

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

6 February 24, 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** - Independent Trustee
16 **Ms. Rosanna S. Jose** - Corporate Secretary

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18 **Absent: Gener C. Luciano** - President

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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 February 24, 2022 at 9:00 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 9:00 AM led by Fr.
33 Romualdo Go. One (1) trustee 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 JANUARY 28, 2022**

38 The minutes of the regular meeting of the Board of Trustees held on January 28, 2022 was
39 provided in advance for the members' perusal and consideration.

40 Comments/corrections were made on the following :

41 Page 8 Line 223: ACJ replaced with Aurelio C. Joaquin
42 Page 6 Line 231: Insert Immaculate Conception Major Seminary

43 Whereupon, upon motion made by Fr. Angelito Santiago, duly seconded by Engr. Dexter Raquel
44 and unanimously adopted, the minutes was approved as corrected.

45 **V**

46 **MATTERS ARISING FROM THE PREVIOUS MINUTES OF MEETING**

47 **Comilang Case**

48 Will be included in the agenda on the Board Risk Oversight Committee meeting scheduled on
49 March 11, 2022 at 9:00 AM.

50 **Retirement Benefits of PF Employees**

51 Dr. Pelagia Bautista said the issue on the retirement benefits of the employees remains
52 unresolved. Although the current BOT has decided to release the retirement pay using the
53 funds in the trustee bank, the employees appealed to the BOT to honor the commitment made
54 by the previous board. She said it is best to wait for the 2021 audited financial statements and
55 then call for a special BOT meeting to assess the risks that may impact on the release of the
56 benefits. She requested to prepare all the data needed for the special BOT meeting. The staff
57 should be informed that the BOT is taking action on the matter but the board needs complete
58 data before a final decision can be made.

59 The audited F/S is expected to be completed by AMC and Associates before the Annual General
60 Meeting. For follow-up with AMC for the early completion of the F/S.

61 Dr. Pelagia Bautista also mentioned that the BOT should respond to the written appeal of the
62 staff by making a formal reply letter.

63 **Retirement Fund of 15.9M as Outside the Books Funds**

64 The External Auditor (AMC and Associates) clarified during the meeting with Audit Committee
65 that the IC maintained the Retirement Fund amounting to P 15.9M to be treated as outside the
66 books. Engr. Dexter Raquel raised a question on the President's Report in the last Pre-AGM
67 stating a P7.65M FAFV-Retirement in the financial statement. As per explanation of the Internal
68 Comptroller, the P7.65M represents the Gain/Loss in the Fair Asset Valuation of Retirement
69 Fund as computed by the Actuary as of end-2020.

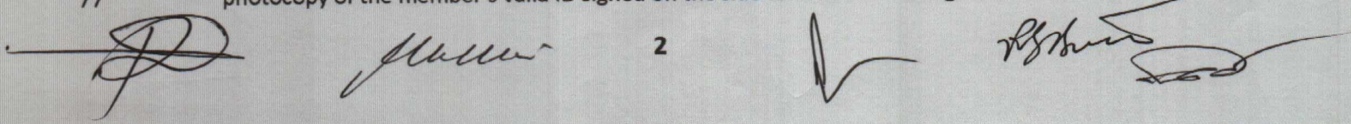
70 Engr. Dexter Raquel suggested that the President's Report should be presented to the BOT
71 before it is reported to the general membership.

72 **Loans Receivables Report**

73 The Loans Dept presented in the last Audit Committee meeting a masterlist of Loans
74 Receivables. A copy of the report will be forwarded in the BOT GC for the trustees' perusal.

75 **Proxy Forms of Members**

76 The BOT required that the Proxy Form should be returned by the members accompanied by a
77 photocopy of the member's valid ID signed on the side to validate their signature.

 The bottom of the page features several handwritten signatures and initials. From left to right, there is a large, stylized signature, a signature that appears to be 'Alvarez', a small number '2', a signature that looks like 'Dexter Raquel', and another signature that is partially obscured. There are also some blue ink initials on the right side of the page, possibly 'Bo'.

78 **Thelma Aldana-For Dacion**

79 As per update of Ms. Maria Mae Joaquin, Credit and Collection Head, Praxis cannot facilitate the
80 transfer of the account to Dacion as of now because the husband is a seafarer and is not
81 available to sign the SPA and other Dacion documents to effect the transfer. In the meantime,
82 the borrower is required to make regular payments to update the account.

83 **Engagement Letter of Mr. Aurelio C. Joaquin**

84 The engagement letter of Mr. Aurelio C. Joaquin is not yet signed by BOT. The board wants to
85 understand the scope of works and services rendered by the former General Manager.

