

MINUTES OF THE JOINT BOARD OF TRUSTEES' AND MEMBERS' MEETING AND ANNUAL GENERAL ASSEMBLY OF THE PEOPLES BANK OF CARAGA-MUTUAL BENEFIT ASSOCIATION, INC. HELD ON MAY 11, 2019, AT THE FRIEND RESEARCH AND TRAINING CENTER, LAPINIGAN, SAN FRANCISCO, AGUSAN DEL SUR

PRESENT: NO. OF MEMBERS REPRESENTED

| | | | |
|---------------------------|---|--------|--------------------------|
| 1. Judith I. Literatus | President | 1,001 | |
| 2. Berny V. Amoy | Vice President | 20 | |
| 3. Arnold B. Arbutante | Secretary | | |
| 4. Rosemarie T. Maureal | Treasurer | 1, 431 | |
| 5. Juliana I. Babao | Regular Member | 2, 329 | |
| 6. Genalyn O. Hegina | Independent Member | | |
| 7. Roger J. Calamba | Independent Member | 1, 469 | |
| 8. Marissa Macalos | | 1, 129 | |
| 9. Ma. Manalily Macalanga | | 2, 020 | |
| 10. Alicia Olvida | | 1, 129 | |
| 11. Lorencia Amba | | 860 | |
| 12. Lucita Capilitan | | 2, 382 | |
| 13. Antonio Bahan | | 1, 360 | |
| 14. Dulce Caña | | 838 | |
| 15. Jose Rico | | 31 | |
| 16. Wilfredo Justiniane | | 27 | |
| 17. Marlon Chiong | | 21 | |
| 18. Ranelio Canoy | | 21 | |
| 19. Penjie Luyao | | 21 | |
| 20. Arlene Raro | Chairman: Nomination and Election Committee | | |
| 21. Neliza E. Aquilam | Secretary | | |
| 22. Adora Andres | Member | | |
| 23. Rolly Baldoviso | | | |
| 24. Dante Zamora | | | |
| 25. Jay An Menorias | | | 36. Jessie Gomez |
| 26. Aracelie Casiano | | | 37. May Consuelo Mabanag |
| 27. Susan Anib | | | 38. Jerlyn Coquilla |
| 28. Edyn Grace Albacite | | | 39. Phoebe Marabulas |
| 29. Susana Tabil | | | 40. Marifel Santiago |
| 30. Myrlen Dagle | | | 41. Anna Mae Andig |
| 31. Junard Faulve | | | 42. Lord Anthony Arevalo |
| 32. Blash Von Custan | | | 43. Beverly Arevalo |
| 33. Jay Manlanot | | | 44. Linda Grace Arevalo |
| 34. Jake Guillena | | | 45. Kharl Arevalo |
| 35. Reynold Cullantes | | | 46. Shem Nasayao |

47. Charlito Ulat
- 48 Hazel Amoy
49. Cheralma Baba
50. Ethel Lovitos
51. Kathleen Pascual
52. Alma Castillo
53. Jingle Encina
54. May Joy Clar
55. Vivian Niog
56. Mary Grace Llup
57. Dioscoro Magallano
58. Perfecto Tongco
59. Annalyn Gonzales
60. Gretel Pantaleon
61. Johnny Hegina
62. Jay Cebrian
63. Zaldy Salinas
- 64Jenny Mae Caspillo
65. Solomon Bilaoen, Jr.
66. Leodegario Mangaliwat
67. Ancilmo Galanta
68. Charles Galgo
69. Mario Digal
70. Erlinda Doromal
71. Alma Gonzales
72. Luisa Bongo
73. Frederic Gonzales
74. Orestus Martin, Jr.
75. Jade Salmorin
76. Eduardo Barriga
77. Carmencita Factularin
78. Teodoro Maniego
79. Ranil Magsalay
80. Octavius Doria
81. Imelda Miones
82. Jomilo Redubla
83. Luther Ajoc
84. Wilma Tepan
85. Romie Mahinay
86. Marvin Palmes
87. John Ignatius Cagalitan
88. Mishael Claros
89. Willmer Samoramos

90. Deona Leyson

TOTAL NO. OF MEMBERS PRESENT

16, 179

Others Present

1. Cristy Diane Miraflores
2. Eleonora Oranza
3. Mark Gil Beronio
4. Gracelyn Seblero
5. Charis Baba
6. Jenalyn Ramada
7. Czarinah Dagohoy
8. Lenjie Precioso
9. Cheryl Aquilam
10. Mesac Alferez

PEOPLES BANK OF CARAGA-MUTUAL BENEFIT ASSOCIATION, INC.
9th ANNUAL GENERAL ASSEMBLY

ORDER OF BUSINESS

Call to Order

Proof of Notice of the Meeting

Roll Call by the Corporate Secretary

Presentation of the AGENDA

- a. Reading and approval of the Minutes during the 2018 Annual General Assembly
- b. Reading and confirmation of the actions of the Board of Trustees
- c. General Manager's Report
- d. Chief Financial Officer's Report
- e. Updates
- f. Election of New Members of the Board

g. Adjournment of the Annual Assembly Meeting

BUSINESS MEETING

Order of Business

I. CALL TO ORDER

The President called the meeting to order at 10:15 o'clock in the morning. The meeting started with a doxology, followed by the singing of the National Anthem.

