# 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 November 24, 2022, at 1:00 p.m.

 Present:

 Genaro L. Kong

 Jonnette C. Almanzar

Eufrecina T. De Jesus

 Atty. Joselito D. Fernandez

 Sheen Ray U. Acosta

 Joan S. Alfarero

 Julieta Macaoay (via videoconference)

 Delia B. Villalon

 Josephine B. Cariso (via videoconference)

 Lolita Avenido (via videoconference)

Marilyn Largo (via videoconference)

Leslie S. Embradora (via videoconference)

 Ricardo P. Lirio

 Reena Concepcion G. Obillo (via videoconference)

Also Present:

 TIM Fakruzzaman (via videoconference)

 Md. Shamsul Hasan

 Richard Jeremy L. Tabudlo

 Noel D. Madriaga

 Atty. Khristopher Ian D. Magboo

**CALL TO ORDER**

The President, Mr. Genaro L. Kong, acting as Chairman called the meeting to order and thereafter presided. The Corporate Secretary, Atty. Joselito D. Fernandez, recorded the minutes thereof.

**OPENING PRAYER**

 An opening prayer followed with PPMBAI’s Trustee and Treasurer, Eufrecina T. De Jesus (“Treasurer De Jesus”) leading the invocation.

**CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary certified that notices and agenda of the regular meeting of the Board were sent to all the trustees in accordance with PPMBAI’s by-laws and that a quorum existed for the transaction of business.

**READING AND APPROVAL OF THE**

**MINUTES OF THE PREVIOUS MEETING**

The Chairman/President gave members of the Board time to go over the minutes of the regular meeting of the Board of Trustees last August 18, 2022, for their comments/inputs. Thereafter, the entirety of the minutes was deemed to be a faithful recording of what have transpired during the said meeting.

Upon motion made and duly seconded, it was unanimously

“**RESOLVED**, as it is hereby resolved, that the minutes of the regular meeting of PPMBAI’s Board of Trustees held on August 18, 2022, be approved and ratified.”

**RESIGNATION OF TRUSTEE KEN ALBERT**

**BAYUDAN AND APPOINTMENT OF MD.**

**SHAMSUL HASAN AS MEMBER OF THE**

**BOARD OF TRUSTEES OF PPMBAI**

 The Chairman/President introduced Consultant from partner MFI, Md. Shamsul Hasan (“Mr. Hasan”) and announced the latter’s appointment as the new Member of the Board of Trustees of the PPMBAI to replace Trustee Ken Albert G. Bayudan (“Trustee Bayudan”) who resigned effective November 2, 2022. Mr. Hasan shall serve as member for the remainder of the term of Trustee Bayudan. Mr. Hasan introduced himself to the other board members only briefly as they were already familiar with him.

Upon motion duly made and seconded, it was unanimously

“**RESOLVED**, as it is hereby resolved, that the appointment of Md. Shamsul Hasan as member of the board of trustees of the Corporation, who shall serve as member for the remainder of the term of Trustee Ken Albert G. Bayudan, and shall have the authority, functions, and responsibilities as the Board of Trustees or the President may from time-to-time assign, be and is hereby approved and ratified.”

**THE PRESIDENT’S REPORT ON PPMBAI’S**

**OPERATIONAL PERFORMANCE**

 Moving on to the next item on the agenda, the Chairman/President presented to the board the operations data for Q3 2022 compared to Q3 2021, to wit:

| **PRODUCT/SERVICE COLLECTION** |
| --- |
| **YEAR** | **ADMISSION FEE** |
| **Premium Collection** | **Members Collected** |
| 3rd Quarter 2021 | ₱10,359,651 | 103,597 |
| 3rd Quarter 2022 | ₱11,698,990 | 116,990 |
| % Increase (Decrease) | 13% | 13% |