86 Thru a chat with Pres. Gener Luciano, he enumerated the scope of works performed by Mr.
87 Aurelio Joaquin, as follows:

- 88 1. Buying and selling recommendation to broker;
89 2. Study of current portfolio;
90 3. Creation of procedural strategy on handling the existing holdings

91 In addition, Pres. Gener Luciano mentioned that when Mr. Aurelio Joaquin retired in 2012, the
92 oversight of buying and selling for Abacus was entrusted to him because of his experience along
93 with the late Ron Nathan since 2002.

94 To help the board in their decision making, the BOT requested for a historical performance of
95 Abacus Securities to justify the amount of service fee and commission due to Mr. Joaquin as
96 indicated in the engagement letter. To send the requested data in the BOT GC.

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VI

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REPORTS OF THE DIVISION CHIEFS

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

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101 **1. Sales and Marketing Division**

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DC Bernadette de Guzman presented the detailed performance of the PF branches for 2021.
(See attached printout for details.)

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In summary, the report of the branches include:

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a) No. of ARs per branch and their respective status (whether Performing or Non-Performing) and including Sub-ARs;

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b) Total members per branch

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Recruitment target is 30% increase but overall performance is at 47.94%.

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DC Bernadette explained that their marketing strategy shifted to promoting the insurance coverage with low premium cost instead of the potential income that will be returned to member at the maturity of the plan.

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c) Total MC Payment and Distribution (Gen. Fund, Insurance Prem, Guaranty Fund, Membership Benefit and Net Contribution)

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DC Bernadette informed that plans with ten (10) years maturity have been discontinued due to relatively small earnings realized from these plans.

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116

117 Engr. Dexter Raquel proposed to offer 1-Year Accident Insurance to members where
118 annual premium paid will be treated as Income after the expiry of the insurance
119 coverage. For further study of Sales and Marketing Division.

120 d) Total Withdrawals

121 BM Bernadette explained that initially the bulk of withdrawals was due to pandemic
122 but in Nov and Dec 2021, many members pre-terminated their plans because of
123 alarming information that Praxis is going to close business.

124 e) Total Loan Releases and Loan Repayments (Policy and Collateral

125 Total equity loan releases is 16.60% out of 30% target. Only 11.79% of members are
126 borrowing from Praxis using their equity.

127 f) Total Expenses Per Branch

128 Monthly incentives account for the biggest share in expenses of the branches.

129 Opex (rent, utilities, supplies) has total of P 1.4M for the year.

130 BM Bernadette De Guzman believed that Praxis is not incurring losses and she is very
131 confident that knowing where the funds are distributed and allocated , "HINDI
132 MALULUGI ANG PRAXIS".

133 g) Total General Fund Net of Incentives and Other Opex

134 h) Total IP Collected Net of Claims

135 BM Bernadette stated that Praxis derives income from pre-terminated plans.

136 i) Seriatim List of Members

137 Atty. Eusebio Dulatas Jr. requested for statistics on members withdrawal broken down
138 into 1) Pre-terminated; 2) Matured; 3) Death Claims.

139 BM Bernadette showed the estimate of maturing plans from 2022-2041 and the
140 corresponding insurance coverage corresponding to the plans.

141 Trustee Fr. Angelito Santiago discussed his previous suggestion to make use of new
142 processes to attain the loan releases target using the equity of the members. BM
143 Bernadette said their action plan is to provide the areas with members with substantial
144 equity so they can convince them to borrow their money while the plan is in active
145 status. Dr. Pelagia Bautista encouraged the concerned department (Loan Dept) to
146 present a program in the next BOT meeting.

147 **2. Technical and Financial Mgt. Division**


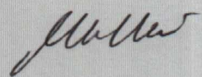
148 **a) Summary of Cash Gift Released in Dec 2021**

149 DC Maricel Samson presented the total Cash Gift released in December 2021,
breakdown as follows:

Area Bonding	224,154.34
Paalam Gift	48,000.00
Staff Christmas Bonus	155,849.91
BOT Bonus	410,000.00
AC/AR Christmas Cash Gift	514,500.00
AC/SAC Christmas Token	50,000.00
TOTAL	1,402,504.25

150 **b) 2022 Budget of Expenditures**

151 Atty. Eusebio Dulatas Jr. suggested that budget should be streamlined to match the
152 operational income of the Association in the previous year. Operational expenses



153 should be supported by operational income. (Example: Sale of property should not be
154 considered operational income.)