II. Proof of Notice of Meeting

The Corporate Secretary read the notice of meeting which was distributed/sent out two weeks before the general assembly.

III. Roll Call by the Corporate Secretary

The Corporate Secretary called the name of each member and declared that based on the total number of members present, there was a quorum.

IV. Presentation of the Agenda

The Corporate Secretary read the Agenda for deliberation. After which, the President asked for comments or clarifications regarding the agenda and there having none, she called for action.

Upon motion of Pastor Solomon Bilaoen, Jr. duly seconded by Ms. Susan Anib, the members passed the following resolution:

MEMBERS' RESOLUTION NO. 2019-01

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the Agenda presented for deliberation.

CARRIED.

a. READING AND APPROVAL OF THE MINUTES DURING THE 2018 ANNUAL GENERAL ASSEMBLY

The Secretary read the minutes of the 2018 Annual General Assembly. After which, the President asked for comments, corrections, or clarifications regarding the minutes. There having none, she called for action.

Upon motion of Mr. Charles Galgo, duly seconded by Ms. Jingle Encina, the members passed the following resolution:

MEMBERS' RESOLUTION NO. 2019-02

RESOLVED, AS IT IS HEREBY RESOLVED, to confirm the Minutes of the 2018 Annual General Assembly.

CARRIED.

b. READING AND CONFIRMATION OF THE ACTIONS OF THE BOARD OF TRUSTEES

The Secretary read the actions of the Board of Trustees for the year 2018. After the reading, the President asked for comments and clarifications. There having none, she called for action.

Upon motion of Pastor Solomon Bilaoen, Jr., duly seconded by Mr. Wilfredo Justiniane, the members passed the following resolution:

MEMBERS' RESOLUTION NO. 2019-03

RESOLVED, AS IT IS HEREBY RESOLVED, that the actions of the Board for Calendar Year 2018, is confirmed.

CARRIED.

c. GENERAL MANAGER'S REPORT

The General Manager presented to the members a comparative report from 2017 and 2018 performance relating to the total number of members, active and inactive members, members contributions and premiums collected and claims for natural death, accidental death, accidental medical reimbursement, equity value released, resigned, and terminated members. She said that this year, PBC-MBA has now three products. These are the Basic Life Insurance Plan (BLIP), Credit Life Insurance Plan (CLIP) and Hospitalization Assistance Pampamilya Insurance Plan (HAPI). Based on her report, our total number of members as of 2017 is 34,010 while as of December 31, 2018 is 29,196. There was a 14% decrease it is because we cleaned our records. This means that the association removed the members who were not actively paying their contributions for at least two years. The active members also decrease by 5% and a 30% increase for inactive members. Concerning our partners' membership, for PBCI there was an increase of 2%, FRIEND Foundation 16% increase, 9% decrease for PBCI Company Security Agency and for our organized group partner named BA2MODA, a 58% decrease. An overall 36% decrease for new members enrolled for the year. In matters of collection and claims paid,

for Basic Life Insurance Plan the collection decrease by 11%. For claims, the natural death increase by 8%, accidental death decrease by 31% accidental medical reimbursement increase by 28%, equity value released increase by 29.11%, resigned members increase by 15.5%, and 2% increase for terminated members. For Credit Life Insurance Plan the premium collection decrease by 25%, the total loans exposure increase by 15% and the claims paid decrease by 3%.

She also reported the status of our new product the HAPI Plan, which started January 2018. The total contribution collected is Php3, 025,968.00 while the total claims paid is Php385, 150.00.

After the report, the President asked for any comment or clarification regarding the report. There having none, she called for action.

Upon motion of Ms. Arlene Raro, duly seconded by Mr. Charles Galgo, the members passed the following resolution:

MEMBERS' RESOLUTION NO. 2019-04

RESOLVED, AS IT IS HEREBY RESOLVED, to accept the report of the General Manager with appreciation.

