

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

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

5 **June 28, 2022**

6 **In attendance:**

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10 Fr. Romualdo Go - Chairman of the Board
11 Ms. Julieta Cruz - Vice-Chairman of the Board
12 Ms. Ma. Estela Santos -Trustee/ Secretary
13 Mr. Allan Martin (via Zoom) - Trustee/Treasurer
14 Ms. Virginia Saclot - Trustee/Auditor
15 Ms. Emilia Pasco - Independent Trustee
16 Ms. Liberty Bardinas - Independent Trustee
17 Mr. Gener Luciano - President
18 Ms. Maricel Samson - Corporate Secretary
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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 June 28, 2022 at 09:00 AM at the principal office of the corporation at No. 35 Paseo Del
25 Congreso, Catmon, Malolos City.

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27 **II**
28 **PRESIDING OFFICER AND SECRETARY**

29 The Chairman of the Board, Fr. Romualdo Go presided over the meeting, while Ms. Maricel
30 Samson, Corporate Secretary, recorded the minutes of the proceedings.

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32 **III**
33 **PRESENCE OF QUORUM AND CALL TO ORDER**

34 Fr. Romualdo Go called the meeting to order with an opening prayer at 9:00 AM led by Ms.
35 Julieta Cruz. One (1) trustee attended via Zoom while the rest of the members were physically
36 present and the meeting, having been duly convened, was ready to proceed with business.

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38 **IV**
39 **CONSIDERATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON MAY 27, 2022**

40 The minutes of the regular meeting of the Board of Trustees held on May 27, 2022 was provided
41 in advance for the members' perusal and consideration.

42
43 Comments/corrections were made on the following :

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45 Page 2 Line 64: six (6) to twelve (12)
46 Page 3 Line 76: re-CI to repeat Credit Investigation
47 Page 3 Line 80: foreclosure to restructure
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Samson

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Whereupon, upon motion made by Ms. Virginia Saclot, duly seconded by Ms. Liberty Bardinas and unanimously adopted, the minutes was approved as corrected.

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MATTERS ARISING FROM THE PREVIOUS MINUTES OF MEETING

1. Full Payment of Albert Tagal

The BOT approved to accept the P3.3M payment payable within seven (7) days but due to non-compliance of Mr. Tagal, the Credit Committee decided to extend it up to June 30, Mr. Tagal's non-payment will move the security for foreclosure. Also, Ms. Virginia Saclot said the market value of the property is enough to cover the obligation as the result of repeat credit investigation.

2. Honorarium of Trustees

The President said the honorarium of trustees should be subject to withholding tax. Henceforth, the present amount of honorarium given to trustees will remain the same but will be recorded as net of tax.

3. Pre-Signing of Checks

The Board unanimously approved for the Branch Managers as co-signatory of the check to eliminate the use of pre-signed checks and to be implemented on August 2022. President Gener Luciano also mentioned that all Branch Managers are insured thru Fidelity Bond.

James
John
Agnes
Dr
Marcelo
Jim
Antonio

VI

PRESIDENT'S REPORT

1. Circulars

- 1.1 Extension of period for the submission of the Annual Corporate Governance Report (ACGR) Under Circular letter no. 2020-72 (pls. see attached)
- 1.2 ACGS Paid Workshop for ICREs (pls. see attached)
- 1.3 Thematic Review Report - ICREs Compliance with Targeted Financial Sanctions (TFS) Obligations (pls. see attached)

