

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

5 **March 25, 2022**

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7 **In attendance:**

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9	<b>Fr. Nap A. Baltazar</b>	<b>- Chairman of the Board</b>
10	<b>Fr. Angelito S. Santiago</b>	<b>- Vice-Chairman of the Board</b>
11	<b>Dr. Pelagia S. Bautista</b>	<b>-Trustee/ Secretary</b>
12	<b>Fr. Romualdo C. Go</b>	<b>- Trustee/Treasurer</b>
13	<b>Ms. Eufrocina A. Cabuhat</b>	<b>- Trustee/Auditor</b>
14	<b>Atty. Eusebio P. Dulatas Jr.</b>	<b>- Independent Trustee</b>
15	<b>Engr. Dexter I. Raquel</b>	<b>- Independent Trustee</b>
16	<b>Ms. Rosanna S. Jose</b>	<b>- Corporate Secretary</b>

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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 March 25, 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 Romualdo Go. All the trustees were present and the meeting, having been duly convened, was  
34 ready to proceed with business.

35 **IV**  
36 **CONSIDERATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON FEBRUARY 24, 2022**

37 The minutes of the regular meeting of the Board of Trustees held on February 24, 2022 was  
38 provided in advance for the members' perusal and consideration.

39 Comments/corrections were made on the following :

40 Page 3 Line 92: to correct spelling of "oversight"

41 Whereupon, upon motion made by Dr. Pelagia Bautista, duly seconded by Engr. Dexter Raquel  
42 and unanimously adopted, the minutes was approved as corrected.

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

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**Comilang Case**

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BOT Eufrocina Cabuhat stated that the Comilang account should be reported to AMLA as a suspicious transaction. The BOT scheduled a Special Meeting on March 31, 2022 @ 9:00 AM via face to face at PFO to discuss the account of Comilang. Atty. Jun requested for an inventory of all documents related to Comilang transaction for his review. He will get the documents from PFO on March 28, 2022.

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**Retirement Benefits of PF Employees**

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Waiting for the release of audited Financial Statements from AMC. Another Special BOT Meeting will be scheduled to discuss the issue on retirement.

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**Loans Receivables Report**

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The masterlist of outstanding Loans Receivables previously presented to the Audit Committee was sent to the BOT GC for perusal of the trustees.

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**Proxy Forms with Valid ID + Signature of Members**

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The BOT required the Proxy Forms to be accompanied by ID of the members for validation. Initial feedback from the workforce indicated a negative reaction because they claim it consumed time and money going back and forth to the member's residence to get a valid ID.

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Engr. Dexter pointed out that the purpose of the signature verification is to protect the integrity of the election.

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

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The BOT directed Management (3 Division Chiefs + President) to come up with a list of services which the former GM Aurelio Joaquin can render to PFO. The scope of works should not include his previous role as exclusive Stocks Consultant for Abacus Securities. As Stocks Consultant, his expertise should extend to the other two (2) brokers of the company.

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This is an urgent matter as the former GM has sent message to President Gener Luciano that if he will not receive any communication from PFO regarding the status of his consultancy services, he shall be considered resigned.

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The Board explained that Management should define specific areas where Mr. Joaquin can contribute to the company and his value will be determined based on the tasks that he will perform which the Management may consider useful to the organization.

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**2022 Budget of Expenditures**

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To be included in the Agenda for the March 31 meeting.

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**2022 Annual General Meeting**

The AC Officers wrote a letter to Chairman Fr. Nap Baltazar informing the BOT of their desire to conduct a face to face AGM instead of the earlier plan to hold a virtual AGM. The new schedule of the AGM will be on **April 21, 2022** (Thursday) and it will be held at the Immaculate Conception Seminary Gymnasium.

The BOT approved the proposed budget with some modification made by the board. Likewise, the invitation/programme was approved by the BOT. Fr. Leon Coronel is the Guest Speaker for the event.

**Solicitation from Immaculate Conception Minor Seminary**

The donation amounting to Ten Thousand Pesos (P10,000.00) was personally received by Fr. Joseph Cruz, Rector of Minor Seminary.

**BOT Bonding @ Thunderbird Resort**

Thunderbird Resort has an on-going promo from April-June 2022 for 50% off the price of resort accommodation and amenities. Fr. Romualdo Go will confirm with Thunderbird if the GCs can be used considering the promo rates. Tentative schedule of bonding is on May 27-28.

Former trustees Atty. Peter Gonzales and Sonny Antonio may be invited to join the bonding @ Thunderbird Resort.

**VII  
AGENDA**

**Current PF Business Model**

At present, Praxis Fides offers to potential members two (2) items of value: 1) Insurance and 2) Earnings on Equity withdrawable at maturity.