CARRIED.

d.CHIEF FINANCIAL OFFICER'S REPORT

The Chief Financial Officer presented to the members a condensed statement showing the condition of PBC-MBA as of December 31, 2018. According to the report, our total liabilities and fund balances amounted to Php79, 027,165.00. Our total revenue, which include the members' contribution on life, premium on credit life insurance, membership fee, investment and contribution to guaranty fund amounted to Php17, 208,282.00. While the total expenses amounted to Php16, 378,218. This also includes the increase in aggregate reserve for unexpired risk, gross benefits and claims paid to members, compensation and benefits, collection cost, general and administrative expenses and depreciation. Our net receipts for the year is amounted to Php830, 064.00

After the report, the President asked for any comment or clarification regarding the report. There having none, she called for action.

Upon motion of Ms. Jingle Encina, duly seconded by Ms. Adora Andres, the members passed the following resolution:

MEMBERS' RESOLUTION NO. 2019-05

RESOLVED, AS IT IS HEREBY RESOLVED, to accept the report of the Chief Financial Officer with appreciation.

CARRIED.

e. UPDATES

The General Manager presented an update for the status of PBC-MBA using the SEGURO performance indicator set by the Insurance Commission. For **Solvency and stability**, the association got the maximum score that is 20. For liquidity ratio, the maximum score is five and we got one. This means we need to invest our funds to get a higher score next time rather than putting most of our funds in a bank as regular savings. For leverage ratio, we got the perfect score of five. In terms of **Efficiency**, which concerns the operating ratio, the max score is five for basic and optional product while our score is 3.5 for both products. For incurred claims, the max score is six and we got five. On-time claims settlement the max score is four and we got zero this is because the standard is 100% while our ratio is only 99.09%. In relation with **Governance**, the max score is 20 but our actual score is 5 because the percentage points that were used by the Insurance Commission was the 2017 results 26.49 points because the association has received the 2018 Asean Corporate Governance Scorecard (ACGS) results just recently with 37.08 points. For governance scoring extra questions, the max score is ten and our actual score is ten. For **Understanding** indicator, in member retention the max score is seven, we got seven, and we got the max score, which is three for claims rejection. Concerning the **Rate of growth**, the max score is five and we got zero this is because our collections for 2018 is lesser compared to 2017. For the last indicator that is **Outreach**, the maximum score is five and we got zero because our membership and dependents for 2018 reduced compared to 2017.

The General Manager also informed the members of the new products coming. We are just waiting for the approval of IC. These are Enhanced BLIP, Unitized BLIP and the most requested the Golden Life Insurance Plan, which will cover members aging 75 to 100 years old. She added some of the activities done during the year such as tree planting, bloodletting during the 8th anniversary, white Christmas party for children, visitation to branches and centers. Finally, she said that the distribution of school supplies from kindergarten to grade six pupils for active members' dependents would be on June 2019.

f. ELECTION OF THE NEW MEMBERS OF THE BOARD

Ms. Arlene S. Raro, the Chairman of the Nomination and Election Committee explained to the members that the term of Trustee Amoy and Trustee Hegina have already expired but they can be re-elected. Therefore, this time we need to elect two members of the Board. She further explained that based on Article V Section 4, of the By-Laws, which states that, "The trustees to be elected must be of legal age, recognized active beneficiary member of Peoples Bank of Caraga-Mutual Benefit Association, Inc. or any of its affiliates, has consistently performed very satisfactory for at least the last three (3) years in her membership and has ongoing businesses funded by loan from Peoples Bank

of Caraga, Inc. or any of its affiliates and is willing to perform the functions of a trustee without any remuneration”.

The Chairman of the Nomination and Election Committee opened the table for nominations. The members nominated the following: Berny V. Amoy and Genalyn O. Hegina.

Ms. Dulce Caña moved to close the nomination and was duly seconded by Ms. Alicia Olvida. No objection so the motion was carried. The Chairman of the Election and Nomination Committee asked the secretary to cast the votes and afterwards, declared Berny V. Amoy and Genalyn O. Hegina as the duly elected members of the Board of Trustees for 2019-2022.

MEMBERS' RESOLUTION NO. 2019-06

RESOLVED AS IT IS HEREBY RESOLVED, that the election of the new members of the Board of Trustees is confirmed for the year 2019-2022.

CARRIED.

g. ADJOURNMENT

There having no more business to discuss, the President declared the adjournment of the meeting at 1:00 o'clock in the afternoon, and gave way to the meeting of the members of the Board.

CERTIFIED CORRECT:

ARNOLD ARBUTANTE B. ARBUTANTE
Corporate Secretary

ATTESTED:

JUDITH I. LITERATUS
President

ROSEMARIE T. MAUREAL
Treasurer

BERNY V. AMOY
Trustee

Trustee

JULIANA I. BABAO

GENALYN O. HEGINA
Trustee

ROGER J. CALAMBA
Trustee

CARMELITA B. BILAOEN
President Emeritus