2. 3-Yr Comparative Sources of Income & Expenses

3-Yr Comparative Sources of Income & Expenses

		JAN-JUN 2022		2022_PROJ		2021		2020	
			%		%		%		%
S1	MC	17,194,661.91	100.00%	51,583,985.73	100.00%	54,683,713.12	100.00%	41,838,836.83	
	EXP	9,912,776.65	57.65%	29,738,329.95	65.74%	35,947,649.43	65.14%	27,254,413.61	
	NET	7,281,885.26	42.35%	21,845,655.78	34.26%	18,736,063.69	34.86%	14,584,423.22	
S2	IP	10,962,621.67	100.00%	32,887,865.01	100.00%	31,652,105.45	100.00%	29,335,447.68	
	EXP	3,701,107.00	33.76%	11,103,321.00	56.42%	17,858,419.60	44.79%	13,140,274.16	
	NET	7,261,514.67	66.24%	21,784,544.01	43.58%	13,793,685.85	55.21%	16,195,173.52	
S3	TOT	17,818,130.52	100.00%	53,454,391.56	100.00%	77,664,974.83	100.00%	71,192,651.10	
	EXP	12,497,926.41	70.14%	37,493,779.23	53.51%	41,557,819.45	60.12%	42,801,501.99	
	NET	5,320,204.11	29.86%	15,960,612.33	46.49%	36,107,355.38	39.88%	28,391,149.11	
	Fv +/-	1,218,015.40		3,654,046.20		4,448,716.60		514,690.00	
	NET	4,102,188.71	23.02%	12,306,566.13	40.76%	31,658,638.78	39.16%	27,876,459.11	
GROSS Y	45,975,414.10	100.00%	137,926,242.30	100.00%	164,000,793.40	100.00%	142,366,935.61		
TOT EXP	27,329,825.46	59.44%	81,989,476.38	60.86%	99,812,405.08	58.80%	83,710,879.76		
NET Y	18,645,588.64	40.56%	55,936,765.92	39.14%	64,188,388.32	41.20%	58,656,055.85		

The above table of comparative figures for three (3) years reflects the following for 2022:

- i. The running S1 (for 2022) has a projected share of S1 Net Income @42.35% (f) compared to 2021 (@34.26%) and 2020 (@34.86%);
- ii. For S2, the COVID-19 effect in the years 2020&2021 is not foreseen to affect largely the figures of 2022, giving a 66.24% S2 Net Income.
- iii. S3 (which is composed of Loans, Placements, Stocks & Other Income) needs to increase more for 2022. Prospective Profits for S3 shall be coming in from both Policy & Mortgage Loans. Other Income from Sale of Property/ies, and Stocks. Fair Value losses from IMAs, Mutual Funds, and Stocks contribute to the decrease of S3 Net Income.

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83 Ms. Virginia Saclot site an example of marketing strategy that the plan we are selling are
 84 inclusion of insurance with money back of 50% that should be cleared to members. Ms. Julieta
 85 Cruz mentioned Re-Education and assessment of Area Representatives is a must .

- 86
 87 **3. PF Corp. Legal's Position to the issues concerning the Resigned Trustees**
 88 Please see Atty. Manuel Punzalan's written reply to the four (4) resigned trustees
 89

90 **4. Investments - Properties Available For Purchase by PF**

91
 92 4.1 4,561 SQM Residential Lot located in Balasing, Sta. Maria, Bulacan
 93 Seller's Offered Price – P3,500 per sqm. Negotiable
 94 Current Use – Gated with One (1) House plus Piggery Equipments
 95

96 PF's Intended Use - For Subdivision to equivalent 18 lots with min. area of 200sqm each.
 97 Projected Income From Investment - P625K per 200sqm or P11,250,000.00 for 18 units.
 98 IC Approval - With submitted request of IC approval, waiting for the IC reply.
 99

100 **4.2 Lot & Farmers Bldg - Pulong Buhangin Branch**

101 Farmers Bank closed last month and the PDIC started returning to the depositor's amount
 102 covered by insurance. Our PB Branch is currently located at the left side of the Farmers'
 103 Bldg. Farmers PB Branch is of a two storey which the next owner could possibly offer for
 104 lease the ground level of the building. PF may consider studying the opportunity with IC's
 105 approval. The foreclosed asset/properties will be subject to public bidding as soon as the
 106 Minimum Disposal Price is determined and approved by the appropriate approving
 107 authority of PDIC. The Public Assistance Department of the PDIC covering the liquidation of
 108 Farmers Bank replied to our email to please watch out for announcement in their website,
 109 www.pdic.gov.ph. At the moment, a study for this will be supplied to the Investment
 110 Committee.
 111

