

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF TRUSTEES OF
PAGASA NG PINOY MUTUAL BENEFIT
ASSOCIATION, INC. (PPMBAI)**

• The regular meeting of the board of trustees of Pagasa ng Pinoy Mutual Benefit Association, Inc. was held at the 7th Floor, Jenkinsen Tower, No. 80 Timog Avenue, Quezon City on October 29, 2018 at 1:00 pm.

Trustees Present:

Genaro L. Kong
Eufrecina T. De Jesus
Atty. Phil Ephraim T. Elgo
Jonnette C. Almanzar
Estrelita R. Borromeo
Florencia Castro
Jacqueline Manlangit

Independent Trustees Present:

Ricardo P. Lirio
Reena Concepcion G. Obillo

Consultants Present:

T.I.M. Fakruzzaman
Md. Shamsul Hasan

Guests Present:

Socorro Ates
Richard Tabudlo
Noel D. Madriaga
Atty. Joselito D. Fernandez

CALL TO ORDER

Mr. Genaro L. Kong, acting as Chairman called the meeting to order and thereafter presided. The Corporate Secretary, Atty. Phil Ephraim T. Elgo, recorded the minutes thereof.

CERTIFICATION OF QUORUM

The Corporate Secretary certified as to the existence of a quorum for the valid transaction of business.

READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

* The Chairman read *in toto* the Minutes of the Meeting of the Board of Trustees of PPMBAI dated 24 August 2018 wherein several matters were discussed, such as (1) Appointment of Noel Madriaga as General of the MBA (2) Appointment of Atty. Phil Ephraim T. Elgo as Corporate Secretary (3) transfer of Ms. Socorro Ates to Pagasa Philippines Lending Company, Inc. (PPLCI) from July 2018 but will serve as consultant for the MBA on all matters (4) MBA's Audited Financial Statements (AFS) was released by SGV & Co. last April 2018, and copies already submitted to the Insurance Commission (IC), Bureau of Internal Revenue (BIR) and the Securities and Exchange Commission (SEC) for compliance (5) results of the 2017 IC Audit Examination have been closed (4) MBA's Annual General Membership meeting (AGM) were successfully held in Luzon, Visayas and Mindanao venues last June 2018 (6) Hospitalization Care Assistance (HCA) and increase in premium for Credit Life Insurance Plan (CLIP) are for final review of the IC (7) Management Information System (MIS) for the MBA is currently in its development stage (8) 2017 Annual Report of the MBA is ready for distribution (9) IC's proposal to increase the number of attendees in the AGM by making the representatives on a per branch instead of per region.

After discussions on the said Minutes, the Board of Trustees, including the Independent Directors, agreed to adopt the proposals made in the said Minutes.

THE PRESIDENT'S UPDATE ON THE MBA'S OPERATIONAL AND FINANCIAL PERFORMANCE

The Chairman discussed the MBA's operational performance and financial standing for the 9 months ending September 30, 2018. As it stands, the operational position of the MBA is stable. A quick comparison of the MBA's operational performance for the 9 months ending September 2018 as compared with the nine months ending September 2017 would reveal an overall increase in membership and premium collections by which may indicate that the MBA is showing positive trends of development and improvement. Insurance claims, however, posted an overall increase based on the figures for the 9 months ending September 2018 as compared with the nine months ending September 2017. This is due to the fact more insured members are maturing and reaching retirement age which partly explains the increase. As for the financial standing of the MBA, its revenues of the MBA for first 9 months of 2018 has already surpassed its revenues for the entire 2017 by Php 5,021,543. The balance sheet showed that its Total Assets as of September 30, 2018 was Php 424,182,864 which is significantly higher than its Total Assets of Php 334,221,000 as of December 31, 2017. On the other hand, Total Liabilities of Php 379,838,327 as of September 30, 2018 was significantly higher as compared to its Total Liabilities of Php 296,208,604 as of December 31, 2017.

After discussions on the said reports, the Board was convinced with the sound financial health of the MBA, and adopted the promising direction to which the MBA is going forward.

NEGOTIATIONS WITH NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

•The Chairman disclosed the ongoing negotiations with the National Reinsurance Corporation of the Philippines to explore possible servicing of the MBA's reinsurance requirements.

Upon motion duly made and seconded, it was unanimously

"RESOLVED, That Board hereby gives its consent to the ongoing negotiations by the MBA with the National Reinsurance Corporation of the Philippines.

RESOLVED, FURTHER, That the MBA's President, Mr. Genaro L. Kong, be and is hereby authorized to act for and in behalf of the MBA and sign, execute, endorse and/or deliver for and on behalf of the MBA such documents as may be necessary or required to implement the foregoing resolution."