| **PRODUCT/SERVICE COLLECTION** |
| --- |
| **YEAR** | **BASIC LIFE INSURANCE PLAN (BLIP)** |
| **Active Members** | **Premium Collection** | **Members Collected** |
| 3rd Quarter 2021 | 212,143 | ₱117,278,244 | 300,713 |
| 3rd Quarter 2022 | 255,429 | ₱144,841,990 | 371,390 |
| % Increase (Decrease) | 20% | 24% | 24% |

| **PRODUCT/SERVICE COLLECTION** |
| --- |
| **YEAR** | **CREDIT LIFE INSURANCE PLAN (CLIP)** |
| **Active Members** | **Premium Collection** | **Members Collected** |
| 3rd Quarter 2021 | 212,143 | ₱24,524,148 | 300,713 |
| 3rd Quarter 2022 | 255,429 | ₱30,361,579 | 371,390 |
| % Increase (Decrease) | 20% | 24% | 24% |

| **PRODUCT/SERVICE COLLECTION** |
| --- |
| **YEAR** | **RETIREMENT SAVINGS FUND** |
| **Active Members** | **Premium Collection** | **Members Collected** |
| 3rd Quarter 2021 | 854,440 | ₱37,945,213 | 291,886 |
| 3rd Quarter 2022 | 926,462 | ₱47,781,000 | 367,546 |
| % Increase (Decrease) | 8.43% | 26% | 26% |

| **PRODUCT/SERVICE COLLECTION** |
| --- |
| **YEAR** | **HOSPITALIZATION CARE ASSISTANCE** |
| **Active Members** | **Premium Collection** | **Members Collected** |
| 3rd Quarter 2021 | 212,334 | ₱30,065,613 | 300,656 |
| 3rd Quarter 2022 | 255,429 | ₱42,121,600 | 371,390 |
| % Increase (Decrease) | 20% | 40% | 24% |

| **CLAIMS, EQUITY RETURN, AND BENEFIT PAYMENT** |
| --- |
| **CLAIMS** | **BASIC LIFE INSURANCE (BLIP)**  | **CREDIT LIFE INSURANCE (CLIP)** |
| **YEAR** | **No. of Claims** | **Claims Payment** | **No. of Claims** | **Claims Payment** |
| 3rd Quarter 2021 | 70,884 | ₱75,994,063 | 548 | 12,326,860 |
| 3rd Quarter 2022 | 63,705 | ₱74,286,691 | 589 | 13,600,517 |
| % Increase (Decrease) | 10% | 2% | -7% | -11% |

| **CLAIMS, EQUITY RETURN, AND BENEFIT PAYMENT** |
| --- |
| **CLAIMS** | **RETIREMENT SAVINGS FUND** | **HOSPITALIZATION CARE ASSISTANCE** |
| **YEAR** | **No. of Claims** | **Claims Payment** | **No. of Claims** | **Claims Payment** |
| 3rd Quarter 2021 | 60,880 | ₱24,916,419 | 2,050 | 3,466,100 |
| 3rd Quarter 2022 | 59,499 | ₱23,703,199 | 2,943 | 4,847,850 |
| % Increase (Decrease) | 2% | 5% | -44% | -40% |

| **YEAR** | **BASIC LIFE INSURANCE (BLIP) – Claims and Benefit Payment** |
| --- | --- |
| **Equity Return** | **Death Benefit** | **Total** |
| 3rd Quarter 2021 | ₱43,787,166 | ₱32,206,897 | ₱75,994,063 |
| 3rd Quarter 2022 | ₱39,141,391 | ₱35,145,300 | ₱74,286,691 |

| **3rd Quarter 2022** |
| --- |
| **BENEFIT PAID TO** | **Equity Return** | **Death Benefit** | **TOTAL** |
| **No. of Claims** | **Amount** | **No. of Claims** | **Amount** | **Number of Claims** | **Amount** |
| Dependent | - | ₱ - | 1,016 | ₱10,643,300 | 1,016 | ₱10,643,300 |
| Member | 62,689 | ₱39,141,391 | 542 | ₱24,502,000 | 63,231 | ₱63,643,391 |
| TOTAL | 62,689 | ₱39,141,391 | 1,558 | ₱35,145,300 | 64,247 | ₱74,286,691 |