112 **5. Comilang Account**

113 Ms. Rose Comilang complied to submit to PFO the certified true copy of the Cancellation of
 114 Mortgage pertaining with the said property. Atty. Manuel Punzalan is set to effect the transfer
 115 of this property in the name of Praxis Fides MBI starting July 2022. Ms. Comilang account was
 116 already endorsed to Board Risk Oversight Committee and all required documents will be
 117 provided by management. The Board suggested finding a lawyer whose expertise is for
 118 transferring property and seeking opinion from MS Gonzales Realty Services. All expenses will
 119 be added to redeemable value.
 120

121 **6. Cash Position & Placements Recommendations**

122 (See attached report)

- 123 6.1 Review of Mr. Aurelio Joaquin appointment as Stock Consultant, for next BOT meeting.
 124 6.2 Placements approved by BOT are Long term TD and Corporate Bonds, only Premium Yield
 125 Advantage was not approve because of the issues concerning the stability of foreign currency.
 126

PLACEMENTS FOR BOT APPROVAL

Type of Investment	Issuer	Broker	Term	Div/Interest	Amount to Invest	
Long Term TD	RCBC	n/a	5 yrs + 1 day	4.75%	5,000,000.00	transfer from PNB (for post-approval)
Long Term TD	RCBC	n/a	1 year	2.50%	5,300,000.00	transfer from USB (for post approval)
Long Term TD	RCBC	n/a	5 yrs + 1 day	4.75%	5,000,000.00	renewal only (for post approval)
Corporate Bonds	SMC Global	PNB	3 yrs	5.59%-6.09%	5,000,000.00	
Corporate Bonds	SMC Global	BOC	3 yrs	5.59%-6.09%	3,000,000.00	
Corporate Bonds	Security Bank	SBC	1.5 yrs	3.5098%-3.6593%	1,500,000.00	
Premium Yield Advantage	Chinabank	Chinabank	90 days	2.2%	US\$ 200,000.00	

Handwritten notes and signatures on the right margin:
 - "Javier"
 - "Luis"
 - "Alfonso"
 - "Manuel"
 - "Jof"
 - "Antonio"

127 **7. Recommended Policies related to Withdrawal Fee, Cancelled Loan or Withdrawal Transaction**
 128 **Fee, & Bank Charge.**

129 Waive of withdrawal fee of 1.5% from surrender value or minimum of P200 if plan is matured or
 130 maturing within the year

131 Waive of withdrawal fee for "compulsory withdrawal for age >=65 years old of which date of
 132 membership is <=3/31/2019

133 Imposition of cancel check fee of P100 for cancelled loan or withdrawal transactions

134 Bank charge of P200 for inter-branch deposit for insurance claims transaction

135

136 Chairman Fr. Romualdo Go suggested to study if possible that the processing of Insurance
 137 Claims will be done at the head office and submission of documents and releases will be at the
 138 branch offices.

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140 **8. Floating Deposits (as of end_May 2022)**

