

1 **PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.**

2 #35 Paseo del Congreso, Catmon, City of Malolos, Bulacan

3 Tel No. (044) 791-3558; (044) 662-4288

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5 **MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES**

6 January 28, 2022

7 **In attendance:**

8
9 Fr. Nap A. Baltazar - Chairman of the Board
10 Fr. Angelito S. Santiago - Vice-Chairman of the Board
11 Dr. Pelagia S. Bautista -Trustee/ Secretary
12 Fr. Romualdo C. Go - Trustee/Treasurer
13 Ms. Eufrocina A. Cabuhat - Trustee/Auditor
14 Atty. Eusebio P. Dulatas Jr. (Via Zoom) - Independent Trustee
15 Engr. Dexter I. Raquel (Via Zoom) - Independent Trustee
16 Ms. Rosanna S. Jose - Corporate Secretary
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18 **Absent: Gener C. Luciano - President**

21 **I**
22 **PLACE AND TIME OF MEETING**

23 This meeting of the Board of Trustees of Praxis Fides Mutual Benefit Association, Inc. was held
24 on January 28, 2022 at 9:05 AM at the principal office of the corporation at No. 35 Paseo Del
25 Congreso, Catmon, Malolos City.

26 **II**
27 **PRESIDING OFFICER AND SECRETARY**

28 The Chairman of the Board, Fr. Nap A. Baltazar presided over the meeting, while Ms. Rosanna S.
29 Jose, Corporate Secretary, recorded the minutes of the proceedings.

30 **III**
31 **PRESENCE OF QUORUM AND CALL TO ORDER**

32 Fr. Nap A. Baltazar called the meeting to order with an opening prayer at 9:05 AM led by Fr.
33 Angelito Santiago. Two (2) trustees attended via Zoom while the rest of the members were
34 physically present and the meeting, having been duly convened, was ready to proceed with
35 business.

36 **IV**
37 **CONSIDERATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON DEC. 10, 2021**

38 The minutes of the regular meeting of the Board of Trustees held on December 10, 2021 was
39 provided in advance for the members' perusal and consideration.

40 Comments/corrections were made on the following :

41 Page 6 Line 222: collateral loan changed to "Real Estate Mortgage (REM) loan
Page 6 Line 222 & 223 : To restate the sentence to "Mr. Jomar R. Atienza requested to extend

payment of his Real Estate Mortgage (REM) loan for an additional one (1) year from maturity date.

42 Page 6 Line 226: To correct spelling of "considered"

43 Whereupon, upon motion made by Fr. Angelito Santiago, duly seconded by Dr. Pelagia Bautista
44 and unanimously adopted, the minutes was approved as corrected.

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V

MATTERS ARISING FROM THE PREVIOUS MINUTES OF MEETING

47 **Comilang Case**

48 To put on record that the Comilang case is for discussion of the Board Risk Oversight Committee.
49 To date, BROC Chairman Atty. Eusebio Dulatas Jr. has not scheduled a meeting of the
50 committee. *- March 11 @ 9AM face2face*

51 **Excess Insurance Premium as Payable** *-ok*

52 After consulting with AMC, the BOT agreed that excess insurance premium shall be treated as
53 Payable under Liability instead of the previous agreement that such shall be treated as Reserve.
54 Board Resolution No. 2021-47 was amended accordingly.

55 **Retirement Benefits of PF Employees** *- reply to letter of staff*

56 The employees wrote a letter to Chairman Fr. Nap Baltazar requesting that the BOT reconsider
57 their previous decision to disregard the old retirement policy. The BOT has previously decided
58 to release the retirement benefits of the employees on the condition that only the funds in the
59 Retirement Trust Fund will be used and no amount shall be taken from the General Fund.

60 Fr. Nap Baltazar endorsed the letter to Dr. Pelagia Bautista of Compensation Committee for
61 disposition.

62 **Release of Paalam Gift**

63 The Management released the list of retiring workforce for 2021 with computed Paalam Gift
64 cash benefits amounting to P 218,000.00. Based on the proposed upgrade, the adjusted
65 amount of benefits will be P 239,000.00 or an increase of P 21,000.00 for 2021.

66 The Board approved the release of Paalam Gift to retired workforce based on the existing
67 package and also approved to release the additional P 21K as financial assistance package.-

68 **Needs Board Resolution.** *- ok*

69 **Area Bonding Expenses**

70 The request for area bonding budget of the different areas was approved by the BOT
71 individually via GC. As agreed by the BOT, the area bonding amount released by PFO shall be
72 subject to liquidation of the respective ACs.