The issue of Insurance Premium being recognized as Income is already addressed by a Board Resolution. Engr. Dexter explained the alleged mistake that Praxis treats IP as income even if the insurance coverage is not yet expired and the risk remains with PFO. The company should find ways to look for investments that will cover for the IP as source of income.

Looking forward, the BOT should talk to Management to re-assess and re-evaluate why there is limited earning potential. The Management should also study the impact if recruitment should be discontinued.

Atty. Eusebio Dulatas Jr. presented the matrix that is shown at the back of the Membership Application Form. He made a similar illustration using a P1K monthly contribution. At the end of 20 years, the maturity value is about P 867K. Rate of increase in equity is P 72.04%. Total policy value payable is about P 52B at the end of maturity value.

111 The Cash Surrender Value is the safety net of the Association because it reduces the exposure or  
 112 the liability of the Association to the members.

113 Engr. Dexter Raquel said the BOT should inform and educate the Management about the  
 114 findings and make adjustments to align with the enhanced business model.

115 **Placement Recommendations**

116 Ms. Rosanna Jose, Division Chief of Finance and Management Support presented the placement  
 117 recommendations for BOT approval:

Type of Investment	Issuer	Broker	Term	Dividend	Amount to Invest
Stocks (IPO)	Bank of Commerce	BOC-Trust	N/A	N/A	4,800,000.00
Promissory Note	San Miguel Properties, Inc.	PNB-Trust	90 days	2.25%	10,000,000.00
Promissory Note	San Miguel Shipping Lighterage Corp.	PNB-Trust	90 days	2.25%	10,000,000.00
Fixed Rate Notes	Toyota Financial Svcs	PNB-Trust	2 years	3.7932%-4.2432%	5,000,000.00
Fixed Rate Bonds	SM Prime Holdings	SBC-Trust	5 years	5.2815%-5.6815%	3,000,000.00
Fixed Rate Bonds	Ayala Land, Inc.	RCBC-Trust	6 years	5.4920%-5.9920%	2,500,000.00
<b>TOTAL</b>					<b>35,300,000.00</b>

118 The Board unanimously approved the proposals recommended by Investment thru Engr. Dexter  
 119 Raquel, Chairman of Investment Committee.

**VIII  
 COMMITTEE REPORTS**

120 **Board Risk Oversight Committee**

- 121 1. Board Risk Oversight Committee Charter needs amendment of membership.  
 122 2. Declaration of Trust and Stock Certificates of Petrifidelis Board reviewed and found in  
 123 order.  
 124 3. Final review of Revised Loan Policies and Procedures. For BOT approval.  
 125 4. Financial Risk Framework of PF Current Business Model  
 126 Observations:  
 127 - Operational income is not sufficient to answer the fixed operating expenses  
 128 - The Association depends on the Gen Fund to cover the shortfall  
 129 - Continuous recruitment is necessary to ensure the inflow of funds  
 130 Recommendations:  
 131 - The OPEX should not exceed the operational income  
 132 - The Association should find ways to increase the operational income  
 133 - The organization should calibrate and streamline on expenses  
 134 - The marketing expenses should be taken from the operational income instead of Gen  
 135 Fund

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**Credit Committee**

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## 1. Loan Releases for Feb and March 2022

No.	Borrower	Purpose	Loan Amount	Annotation Date	Loan Date	Maturity Date
<b>Feb</b>						
1	De Castro, Daniel L.	Apartment	370,000.00	02/03/2022	02/14/2022	02/14/2025
2	Miranda, Venerando D	Store Construction	200,000.00	01/13/2015	02/10/2022	02/10/2024
<b>Total</b>			<b>570,000.00</b>			
<b>Mar</b>						
1	Bosque, Ramon Jr.	Business	1,500,000.00	02/28/2022	03/14/2022	03/14/2027
2	Suarez, Eduardo D.	Educational	300,000.00	02/16/2022	03/01/2022	09/01/2023
3	Ramos, Sherwin G.	Business-Egg Dealer	300,000.00	01/28/2019	03/02/2022	03/02/2024
<b>Total</b>			<b>2,100,000.00</b>			

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## 2. Loan Approval for March 2022 (Credit Committee level only)

No.	Borrower	Purpose	Amount	Nth Loan	Loan Mode	Remarks
1	Montefalcon, Eugenia	Purchase of House and Lot	1,000,000.00	2 <sup>nd</sup>	M_60/8%	APPROVED
2	Sucob, Emelinda	Online Business	630,000.00	3 <sup>rd</sup>	M_36/12%	APPROVED
3	Evangelista, Vicente	House Construction	500,000.00	3 <sup>rd</sup>	M_60/10%	APPROVED
4	Parlan, Romualdo	Purchase of Vehicle	400,000.00	1 <sup>st</sup>	M_60/12%	APPROVED
<b>Total</b>			<b>2,530,000.00</b>			

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## 3. Loan Restructuring Approval

No.	Borrower	Amt for Restructure	Term	Monthly Amort	Remarks
1	Del Rosario, Avery	445,000.00	2 yrs	22,491.00	APPROVED
2	Cunanan, Donato	550,000.00	5 yrs	15,000.00	APPROVED
<b>Total</b>		<b>995,000.00</b>			

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## 4. Revised Loan Policies and Procedures (2022 Version)

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The Board Risk Oversight Committee completed the review of the Revised Loan Policies and Procedures. It was unanimously approved by the Board and signed accordingly.