PURCHASE OF SERVER HARDWARE FOR THE MBA'S SYSTEMS

The Chairman discussed the need to purchase server equipment to host the MBA's Management Information System (MIS). The server equipment would approximately cost a maximum of Five Hundred Thousand Pesos (Php 500,000.00).

Upon motion duly made and seconded, it was unanimously

"RESOLVED, That the purchase of server equipment for use in the business of the MBA be and is hereby authorized and approved.

RESOLVED, FURTHER, That the MBA's President, Mr. Genaro L. Kong, be and is hereby authorized to act for and in behalf of the MBA and sign, execute, endorse and/or deliver for and on behalf of the MBA such documents as may be necessary or required to implement the foregoing resolution."

INCREASE OF NUMBER OF TRUSTEES FROM THE CURRENT SEVEN TO THIRTEEN MEMBERS

The Chairman discussed the need to increase the current membership in the Board of Trustees of the MBA from the current Seven (7) to Thirteen (13). Of the current seven members, Four (4) are from the MBA's head office, One (1) is from North Luzon, One (1) is from South Luzon, and One (1) is from North Mindanao. As it stands, there is no representation for the Visayas, South Mindanao, and the National Capital Region, thus, it was proposed to create three (3) additional seats for the aforementioned geographical divisions and additional three (3) more members from the head office.

Upon motion duly made and seconded, it was unanimously

“RESOLVED, That the increase of the number of members in the Board of Trustees from the current Seven (7) to Thirteen (13) is hereby authorized and approved.

RESOLVED, FURTHER, That the MBA's President, Mr. Genaro L. Kong, be and is hereby authorized to act for and in behalf of the MBA and sign, execute, endorse and/or deliver for and on behalf of the MBA such documents as may be necessary or required to implement the foregoing resolution.”

REAPPOINTMENT OF EXTERNAL AUDITOR

Upon motion duly made and seconded, it was unanimously

“RESOLVED, That the firm of Sycip, Gorres, Velayo & Co., be and is hereby is reappointed as external auditor of the MBA for the audit of its financial statements for the current year.”

OTHER MATTERS

The Chairman updated the Board on the following matters:


1. The Insurance Commission's request for submission of specimen documents as a prerequisite for the approval of the MBA's application for Hospitalization Care Assistance (HCA) and Increase in premiums for Credit Life Insurance Plan (CLIP) from Php 2.50 to Php 5.00. Target implementation for both will be from January 1, 2019;
2. Renewal of the MBAs' insurance license which is set to expire in December 2018 is currently under process. Required documents already submitted to the IC;
3. Application for exemption has been filed with the IC relative to the adoption of IFRS 17 (accounting for insurance contracts) since the rule is not particularly applicable to the practice of the MBA insofar as recognition of revenue is concerned;
4. Release of 2017 Annual Report and submission to Asean Corporate Governance Scorecard for posting;
5. Recent training on Anti-Money Laundering attended by the MBA's General Manager and one member of the Board of Trustee;
6. The Management Information System (MIS) for the MBA is already on Phase 3 out of a total of six (6) Phases. Original target for MIS

implementation is December but there will be little delay and may be moved to first quarter of 2019;

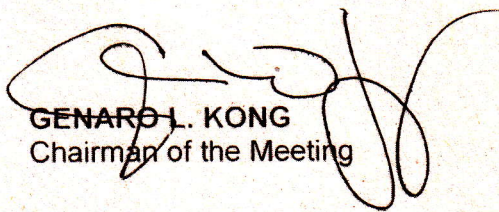
- Members of the Board were allotted time individually by the Chairman to voice out his/her comments, suggestions, or opinions on any issues concerning the MBA.

ADJOURNMENT

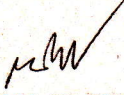
There being no further business to transact, on motion duly made and seconded, the meeting was adjourned.


ATTY. PHIL EPHRAIM T. ELGO
Secretary of the Meeting

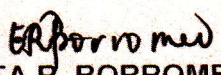
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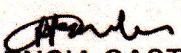

GENARO L. KONG
Chairman of the Meeting

MINUTES READ AND APPROVED:


EUFRECINA T. DE JESUS
Trustee


JONNETTE C. ALMANZAR
Trustee


ESTRELITA R. BORROMEIO
Trustee


FLORENCIA CASTRO
Trustee

JACQUELINE G. MAGLANGIT
Trustee

INDEPENDENT DIRECTORS' APPROVAL:


RICARDO P. LIRIO


REENA CONCEPCION G. OBILLO