		MARCH	MAY	CHANGE
1	CHINA BANK SAVINGS-CASA (104)	230,225.51	167,852.01	- 62,373.50
2	CHINABANK SAVINGS-BLG (107)	10,680.00	15,860.00	5,180.00
3	RURAL BANK OF SAN PASCUAL (PANDI) (108)	9,845.00	22,495.00	12,650.00
4	Philippine National Bank (PNB) (114)	155,512.00	170,774.00	15,262.00
5	ASIA UNITED BANK (BUS) (115)	12,126.00	12,126.00	-
6	CHINABANK SAVINGS-SMA (116)	49,858.00	45,163.00	- 4,695.00
7	BDO - BALIUAG (118)	2,212,423.96	1,652,271.30	- 560,152.66
8	Farmers Bank - PB (119)	6,900.00	1,800.00	- 5,100.00
9	GATEBANK SJDM (120)	33,100.00	31,400.00	- 1,700.00
10	BPI SJDM (121)	83,316.50	83,316.50	-
11	CHINABANK SAVINGS-SMIG (122)	4,300.00	2,300.00	- 2,000.00
12	PRODUCERS BANK-Bustos (124)	220,272.00	219,405.00	- 867.00
13	RCBC (MAL) DRAGON SAVINGS (125)	78,778.24	64,487.24	- 14,291.00
14	UCPB-Valenzuela (127)	36,411.78	41,411.78	5,000.00
15	ASIA UNITED BANK - CASA (129)	75,946.00	73,439.00	- 2,507.00
16	SAS BANK-PAOM (1291)	31,200.00	31,800.00	600.00
17	PNB SAVINGS- MARILAO (1292)	14,217.50	14,217.50	-
18	PRODUCERS BANK - HAGONoy (1293)	80,295.00	90,135.00	9,840.00
19	PRODUCERS BANK-Pandi (1294)	8,333.00	10,336.00	2,003.00
20	CHINABANK SAVINGS-BALIUAG (1295)	26,714.73	33,431.43	6,716.70
21	CHINABANK SAVINGS-SRA (1301)	2,400.00	2,400.00	-
	ADVANCES TOTAL AMOUNT	3,382,855.22	2,786,420.76	- 596,434.46

Recommendations for the Floating Deposits: 1.) Send letter to respective bank requesting if they can provide PF a copy of transaction where (which branch) the deposit was made. 2.) Disseminate to all PF Branches and their respective areas the proper way of depositing directly to the branch any type of deposits from the members. Dissemination of the proper procedure & discussion during the monthly area meeting. 3.) Visible reminders to all the members that "Payments will only be honored & considered valid if they can show proof of transactions or deposit slip.

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142 Ms. Virginia Saclot asked the detailed or broken figures of this floating deposits.

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144 **9. Petrifidelis Corp. Farm Fire insurance**

145 All Praxis Fides MBI building must be covered with Fire Insurance. Chairman Fr. Romualdo Go
 146 announces to seek for bidders. Bidding ends July 15, 2022.

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**VII
 COMMITTEE REPORTS**

Compensation Committee

1. Proposed Salary Structure

Fr. Romualdo Go

Virginia Saclot

Opinion

for

Recommend

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Pantolan

152 Presented three (3) different scenarios for the Proposed Salary Structure and the pros and
153 cons were discussed.

154 Scenario 1 : 50% of Allowance has been added to Basic Salary; 50% of Allowance retained
155 Scenario 2 : 25% of Allowance has been added to Basic Salary; 75% of Allowance retained
156 Scenario 3 : 75% of Allowance has been added to Basic Salary; 25% of Allowance retained

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158 2. 5-Pt Performance Incentive
159 Ready for release upon presentation and review of target.
160

161 3. Update on Provident Fund Disbursement
162 The Compensation Committee has unanimously approved to release the Employer Share
163 and to distribute to the employees accordingly. *Approved by the body.*
164

165 4. Release of 1st part Educational Assistance
166 The Educational Assistance is a cash benefit equivalent to one (1) month salary but divided
167 equally and released in May and September to help employees in the schooling expenses of
168 their children. The Committee unanimously agreed to recommend the release of the
169 Educational Assistance Benefit to the employees for the current BOT approval. *Approved by*
170 *the body.*

171
172 Computation of 5-pt performance and educational assistance is based on basic + allowance
173 of employees as of now. But as soon as the new salary structure is finalized, all the
174 employees' benefits will be based on the basic salary only.
175

176 5. DOLE Circular dated May 2022
177 This is not an Across-the-Board increase and is applicable to minimum wage earners only.
178 The inflation rate stated in the Minutes of the Meeting dated May 19, 2011 was applicable
179 to 2011 only. To offset the effect of the inflation on the employees, the delayed annual
180 increase in the basic salary due to their performance merit will be expedited promptly after
181 a review on the Employees Performance Evaluation.

182 **Audit Committee**

183 1. Acknowledged Risks Exposure and possible endorsement to different committee that will
184 handle the issues

- 185 1. Total liabilities + assigned fund balance (Liquidity risk)
186 2. Misinformation of employees, workforce and members.