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## 5. Promotion of Policy Loans

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The Loans Dept. will make a dry run of offering policy loans to members to make use of their equity. Initially, they will filter all members' equity worth P50K and above and will make a pre-computation of a loan with option for 6 months and 1 year term. The AC/AR will talk to the members and explain the offer/proposal. The AC/AR should get the contact number of

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148 the member so that PFO/Branch can also make a follow-up. The area of Bustos has been  
149 selected to be the pilot area for this activity.

150 Engr. Dexter Raquel mentioned that there should be a purpose for the loan application.  
151 Also consider giving perks or incentives to convince the members to avail of the loan.

#### 152 **Compensation Committee**

##### 153 1. Hiring of Chief Audit Executive

154 The offer for a Chief Audit Executive was modified, as follows:

155 Status of Employment: From Full Time to Part Time Only (to report to PFO 2X/week)

156 Salary Offer: P 20K Basic Pay + Variable Allowance (Negotiable but not exceeding P10K  
157 depending on the volume of deliverables to be determined by the Audit  
158 Committee)

##### 159 2. Additional Transportation Allowance of Mr. Arnel De Guzman

160 The committee approved to upgrade the transportation allowance of Mr. Arnel De Guzman  
161 due to rising cost of fuel and for maintenance cost of using his personal motorcycle for  
162 company errands. The new allowance will be computed by taking his average kilometre  
163 consumption per week.

##### 164 3. Medical Reimbursement of Ms. Desiree Cruz

165 The committee approved the request of Ms. Desiree Cruz for medical reimbursement of his  
166 husband's expenses for eye operation. This is an exemption to the rule which allows  
167 reimbursement of hospital expenses for dependents. The request of Ms. Cruz was granted  
168 due to the huge medical expenses involved and because of the Covid-19 surge which  
169 prevented her husband from getting admitted in the hospital.

##### 170 4. Upgrade of Out-Patient Benefits

171 The committee submitted a resolution to the board recommending an upgrade in the Out-  
172 Patient Benefits of members including the BOT, staff and workforce. For the workforce, the  
173 benefit was based on performance. The proposal for Out-Patient benefits are as follows:

174	1 Unit	-	P 5,000.00
175	2 Units	-	P 7,500.00
176	3 Units	-	P 10,000.00

177 The BOT unanimously approved the recommendation. **Needs Board Resolution.**

#### 178 **Corporate Social Responsibility**

- 179 1. As of February 2022, 75.72% of the money released under "Dagdag-Puhunan" for members  
180 with small business have been returned. The balance of P43,700.00 remains to be collected.
- 181 2. Survey questionnaires will be released to get feedback from the beneficiaries as to how the  
182 money has helped them in their business.
- 183 3. Clusters who are fully paid may avail of the second tranche. The unused budget for Pandi  
184 will be distributed to the other clusters.
- 185 4. A P50 transportation allowance per bag of rice will be given to the AC/AR to cover the  
186 delivery cost under Rice Subsidy program. The transportation allowance will be released  
187 upon submission of complete documents (Acknowledgment Receipt) of each cluster.

188 5. A fund generation campaign will be launched by CSR Committee in the coming Annual  
189 General Meeting. An AVP of past CSR activities will be shown and the fund-raising activity  
190 will be explained by Dr. Pelagia Bautista. Proceeds of the fund raising will be used to fund  
191 future projects of CSR.

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**IX  
ADJOURNMENT**

194 There being no other matters to discuss, the meeting was adjourned at 11:45AM with a closing  
195 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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**FR. NAP A. BALTAZAR**  
Chairman of the Board

202 **FR. ANGELITO S. SANTIAGO**  
203 Vice-Chairman

**FR. ROMUALDO C. GO**  
Treasurer

**EUFROCINA A. CABUHAT**  
Auditor

204 **DR. PELAGIA S. BAUTISTA**  
205 Secretary

**ATTY. EUSEBIO P. DULATAS JR.**  
Independent Trustee

**ENGR. DEXTER I. RAQUEL**  
Independent Trustee