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73 Engr. Dexter Raquel requested for a report/summary of all the cash gifts and other amounts
74 released in December including 1) Area Bonding Budget; 2) Paalam Gift; 3) AC/SAC Christmas
75 Cash Gift; 4) Staff Christmas Bonus; 5) BOT Bonus and 6) AC/AR Cash Gift (equivalent to 13th
76 Month Pay). To be presented in next BOT meeting.

77 **Request for Pull-Out of TCT - Mr. Laureano Marquez**

78 Report prepared by Loans Dept needs to be reviewed further. There are loan releases that
79 exceeded the loanable amount. To be included in the agenda of next CreCom meeting.

80 **Outreach Program @ Brothers of Mercy**

81 Fr. Romualdo Go delivered the P55K donation to Brothers of Mercy. The beneficiary/institution
82 extended their thanks to Praxis Fides. The original copy of the Acknowledgment Receipt will be
83 forwarded to PFO.

84 VI

85 **REPORTS OF THE DIVISION CHIEFS**

86 (Due to the President's leave of absence, the three (3) Division Chiefs presented their respective
87 reports to the BOT.)

88 **1. Finance and Management Support Division**

89 **a) Summary of Investments**

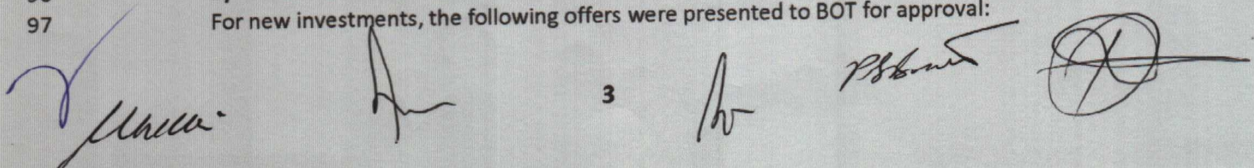
90 DC Rosanna Jose presented the year-end performance of the different investments of Praxis
91 and the comparative figures versus previous years. Below is the summary of the
92 outstanding investments of the Association as of Dec. 31, 2021:

Investment Type	Outstanding as of 12-31-2021
Short-Term Time Deposit	50,494,409.62
Long-Term Time Deposit	134,099,186.51
Retail Treasury Bond	45,025,000.00
Treasury Bills	45,952,804.65
Mutual Funds	80,000,000.00
Corporate Bonds	108,920,000.00
UITF	18,000,000.00
Short-Term Commercial Paper	8,737,006.89
Stocks	
Common Shares	66,878,978.28
Preferred Shares	41,023,766.21
TOTAL	599,131,152.16

93 DC Rosanna Jose also explained that some financial assets are computed using their Fair
94 Market Value (FMV) at end-year which resulted to paper gains or paper losses and these are
95 recorded as Comprehensive Gain/Loss in the financial statements.

96 **b) Placement Recommendations**

97 For new investments, the following offers were presented to BOT for approval:

 The bottom of the page features several handwritten signatures and initials. From left to right, there is a signature that appears to be 'Rosanna', followed by another signature, the number '3', a signature that looks like 'Dexter', a signature that looks like 'Laureano', and a large circular stamp or signature on the far right.

Type of Investment	Issuer	Broker	Term	Dividend	Amount to Invest
Corporate Bonds	SM Investment Corp.	Security Bank	5 Y	4.75%-5.15%	5,000,000.00
Corporate Bonds	San Miguel Corp.	R C B C	5 Y	4.97%-5.47%	5,000,000.00
Corporate Bonds	San Miguel Corp.	Bank of Commerce	5 Y	4.97%-5.47%	3,000,000.00
Corporate Bonds	Century Properties	P N B	5 Y	5.75%-6.50%	3,000,000.00
				Total	16,000,000.00

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The board unanimously approved the placement recommendations.

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A post-approval was also requested for Bank of Philippine Islands 2-Yr Fixed Rate Bonds amounting to P 3,500,000.00 which was approved by Investment Committee Chairman Dexter Raquel and President Gener Luciano in December 2021 (after BOT meeting).