**THE PRESIDENT’S REPORT ON PPMBAI’S**

**FINANCIAL PERFORMANCE**

The Chairman/President gave an overview of the MBA’s financial standing, to wit:

|  | **As of** |
| --- | --- |
|  | **September 30, 2022** | **December 31, 2021** |
| **Assets** |  |  |
| Cash and Cash in Banks | ₱308,978,590 | ₱277,340,297 |
| Time Deposits | 218,498,861 | 218,498,861 |
| FVPL Investments | 6,114,161 | 5,614,161 |
| HTM Investments | 76,559,785 | 81,910,870 |
| Loans and Receivables | 77,473,624 | 10,615,180 |
| Property and Equipment | 4,268,114 | 4,158,906 |
| Other Assets | 88,598 | 709,410 |
| **Total Assets** | **₱691,981,733** | **₱598,847,685** |
|  |  |  |
| **Liabilities** |  |  |
| Due to Members (Equity and RSF) | ₱505,093,092 | ₱485,385,056 |
| Reserve for Insurance Liability | 41,616,369 | 32,480,766 |
| Hospitalization Care Assistance | 13,971,923 | 9,317,245 |
| Other Liabilities | 40,987,172 | 8,407,385 |
| **Total Liabilities** | **₱601,668,556** | **₱535,590,542** |
|  |  |  |
| **Fund Balance** | **₱90,313,177** | **₱63,257,233** |

Assets, liabilities, and fund balance as of September 30, 2022 were higher in relation to the audited figures as of December 31, 2021. The Chairman/President noted that the total assets posted a huge increase from ₱598 million as of December 31, 2021 to ₱691 million as of September 30, 2022. He explained that the increased premium collections accounted for the big increase in total assets in the form of cash, time deposit and investments. On the liabilities side, Dues to Members comprising of member’s equity and Retirement Savings Fund, which rose from ₱485 million as of December 31, 2021 to ₱505 million as of September 30, 2022, making up for the bulk of PPMBAI’s total liabilities.

| **FINANCIAL PERFORMANCE (In Php)** | **For the 9-months ended September 30, 2022** | **For the 9-months ended September 30, 2021** |
| --- | --- | --- |
| **Revenue** | **₱230,023,786** | **₱182,297,183** |
|  |  |  |
| **Benefits and Expenses** |  |  |
|  |  |  |
| Insurance Benefit Expenses | 139,224,503 | 123,202,480 |
| Reimbursement of Expenses | 25,125,286 | 20,990,895 |
| General and Administrative Expenses | 38,618,054 | 31,240,237 |
| **Total** | **202,967,843** | **175,433,612** |
| **Income before final tax** | **27,055,944** | **6,863,571** |
| **Final Tax** | **-** | **-** |
| **Excess of Revenue over Expenses** | **₱27,055,944** | **₱6,863,571** |

The Chairman/President also highlighted the significant increase in net revenues as of Q3 2022 at ₱27 million as compared with Q3 2021’s ₱6.8 million.

|  | **As of** |
| --- | --- |
| **INSURANCE LIABILITIES AND RESERVE** | **September 30, 2022** | **December 31, 2021** | **December 31, 2020** |
| Reserves for Member’s Equity Value | ₱328,044,420 | ₱332,410,811 | ₱306,809,362 |
| Retirement Savings Fund | 177,048,671 | 152,974,245 | 132,849,335 |
| **Total Liabilities – To Members** | **505,093,092** | **485,385,056** | **439,658,697** |
|  |  |  |  |
| Reserves for Basic Life Insurance | 19,869,137 | 15,866,083 | 11,381,875 |
| Reserves for Credit Life Insurance | 8,192,390 | 5,065,063 | 3,680,655 |
| Policy and Contract Claims Payable | 13,554,853 | 11,549,620 | 8,486,791 |
| **Total Reserve Liabilities** | **₱41,616,369** | **₱32,480,766** | **₱23,549,322** |
|  |  |  |  |
| **GRAND TOTAL** | **₱546,709,461** | **₱517,865,822** | **₱463,208,019** |