155 Engr. Dexter Raquel suggested to sanitize the budget proposal. He requested to show
156 the fixed expenses forecast (e.g. electricity, internet, rent, gasoline etc.) and from the
157 proposed budget, the BOT will make the necessary cuts or adjustments. He directed the
158 Internal Comptroller to revise the budget to cover only the fixed expenditures and
159 compare this with actual expenses. The BOT will evaluate the budget per item before
160 the same will be approved. The revised budget will be sent in the BOT GC. Lead time is
161 3 working days.

162 Variable Expenditures (e.g AC/AR remuneration) which are production-based will be
163 presented and discussed separately.

164 **3. Finance and Management Support**
165 **a) Placement Recommendations**

166 DC Rosanna Jose presented the following offers for BOT approval:

Type of Investment	Issuer	Broker	Term	Dividend	Amount to Invest
Corporate Bonds	Aboitiz Power Corp.	PNB	5 Y	4.5615-4.9615%	5,000,000.00
Govt Securities	Bureau of Treasury	Bank of Commerce	5 Y	4.875%	17,000,000.00
Mutual Funds	Peso Starter Fund	SLAMCI	n/a		5,000,000.00
Total					27,000,000.00

167 **The board unanimously approved the placement recommendations.**

168 **b) Training of Branch Managers**

169 DC Rosanna Jose reported that five (5) Branch Managers attended a seminar last February
170 18, 2022 with the topic "Navigating the Transition from Staff Member to Supervisor". This is
171 a very relevant training and participants are expected to understand the importance of their
172 new roles as officers/supervisors in the organization.

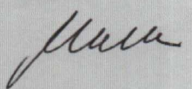
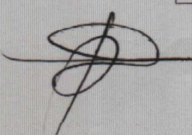
173 Dr. Pelagia Bautista emphasized that after completing the seminar, the attendees should be
174 able to apply what they learned from the seminar in their actual work as Branch Managers.

175 **VII**
176 **COMMITTEE REPORTS**

177 **Nomination Committee**

178 1. Official List of Candidates for Trustee

NAME OF CANDIDATE	COMPETENCY	RESIDENCE
1. JULIETA B. CRUZ	HR	BALAGTAS
2. ALLAN C. MARTIN	BANK MANAGER	MALOLOS
3. VIRGINIA SACLOT	CPA	MALOLOS



4.	FLORABEL CARINGAL	BANK MANAGER	MARILAO
5.	MA. ESTELA SANTOS	TEACHER	PANDI

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2. Assignment of Nomination Committee members Per Branch (to oversee tabulation of votes)

Venue	Nomination Comm Representative
PFO Main	Fr. Romualdo Go
Pandi Branch	Atty. Eusebio Dulatas Jr.
Sta. Maria Branch	John Carlo Sayo
Bocau Branch	Emil John Edejer
Bustos Branch	Dr. Pelagia Bautista
Baliuag Branch	SAC Susan Geronimo
Pulong Buhangin Branch	John Carlo Sayo

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3. Strictly no Single Voting is allowed.

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4. Mr. Perlito Dimla is retained as Independent Scrutineer.

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5. Additional Zoom access will cost US\$50 for 500 connections. Dry-run will be held on April 18 at 9:00AM.

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Fr. Romualdo Go encouraged everyone to pray for the success of this year's BOT elections. Also, he mentioned that it is time for the BOT to do some bonding activities especially with the lower risk level of Covid-19 situation. The gift certificates from Bank of Commerce covering P50K consumable at Thunderbird Resort in La Union may be used for the purpose.

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Credit Committee

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1. Loan Releases for Jan and Feb 2022

No.	Borrower	Purpose	Loan Amount	Annotation Date	Loan Date	Maturity Date
Jan						
1	Ordiles, Teresita R	Purchase of lot	250,000.00	8/22/2014	1/26/2022	1/26/2026
2	De Guzman, Anita G	Purchase of lot	60,000.00	3/11/2010	1/31/2022	1/31/2023
Total			310,000.00			
Feb						
1	De Castro, Daniel L	Apartment	370,000.00	2/3/2022	2/14/2022	2/14/2025
2	Miranda, Venerando D	Store Construction	200,000.00	1/13/2015	2/10/2022	2/10/2024
Total			570,000.00			

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2. Loan for BOT Approval

No.	Borrower	Purpose	Amount	Nth Loan	Term	Remarks
1	Bosque, Ramon Jr. C	Negosyo	1,500,000.00	3rd	M_60/12%	For BOT approval

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The member is a repeat borrower – 1st loan was P1M; 2nd loan was also P1M. Borrower is a good payor.