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2. Technical and Financial Management Division

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a) Financial Statements

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DC Maricel Samson presented the financial statements for Nov and Dec. (see attached report). Comparing the averages for 2020 and 2021, the Total GF, MemFee and Insurance Fund is almost the same. On the other hand, Income from Loans, Placements, Stocks and Other Income showed a decrease of -5%. The Income net of OPEX is also lower by -P766,531 this year compared in 2020.

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b) IP Collected Vs. Claims

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The report presented Total Insurance Premium collected worth P 31,679,073.53 while Total Claims amounted to P 14, 405,000.00. IP net of Claims is P 17,274,073.53 or equivalent to 54% of Total IP. A total of 407 death claims were processed in 2021 and 126 of these were due to Covid-19 with total insurance claims worth P P4,570,000.00.

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c) Matured Plans for 2021

	Matured Plans	Released	Unreleased
No. of Plans	3,549	1,125	2,424
Amount (in Php)	81,145,318.62	44,272,860.47	36,872,458.15

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3 Sales and Marketing Division

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DC Bernadette De Guzman focused her report on the coming Pre-Annual General Assembly with the theme " *Pananampalataya at Pag-asa sa Pagtawid sa Pandemya*". This year's Pre-AGM will be held on February 17, 2022. A draft of the invitation was presented to the BOT.

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Chairman Fr. Nap Baltazar will celebrate the Thanksgiving Mass at 9:00AM. It will be held at the 3/F with limited attendees but can be accessed via livestreaming so that other ACs and staff will be able to participate in the Eucharistic Celebration. Fr. Nap will leave after the mass due to a scheduled meeting with the bishop. Fr. Angelito Santiago agreed to take over the roles assigned to Fr. Nap in the program.

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Dr. Pelagia Bautista will read the minutes of last year's AGM and the Summary of the Board Resolutions approved in 2021. She requested an advance copy of the minutes and the Board Resolutions to be sent via the BOT GC.

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128 Meanwhile, the financial reports will not be presented in the Pre-AGM pending the final
129 audited F/S of AMC and Associates. The financial reporting will be done on the Annual
130 General Meeting instead.

131 Fr. Romualdo Go will formally introduce this year's candidates for the position of Trustee in
132 the Pre-AGM together with a short video from the candidates.

133 **Return of Provident Fund-Employer Share**

134 The Provident Fund-Employer Share will be returned to the General Fund but not as Income to
135 avoid tax implication. Instead Atty. Eusebio Dulatas Jr. suggested to reverse the original entry
136 used when the funds were taken out of the General Fund and to be taken up as Prior Period
137 Adjustments. In the meantime, a letter was sent to Chairman Fr. Nap Baltazar and Audit
138 Chairman Ma'am Eufrocina Cabuhat to reconsider the BOT's decision to return the money to the
139 General Fund.

140 **VII**
141 **COMMITTEE REPORTS**

142 **Audit Committee**

143 1. The 2020 IC Verification of Praxis Fides MBI Annual Statement was released by the IC. The
144 corporation got an RBC ratio of 229% with Total Assets worth P 1,006,366,128.71. The
145 excess in the Free and Unassigned Surplus amounted to P 39,822,584.71. The company
146 needs to submit a Board Resolution to IC indicating where the excess surplus will be used.

147 2. The age qualification for Chief Audit Executive was reduced from 45 y/o to 35 y/o. Dr.
148 Pelagia Bautista and Atty. Eusebio Dulatas will study and discuss a reasonable salary rate
149 that will be included in the revised post for the job opening.

150 3. Retirement Fund of P15.9M was retained as Outside-the-Books. .
151 A retirement policy in accordance with the law will be presented for approval of the general
152 membership. The current employees will be blocked and they shall be entitled to the
153 retirements benefits and any excess shall be given as financial assistance package.

154 **Matrix of Retirement Benefits under RA 7641**

155 **Block #1:**

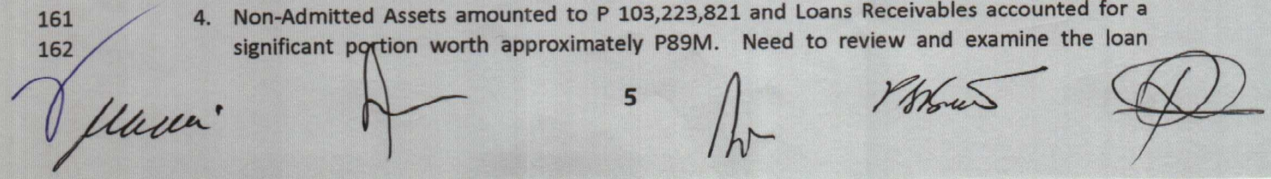
156 Name of Employee Yrs. Of Service x Basic Pay x 22.5 days
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157 **Block #2:**

158 Any Excess: To be distributed proportionately according to length of service

159 For next meeting, the BOT requested the documents used to release the retirement benefits
160 of previous retirees (ACJ and JSD).

161 4. Non-Admitted Assets amounted to P 103,223,821 and Loans Receivables accounted for a
162 significant portion worth approximately P89M. Need to review and examine the loan



163 accounts and reduce the receivables with the use of an Aging Report. Account which can no
164 longer be collected should be re-classed to Bad Debts to reduce the amount of receivables.

165 5. Total policy contract is valued at P 5.2B. The Association should prepare and plan to ensure
166 that this future obligation to the members will be sustained by the revenues of the
167 company.

168 Atty. Eusebio Dulatas Jr. requested for Schedule of Policy Values maturing per year covering
169 the contracts worth P 5.2B. (backwards up to 2041).

170 6. Accrued income worth P 28,590,572.61 should also be reviewed. An Aging Report will help
171 to determine if this account should be included as income taking into consideration the
172 actual collection of cash.

173 7. The Provision for Probable Losses amounting to P3.3M per year should be assessed if it
174 needs an upgrade. The amount should be adjusted depending on the age of the Loans
175 Receivables.

176 **Nomination Committee**

- 177 1. Qualifications for Trustee Candidate
178 a) Preferably CPA
179 b) With background in HR
180 c) With financial management skills
181 d) Female candidate is encouraged

182 2. Voting is thru proxy. Proxy forms are valid for five (5) years. The ARs are responsible in
183 collecting the Proxy forms from the members. Proxy forms will be submitted to the
184 branches where the votes will be counted. **Needs Board Resolution to amend validity of**
185 **Proxy Form.**

186 3. Additional Zoom Access
187 The company will get additional Zoom access for 30 days for a cost of US\$ 15 to ensure 500
188 participants during the AGM.

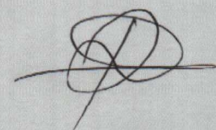
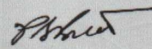
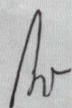
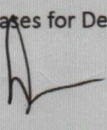
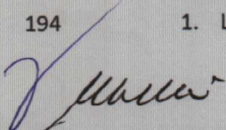
189 4. Timetable

DATE	ACTIVITY
February 04	Deadline for filing of Certificate of Candidacy
February 10	Final meeting of Nomination Committee
February 17	Pre-AGM
April 15	Deadline for submission of Proxy Forms
April 23	Annual General Meeting

190 5. Certificate of Canvass and Certificate of Final Votes
191 To protect the integrity of the electoral process, a Certificate of Canvass and a Certificate of
192 Final Vote shall be prepared and signed by the members of the Nomination Committee.

193 **Credit Committee**

- 194 1. Loan Releases for December 2021



No.	Borrower	Purpose	Amount	Annotation Date	Loan Date	Maturity
1	German, Elpidio R.	Pambili ng Lupa	2,800,000.00	11/29/2021	12/16/2021	6/16/2024
2	Mendoza, Donata A.	Farm	1,000,000.00	10/01/2020	12/22/2021	12/22/2022
3	Dolindo, Elleine A.	Apartment	430,000.00	11/24/2021	12/10/2021	12/10/2024
4	Roman, Paul Louie L.	Pagpapaaral	220,000.00	12/22/2021	12/27/2021	12/27/2022
5	Del Rosario, Michelle B.	Pinyahan	100,000.00	8/18/2015	12/23/2021	12/23/2022

195 2. Loan Approval for January 2022 (approved by CreCom only; no need for BOT approval)

No.	Borrower	Purpose	Amount	Nth Loan	Term	Remarks
1	Tolentino, Rectorino Jr.	Pagawaing Bahay	1,000,000.00	2 nd	M_42/12%	Approved
2	De Castro, Daniel L.	Negosyo	370,000.00	1 st	M_36/14%	Approved

196 3. Thelma Aldana-Request for Restructuring
 197 Borrower is requesting for another restructuring after making partial payment of P20K this
 198 January 2022. However, upon review of Loans & Coll Dept, the member has no regular
 199 payments and is not recommended for restructuring. The CreCom recommended the
 200 account for Dacion instead.