187 Ms. Virginia Saclot and Ms. Julieta Cruz said that re-education is the key. The board
188 requested a one day topic for Implemented Rules and Regulations (IRR) to orient
189 themselves about Praxis Fides MBAI.

190
191 2. Project of Audit Committee
192 Work Flow Chart then incorporate the internal control. One third portion of audit meeting
193 will be for internal control manual. Also, assigned to Ms. Eufrocina Cabuhat, she will give an
194 updates to the committee about the work flow of operations and possible revisions.

195
196 3. Chief Audit Executive deliverables
197 The Chief Audit Executive must prepare an audit plan, audit programs, and audit procedure.
198 Ms. Virginia Saclot is assigned to talk to Ms. Eufrocina Cabuhat that the Board is expecting

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Sevilla
Aguz
for
March
July
Antonio

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output from her. She will be evaluated after three (3) months.

Credit Committee

- 1. Fr. Jose Rodel Ponce
Character loan is against our policy. He will be informed that he should present collateral to avail loan.

2. Loan Approval

No.	Borrower	Purpose	Amount	Nth Loan	Term	Remarks
1	Thelma Gatmaitan	Pagawaing Bahay	4,500,000	2 nd	M_60/10%	Approved

**VIII
OTHER MATTERS**

1. Lists of PF Properties that is For Sale

Chairman Fr. Romualdo Go asked for the lists of foreclosed and properties for sale of Praxis Fides MBAI. The listing is to be provided in the next BOT Meeting.

2. Workforce matters

Ms. Liberty Bardinas suggested that the Management in the office should exercise proper decorum/approach and treatment to our ACs and ARs in calling their attention, which according to Chairman Fr. Romualdo Go is correct and must observe the fides or Christian way of communication. Ms. Julieta Cruz commented that specific control must be identified. While Ms. Virginia Saclot said we have to observe the hierarchy of subordination in addressing any problem or issues. His superior is the one to be tapped first before the management can directly call the attention of the ARs and ACs. President Gener Luciano said that he will do something about the matter.

3. Bocaue Branch Signage

Ms. Liberty Bardinas had observed that from the time PFMBAI Bocaue Branch transferred to another building in Lolomboy, the branch has no signage (billboard or tarpaulin) which tends to confuse members about where to go. Ms. Virginia Saclot seconded that signage is very important in a business and the aforementioned observation must be given attention. President Gener Luciano that there is pending bidding on the signage and will fast track the installation of said signage.

4. Tarpaulin of Area Representative as part of marketing strategy

Ms. Emilia Pasco suggested that all Area Representative must have PF Tarpaulin with their names and area printed on it. This will serve as a proof that they are officially connected with Praxis Fides MBAI.

5. ID card printer machine

The board suggested that Praxis Fides MBAI to have ID Card printer machine that will be used to provide identification card for employees and workforce.

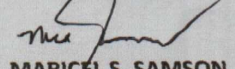
Fr. Romualdo Go
Julieta Cruz
Virginia Saclot
Gener Luciano
Emilia Pasco

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**IX
ADJOURNMENT**

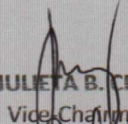
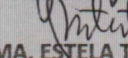
There being no other matters to discuss, the meeting was adjourned at 3:30 PM with a closing prayer led by Ms. Liberty Bardinas and final blessing by Fr. Romualdo Go.

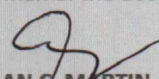
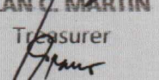
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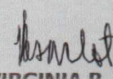
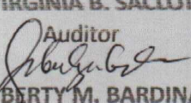

MARICEL S. SAMSON
Corporate Secretary

ATTESTED BY:


FR. ROMUALDO C. GO
Chairman of the Board


JULETA B. CRUZ
Vice-Chairman

MA. ESTELA T. SANTOS
Secretary


ALLAN C. MARTIN
Treasurer

EMILIA M. PASCO
Independent Trustee


VIRGINIA B. SACLOT
Auditor

LIBERTY M. BARDINAS
Independent Trustee