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The Board unanimously approved the 3rd loan of Mr. Ramon Bosque Jr. for P1.5Million.

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3. Revised Loan Policies and Procedures (2022 Version)

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For review of Board Risk Oversight Committee and subsequently for BOT approval. To post a copy in BOT GC for further study of the trustees. Hold until next BOT meeting.

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197 4. Yearly Issue of Post-Dated Checks
198 Proposal to collect yearly post-dated checks for Real Estate Mortgage (REM) loans.
199 Approved by the BOT and to be included in the Revised Loan Policies and Procedures. No
200 need for Board Resolution.

201 5. Promotion of Policy Loans
202 The Loans Dept should consider latest techniques and try new methods of promoting policy
203 loans. Suggest to use the "Call a Friend" to expedite the loan availment. For further study
204 of Credit Committee.

205 **Audit Committee**

206 1. Unaudited Financial Statement as of Dec. 31, 2021
207 The unaudited F/S was reported by Pres. Gener Luciano in the last Pre-AGM. Audit
208 Chairman Eufrocina Cabuhat suggest to wait for the final audited F/S that will be prepared
209 and submitted by AMC and to be reported in the Annual General Meeting.

210 2. Notice on Distribution of Excess Free and Unassigned Fund Balance
211 The Association will make a formal announcement to members regarding the distribution of
212 Excess Free and Unassigned Fund Balance worth P39M+. This will be made on the Annual
213 General Meeting on April 23. The Minutes of the Meeting of the AGM will be submitted to
214 IC as proof of notice to the members.

215 3. Accrued Income
216 Total accrued income amounting to P 28M+ represent mostly interest income from policy
217 loans and mortgage loans. Management thru Collection Dept should be more vigilant in
218 collecting from the borrowers in order to realize the income.

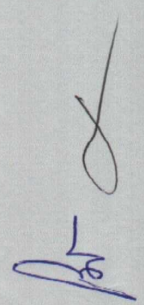
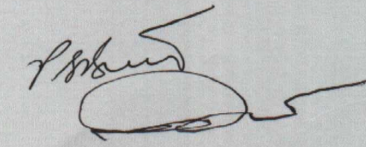
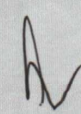
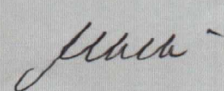
219 4. Aging of Loans Receivables
220 The Credit Committee should ask the Collection Dept to prepare the aging of Loans
221 Receivables for review of the committee.

222 5. Letter from the Staff re: Provident Fund
223 Atty. Eusebio Dulatas Jr. clarified that the employees misunderstood the concept of the
224 Provident Fund, It was a joint fund (employees' contri + employer's contri) created for the
225 purpose of providing credit facilities to the employees.

226 Engr. Dexter Raquel said it is the manner of how the Provident Fund was explained to the
227 employees. Showing the 2013 Minutes of the Meeting that approved the Provident Fund,
228 the board interpreted the Provident Fund as a benefit is so far as it provided employees a
229 source of financing in times of needs but it was not meant to be given to the employees.

230 Engr. Dexter Raquel offered to prepare a draft covering the BOT's response to the letter of
231 the staff. He requested a copy of the letter, the Minutes of the Meeting that approved the
232 creation of the Provident Fund and the By-Laws to be posted in the BOT GC.

233 **VIII**
234 **OTHER MATTERS**



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1. Solicitation from Immaculate Conception Minor Seminary

The Immaculate Conception Minor Seminary is requesting financial assistance to help the seminary acquire new airconditioners in preparation for the resumption of face-to-face formation classes of the high school and senior high school students.

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The BOT approved to donate **TEN THOUSAND PESOS (P 10,000.00)** to the seminary, P5K to be taken from the Marketing Fund and the other P5K to be taken from the BOT Fund.

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2. BOT Bonding @ Thunderbird Resort

The current BOT will schedule a bonding activity to consume the P50K worth of gift certificates from Bank of Commerce to be used at Thunderbird Resort in San Fernando City, La Union. Fr. Romualdo Go will contact the resort to confirm the validity of the gift certificates (check if there is expiration) and also to inquire the accommodation that can be covered by the gift certificates.

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**IX
ADJOURNMENT**

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There being no other matters to discuss, the meeting was adjourned at 12:00 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

261
262

[Signature]
DR. PELAGIA S. BAUTISTA
Secretary

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

[Signature]
EUFROCINA A. CABUHAT
Auditor

[Signature]
ENGR. DEXTER I. RAQUEL
Independent Trustee