201 4. Policy Loan Releases Vs. Target
 202 Policy loan releases for 2021 is P 220,557,917.79 which is 6.22% higher than 2020 but this
 203 represents 16% only out of 30% target for Policy loans.

204 **Corporate Governance Committee**

205 1. The company should put importance in training and development of the employees. A
 206 Training and Development Policy was provided by Dr. Pelagia Bautista. The company should
 207 appropriate a budget for training program of the staff.

208 2. 2022 Budget for OPEX was set at P82M, down by 4M which is due to the suspension of
 209 Other Employees and Staff Benefits.

210 3. The committee resolved to adopt the standard quarantine and isolation period for close
 211 contact and Covid + persons. The no. of days as per DOH guidelines will not be charged to
 212 employees' leave credits but any excess shall be charged to VL and SL balances.

213 4. Antigen tests of employees up to max of three (3) times in a year shall be shouldered by
 214 Praxis. The company should look for an accredited laboratory or hospital and negotiate for
 215 lower rate for antigen test.

216 5. Single premium plan contributes to the liquidity of the company. The amount of money
217 collected from Single premium plans are used for investments and loan releases. The
218 incentive paid to the AR is a one-time deduction from the payment of the member and only
219 Net Equity is left to earn dividends. The committee resolved to retain the Single premium
220 plan.

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VIII
OTHER MATTERS

223 1. **Engagement Letter of ACJ** → *AURELIO C. JOAQUIN*
224 The renewal of engagement letter for Former GM Aurelio C. Joaquin as Senior Consultant of
225 PFO was presented to the BOT for approval. The letter contained exactly the same
226 provisions as in previous years including retainer allowance of P 25K per month, allowance
227 of 3K per visit and a variable commission depending on the income from stocks for the given
228 year. The board would like to understand the nature of services rendered by ACJ. The BOT
229 decided to wait for Pres. Gener Luciano to explain thoroughly the scope of works of the
230 Senior Consultant and deferred the signing of the letter.

231 2. **Donation to Immaculate Conception Seminary**
232 The BOT approved to give *Major* **Five Thousand Pesos (P 5,000.00)** to Immaculate Conception
233 Major Seminary as donation to defray expenses for the Thirty-Day Ignatian Retreat from
234 April 25-May 25, 2022 for Third Year Theology seminarians as part of their formation
235 program as future members of the clergy.

236 Engr. Dexter Raquel also committed to give his personal share of Five Thousand Pesos (P
237 5,000.00) for the retreat. He requested PFO to advance his share and he will reimburse
238 when he attend the next BOT meeting.

239 3. **Request for Leave Extension of Pres. Gener Luciano**
240 Fr. Nap Baltazar informed the board that Pres. Gener Luciano requested for extension of his
241 leave of absence until February 2022 as he and his wife complete another reproductive
242 cycle of their ongoing IVF treatment. Fr. Nap said he has requested Pres. Luciano to put the
243 request in writing for proper documentation.

244 4. **Financial Assistance for Covid+ Workforce**
245 The Board approved to give financial assistance of **One Thousand Five Hundred Pesos (P**
246 **1,500.00)** for the twenty-eight (28) Area Representatives who tested positive (+) of Covid-19
247 for a total amount of P 42,000.00. Dr. Pelagia Bautista, Chairman of Compensation
248 Committee, said this is the first and last financial package to be given as the rollout of
249 vaccine has increased considerably and everyone should be responsible to make the
250 necessary safeguard to protect one's self from the virus. - **Needs Board Resolution** - *sk*

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IX
ADJOURNMENT

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There being no other matters to discuss, the meeting was adjourned at 12:45 PM with a closing prayer and final blessing by Fr. Angelito Santiago.

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MINUTES PREPARED BY:

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Rosanna S. Jose
ROSANNA S. JOSE
Corporate Secretary

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ATTESTED BY:

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[Signature]
FR. NAP A. BALTAZAR
Chairman of the Board

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[Signature]
FR. ANGELITO S. SANTIAGO
Vice-Chairman

[Signature]
FR. ROMUALDO C. GO
Treasurer

[Signature]
EUFROCINA A. CABUHAT
Auditor

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[Signature]
DR. PELAGIA S. BAUTISTA
Secretary

[Signature]
ATTY. EUSEBIO P. DULATAS JR.
Independent Trustee

[Signature]
ENGR. DEXTER I. RAQUEL
Independent Trustee