDITED)		
FINANCIAL POSITION (in Php)	2018	2017
Assets		
Cash and Other Cash Equivalents	381,884,501	273,780,514
Financial Assets	42,776,493	48,271,578
Other Assets	12,527,514	12,168,908
Total Assets	**437,188,508**	**334,221,000**
Liabilities		
Insurance liabilities and Reserves	381,485,982	288,838,400
Other Liabilities	12,020,239	7,370,204
Total Liabilities	**393,506,221**	**296,208,604**
Fund Balance	**43,682,287**	**38,012,396**

And the comparative Financial Performance between 2017 and 2018.

PAGASA NG PINOY MUTUAL BENEFIT ASSOCIATION, INC.

FINANCIAL PERFORMANCE (in Php)	2018	2017
Revenue	**Php 186,919,042**	**Php193,657,853**
Benefits and Expenses		
Insurance Benefit reserve	58,190,674	86,204,953
Insurance Benefit Claims Paid	63,201,136	49,425,144
Commission	19,958,016	18,505,636
General and Administrative Expenses	59,664,186	56,505,261
Interest expense	837,434	484,941
Total	**180,532.476**	**192,135,357**
Income before final tax	**6,386,566**	**1,522,496**
Final Tax	**716,674**	**211,898**
Excess of Revenue over Expenses	**Php5,669,892**	**Php1,310,598**

And PPMBAI's Insurance Liabilities and Reserves

	2018(Audited)	2017 (Audited)
Reserves for Member's Equity Value	Php 261,018,548	Php205,615,416
Retirement Savings Fund	95,608,414	61,151,505
Total Liabilities – To Members	**356,626,962**	**266,766,921**
Reserves for Basic Life Insurance	12,700,604	12,835,393
Reserves for Credit Life Insurance	1,981,485	1,547,780
Policy and Contract Claims Payable	10,176,931	7,688,306
Total Reserve Liabilities	24,859,020	22,071,476
GRAND TOTAL	Php 381,485,982	Php288,838,400

Additionally, also presented were the Guaranty Fund and Risk Based Requirement. The Guaranty Fund is deposited with the Insurance Commission.

	As of December 31, 2018
TOTAL GUARANTY FUND AS REQUIRED UNDER IMC NO. 2-2006 (IC REQUIREMENT)	PHP 36,201,986
TOTAL GUARANTY FUND DEPOSITED w/ IC – GOV'T BONDS AND DEPOSIT CERTIFICATES	40,000.000
EXCESS (DEFICIENCY) IN GUARANTY FUND	**3,798,014**
Risk Based Capital (RBC) Ratio Requirement – Per IC	*should not be lower than 125%*
PPMBAI RBC – As previously verified by IC (2017)	**127%**
PPMBAI RBC – as computed (2018)	**196%**

After the presentation, the President asked the Members if they have questions regarding the just concluded presentations. Hearing none, the President moved for the approval of the President's Report.

Member's Resolution No. 3-2019

"Resolved as it is hereby resolved, that the President's Report for the year 2018 be and is hereby approved"

Votes were casted and received on the approval of the President's Report for the year 2018 were as follows:

Total Voting Members	Total Votes Cast	Votes in Favor	Invalid Votes	Abstentions
164,580	164,580	164,580	xxx	xxx

Additionally, also presented were the Association's Milestones for the first quarter of 2019. They were the following:

-Nationwide launch of the Hospitalization Care Assistance last February 2019

-Increase of Credit Life Insurance Plan Premium form P2.50 to P5.00 for every P1,000

-Increase of exit age from 60 to 65 years old

-Reinsurance Agreement with National Reinsurance Corporation.

ELECTION PROPER

The Chairman appointed the Independent Directors namely, Ma. Reena Obillo and Ricardo Lirio, to act as the COMELEC to oversee and canvass the votes. All votes are to be cast through ballots. He stated that for Head Office employees, votes were already casted,

canvassed and tabulated before the event. The following Head Office employees were declared winners:

Genaro I. Kong	Ken Albert Bayudan
Jonnette Almanzar	Rhea Agner
Eufrecina De Jesus	Sheen Ray Acosta
Atty. Joselito Fernandez	

For the election of Nanays, the President opened the floor for nomination. The following were nominated:

NCR

NOMINEES	NO. OF VOTES
Julieta Macaoay	22
Liwanag Valenzuela	11

Central and North Luzon

NOMINEES	NO. OF VOTES
Melissa Fernandez	16
Delia Villalon	17

South Luzon

NOMINEES	NO. OF VOTES
Florencia Castro	15
Josephine Arizo	18

Visayas

NOMINEES	NO. OF VOTES
Elizabeth Loot	7
Gina Villapana	1
Charito Macapa	1

Southern Mindanao

NOMINEES	NO. OF VOTES
Marivic Barredo	1
Mercy Melloria	4
Vilma Novelo	3

Western and North Mindanao

NOMINEES	NO. OF VOTES
Jacqueline Maglangit	4
Leslie Embradora	9

Being no other nominees, the nomination was closed and seconded. The newly elected Board of Trustees representing each Division and Head Office Personnel were introduced. They are:

Genaro L. Kong
Jonnette Almanzar
Eufrecina De Jesus
Atty. Joselito Fernandez
Ken Albert Bayudan
Rhea Agner
Sheen Ray Acosta
Reena Concepcion Obillo
Julieta Macaoay
Delia Villalon
Josephine Arizo
Elizabeth Loot
Mercy Melloria
Leslie Embradora
Ricardo P. Lirio

OPEN FORUM

The Chairman begun the open forum. Members were then encouraged to express their opinions, make suggestions or ask questions relating to the Association. Questions raised were the following:

1. Can we include Dependents in HCA?
2. Can Loan payments be made monthly?
3. Can we have GL incentives?
4. Is it possible that 5 days and below of confinement for HCA can be approved by CUO and released in the branch?
5. Can we disburse Burial Assistance and Equity Return through cash?
6. Can we extend the exit age of 65 even to the dependents?
7. Can we avail Insurance even without any loan?

CLOSING REMARKS

Md. Shamsul Hasan and Md. Azizur Rahman provided the closing remarks, thanking all the members for its continued support to the products and programs of PPMBAI. Assuring that all their suggestions will be addressed to better the service.

ADJOURNMENT

There being no further matters to discuss, Eufrecina De Jesus moved for the adjournment of the 5th Annual General Membership Meeting and seconded by Mr. Ricardo Lirio.

ATTY. JOSELITO D. FERNANDEZ
Secretary of the Meeting

Attested by:

Genaro L. Kong
Chairman of the Meeting