| **GUARANTY FUND AND RISK BASED CAPITAL REQUIREMENT** | **As of December 31, 2021** |
| --- | --- |
| TOTAL GUARANTY FUND AS REQUIRED UNDER IMC NO. 2-2006 (IC REQUIREMENT) | ₱63,356,574 |
| TOTAL GUARANTY FUND DEPOSITED WITH IC – GOV’T. BONDS AND DEPOSIT CERTIFICATES | 65,000,000 |
| **EXCESS (DEFICIENCY) IN GUARANTY FUND** | **₱1,643,426** |
| Risk Based Capital (RBC) Ratio Requirement per IC | Should not be lower than 125% |
| **PPMBAI RBC – As calculated** | **157%** |
| PPMBAI RBC – As previously verified by IC (2021) | **224%** |
| PER 2021 AS Verification |  |
| ADMITTED ASSETS | **₱588,954,826** |
| TOTAL LIABILITIES | **₱535,609,999** |
| GUARANTY FUND | **₱53,344,827** |

The Chairman/President informed the Board that PPMBAI’s Risk-Based Capital (“RBC”) as of 2021 as verified by the Insurance Commission at 224% which is way higher than the RBC ratio required by the IC.

**OPEN FORUM**

The Chairman/President provided time to each of the other board members to present their updates. Treasurer De Jesus moderated the open forum.

Nanay Trustee Leslie Embradora proposed to give dependent spouses the same level of BLIP benefits as the members. The proposal was well received by the Chairman/President who instructed PPMBAI General Manager Noel Madriaga to conduct a study on the matter. He added that it could be an considered as add-on option for the members, although this would of course, entail added premium costs. Nanay Trustee Delia Villalon, for her part, proposed for higher budget for disaster relief goods. As there were no updates or feedback coming from the rest of nanay trustees, the Chairman/President closed the open forum.

**CLOSING REMARKS**

Consultant TIM Fakruzzaman, President & CEO of PPFC (“Consultant Fakruzzaman”), delivered his closing remarks. He commended everyone for the good operational performance of the PPMBAI. He encouraged the members-borrowers to start their businesses again and to renew their loans with PPFC.

**ADJOURNMENT**

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

 CERTIFIED CORRECT:

 **(SGD.) JOSELITO D. FERNANDEZ**

 Secretary of the Meeting

ATTEST:

|  |  |
| --- | --- |
| **(SGD.) GENARO L. KONG**Trustee / President Chairman of the Meeting | **(SGD.) JONNETTE C. ALMANZAR**Trustee / Vice President |
| **(SGD.) EUFRECINA T. DE JESUS**Trustee / Treasurer | **(SGD.) JOSELITO D. FERNANDEZ**Trustee / Secretary |
| **(SGD.) JOAN S. ALFARERO**Trustee | **(SGD.) SHEEN RAY U. ACOSTA**Trustee |
| **(SGD.) JULIETA MACAOAY**Trustee | **(SGD.) DELIA B. VILLALON**Trustee |
| **(SGD.) JOSEPHINE B. CARISO**Trustee | **(SGD.) LOLITA AVENIDO**Trustee |
| **(SGD.) LESLIE S. EMBRADORA**Trustee | **(SGD.) MARILYN LARGO**Trustee  |
| **(SGD.) RICARDO P. LIRIO**Independent Trustee | **(SGD.) REENA CONCEPCION G.****OBILLO**Independent Trustee  |