KASAGANA-KA
Mutual Benefit Association, Inc.

Board Resolution No. 04
Series of 2019

APPROVING THE ADJUSTMENT IN THE INTEREST RATE ON THE RF AND EQUITY VALUE

Upon motion by Ms. Marlyn Aldave, seconded by Ms. Marissa Loyola, the KMBA Board of Trustees, in a regular meeting on January 31, 2019, where a quorum was present, approved the following resolution:

WHEREAS, under prevailing policy, upon the return of the RF of members, KMBA applies a 2% interest rate;

WHEREAS, the Insurance Commission adopted a policy requiring MBAs to return to resigning members, regardless of the period of their membership, 50% of her/his equity value, plus interest;

WHEREAS, the Commission advised KMBA to review the interest rate it will apply to the RF and equity value;

WHEREAS, through Resolution No. 2018-25, the Board instructed management to conduct a study of the annual average interest rates given by the three largest Philippine banks, which will be applied to the RF and to the equity value being returned to resigning members;

WHEREAS, the average rate given by the three largest banks, according to reports at the end of 2018, was less than 1%;

WHEREAS, in adjusting the interest rate, the Board considered what is reasonable from the perspective of the members who stand to benefit, while giving due regard to the financial conditions of the KMBA;

NOW, THEREFORE, the foregoing premises considered, the Board of Trustees **RESOLVED** to approve the adjustment in the interest rate applied on the amount of RF and equity value returned to retiring/resigning members from the current 2% to 1%, effective January 1, 2019.

Adopted this 31st of January 2019 in Quezon City, Philippines by the affirmative vote of the undersigned members representing a majority of the trustees of KMBA, Inc.

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Isabel M. Iliw-iliw
President

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Marissa A. Loyola
Treasurer

_____
Anita L. Manundo
Member

_____
Marilyn C. Aldave
Member

_____
Ma. Teresa G. Bucad
Member

_____
Elizabeth G. Fuentes
Member

_____
Philip Arnold P. Tuaño
Independent Member

_____
Atty. Maria Gettie Cleofe C. Sandoval
Independent Member

Attested by: