



ANNUAL REPORT 2024



(047) 232 7298



0908 892 9371/0930 226 5498



kgi_mba@yahoo.com



facebook.com/kazamagramemeenmba



www.kgi-mba.com



Message from the President

At KGI MBA, we recognize that life is a journey filled with both moments of joy and challenges. As we navigate through these times, KGI MBA has been an anchor to many and provided the security and peace of mind and protected the financial stability of those families who faced uncertainties.

This past year has been a testament to our collective strength, resilience, and shared commitment to our mission—to protect our members from life cycle risks - by providing accessible and affordable microinsurance.

Despite the many challenges we faced, we remained focused on serving our members with care, efficiency, and integrity. We strengthened our operations, uphold strong governance, expanded our reach, and continued to innovate to better respond to the needs of the communities we serve.

I extend my heartfelt thanks to our board, management team, field staff, and partners for their unwavering dedication. Most importantly, I thank our members for the trust they place in us every day. We are here because of you—and we will continue to work hard for you.

Together, we look forward to another year of impact, growth, and meaningful service.

Catherine B. Ubana

PRESIDENT





Message from the General Manager

As we reflect on the past year, I am proud to share the incredible milestones that our company has achieved.

These accomplishments are a testament to our commitment to serving our members with excellence, strengthening partnerships, and continuously improving our operations to ensure financial security and peace of mind.

One of our most significant achievements this year is our new partnership with the Department of Social Welfare and Development (DSWD). Through this collaboration, we are expanding our reach to provide microinsurance protection to more vulnerable communities, reinforcing our mission of financial inclusion. This partnership marks an important step in ensuring that more families have access to the security and support they need during unexpected times.

In recognition of our dedication to service, we are honored to have received an award from the Institute of Corporate Directors (ICD) by having a One Golden Arrow Award. This prestigious recognition highlights our commitment to having a high standard in corporate governance while delivering quality microinsurance products and services that truly make an impact in the lives of our members. We remain steadfast in upholding the highest standards in governance in our industry and ensuring that we continue to be a reliable partner in social protection.

Furthermore, we take pride in our ability to provide benefits to our members on time, ensuring that they receive the financial assistance they need without delays. The timely delivery of claims is a cornerstone of our operations, and we are continuously enhancing our systems to make the process even more efficient and seamless for our members.

This year also we take pride in having the successful completion of our Strategic Planning session and Board of Trustees Training. These sessions have been instrumental in refining our roadmap for the future, strengthening governance, and ensuring that we remain adaptive to the evolving needs of our members. With a clear vision ahead, we are committed to expanding our reach and enhancing the services we provide.

These accomplishments would not have been possible without the unwavering dedication of our team, the trust of our members, and the support of our partners. As we move forward, we remain committed to driving innovation, fostering meaningful collaborations, and empowering more individuals and communities through accessible microinsurance solutions.

Thank you for your continued trust and support. Together, we will build a stronger, more resilient future.

Mary Jane Concepcion
GENERAL MANAGER



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Our Company

Established in 2011, KAZAMA Grameen (KGI) Mutual Benefit Association (KGI-MBA) Inc., continually stands as the microinsurance provider of its MFI partner, KAZAMA Grameen Microfinance Inc., which operates in Metro Manila (Quezon City, Caloocan and Manila), Pampanga, Bataan, Zambales and Pangasinan, by providing their members a quality and affordable microinsurance products and services.

At KGI MBA, we are committed to maintaining the highest standards of integrity, transparency, and compliance with all applicable laws and regulations governing the microinsurance sector. We actively ensure that our operations, policies, and practices align with local government regulations, as well as internationally recognized standards for microinsurance. We follow relevant international best practices of corporate governance issued by globally recognized standards-setting bodies such as the Organization for Economic Cooperation and Development (OECD) and the ASEAN Corporate Governance Report (ACGR) which serve as essential points of reference.



Vision & Mission



VISION

By year 2028, KGI MBA is one of the 5 leading Mi-MBA's in Luzon.

MISSION

Protect low-income Filipino households from life-cycle risks.

Operational Outcomes

FINANCIAL HIGHLIGHTS

Total Contribution and Premium

Php 11,455,987

Total Assets

Php 77,791,265

Total Comprehensive Income

Php 2,275,645

CLAIMS

Basic Life Insurance Plan

Php 1,265,000 No. : 49

HAPI Plan

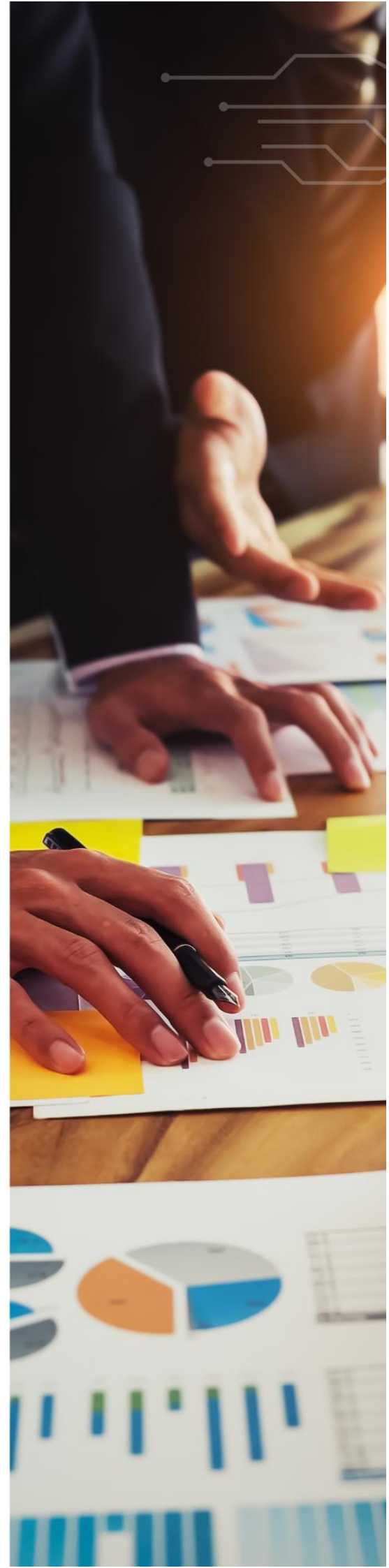
Php 953,954 No. : 311

Credit Life Insurance Plan

Php 185,000 No. : 14

Equity Value Refund

Php 4,145,983.21 No. : 1,205



Engagement and Development Programs

11th Annual General Assembly

The 11th Annual General Assembly of KGI MBA was successfully conducted on May 16, 2024 as part of the organization's ongoing commitment to good governance and leadership development. The assembly gathered key stakeholders, including the Board of Trustees, advisers, management, and MBA Coordinators, to discuss important organizational matters and elect new trustees.

The meeting provided a platform for stakeholders to review the progress of KGI MBA's initiatives and governance structure. Key achievements and challenges faced by the organization were presented, ensuring transparency and accountability in decision-making. The major agenda of the assembly was the election of two new Board of Trustees representing the NCR and Pangasinan-Zambales North Area. Candidates were introduced, and voting procedures were conducted fairly to ensure representation of diverse perspectives within the leadership body through the effective discussion and presentation of the Election Committee. Attendees actively engaged in discussions about strategic plans, financial sustainability, and member welfare.

The 11th Annual General Assembly of KGI MBA reinforced the organization's commitment to effective governance, transparency, and leadership excellence. The election of new trustees from NCR and Pangasinan-Zambales North Area marked another step toward inclusive and dynamic representation within the board. Moving forward, KGI MBA remains focused on strengthening governance practices and fostering meaningful collaboration among stakeholders.

With the newly elected trustees from NCR and Pangasinan-Zambales North Area, KGI MBA moves forward with a reinforced leadership structure that will continue to drive progress, transparency, and sustainable growth.



09 E-Mutuals Implementation

The deployment and implementation of the e-Mutuals System across the remaining branches of KGMI marks a significant milestone in the association's ongoing commitment to efficiency, transparency, and improved service delivery. This initiative was carried out by KGI MBA MIS personnels, ensuring a seamless transition to a digital platform for collection processes and claims disbursement, while enhancing overall reporting accuracy.

The e-Mutuals system was successfully launched in the following branches:

- Pangasinan
- Central Luzon
- NCR Proper
- NCR North
- Zambales 2
- Zambales Capitol
- Zambales North
- Olongapo

Each branch received comprehensive training on system functionalities, ensuring that staff members were equipped to optimize its use for daily transactions and reporting.

Key Objectives and Benefits of E-Mutuals

1. Enhanced Efficiency in Collection & Claims Processing

- The system streamlines the collection and disbursement process, reducing manual errors and ensuring faster transactions.

2. Improved Reporting and Data Accuracy

- Digital record-keeping enhances transparency and facilitates better decision-making for management.

3. Accessibility and System Optimization

- Each branch was awarded a laptop, ensuring smooth system transactions and ease of use in daily operations.

The KGI MBA MIS personnel conducted onboarding sessions across branches, guiding users through navigation, reporting tools, and security measures.

The e-Mutuals system was synchronized with previous processes to ensure continuity and efficiency and regular assessments were scheduled to identify areas for improvement and optimize user experience.

The deployment of the e-Mutuals System reinforces KGI MBA's commitment to modernized financial transactions, streamlined processes, and strengthened governance. With each branch fully equipped and trained, the organization anticipates smoother operations, faster claims processing, and enhanced reporting accuracy moving forward.



The Midyear Kapatiran of KGI MBA, KECC and KGMI , held from July 17-19, 2024, in the picturesque Summer Capital—Baguio City, was a momentous gathering that brought together all staff and employees of the organizations. This event fostered camaraderie, strengthened organizational unity, and celebrated the outstanding contributions of dedicated team members in advancing the mission and values of all the organization of Kazama Grameen.

As part of the program, loyalty awards were presented to three exemplary individuals of KGI-MBA for their long-standing service and dedication:

- 🏆 Ms. Mary Jane Concepcion - 25 years of service
- 🏆 Mr. Ronald Pascua - 25 years of service
- 🏆 Ms. Cristalyn Estel - 20 years of service

Other employees from KGMI were also awarded for their loyalty to the company. Their dedication and invaluable contributions continue to shape the success of KGI MBA and KGMI, inspiring the workforce toward sustained excellence.

The Midyear Kapatiran of KGI MBA, KECC and KGMI was a resounding success, reinforcing the spirit of unity, excellence, and appreciation within the organization. By celebrating exceptional performance and loyalty, KGI MBA remains committed to strengthening its workforce, fostering engagement, and driving continuous growth for the benefit of its members and stakeholders.

The organizations came together again on December 20, 2024, at the KGMI Multipurpose Hall in Subic, Zambales, to celebrate the Year-End Kapatiran and Christmas Party. This annual gathering served as an opportunity to reflect on achievements, strengthen camaraderie, and set ambitious plans for the coming year.

The event opened with a comprehensive report on the milestones reached by the organizations in the past year. Leaders from KGMI, KGI-MBA, KECC, and Grameen Store outlined the progress made in various initiatives, highlighting key successes in financial growth, community support programs, and operational improvements. Additionally, they shared their vision for the upcoming year, focusing on expanding services, enhancing employee engagement, and strengthening partnerships.

The afternoon was filled with lively performances as employees from different branches took to the stage to showcase their talents through dance. The enthusiasm and creativity displayed in each presentation brought energy and joy to the gathering. Awards were given to the most lively performances, recognizing the effort and dedication of the participants.

In the spirit of gratitude, KGI-MBA distributed small gifts to each employee as a token of appreciation for their hard work and contributions to the organization's success. This gesture reinforced the culture of recognition and appreciation within the Kazama Grameen community.

The event successfully fostered a sense of unity and shared purpose, making it a memorable occasion for all attendees. As the organizations step into the new year, the commitment to excellence and camaraderie remains strong, setting the stage for continued growth and success.

Here are some of the snapshots from the two programs.



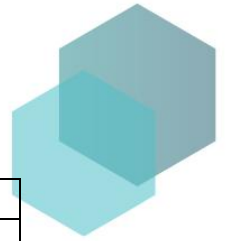
Strategic Leadership and Workforce Training

Throughout the year, various training initiatives have been conducted for Mi-MBA's to enhance the competencies of employees and board members by RIMANSI. These programs cover key areas such as leadership development, financial management, cyber security, governance and regulatory compliance. Specialized workshops also focus on claims management, annual statement updates, and technological advancements, ensuring participants stay ahead in their respective roles. Ongoing training and development are essential for both employees and the board of trustees to ensure continuous learning, efficiency, and organizational success. Investing in these programs equips individuals with the necessary knowledge and skills to adapt to evolving challenges, improve operations, and foster innovation in the organization.

Training is not just a one-time event but a continuous process that fosters professional growth. For employees, training programs enhance productivity, boost confidence, and improve service quality. Well-trained employees contribute to a more efficient and customer-centric organization. For the board of trustees, training strengthens governance and decision-making capabilities. It ensures that board members are equipped with the latest industry knowledge, legal frameworks, and best practices, allowing them to guide the organization effectively.

By prioritizing training and development, the organization cultivates a culture of excellence and adaptability. Employees and trustees who continuously learn and refine their skills contribute to a dynamic workplace, stronger leadership, and sustainable growth. Ultimately, these efforts pave the way for innovation, operational efficiency, and long-term success. Below are the list of the trainings attended by KGI MBA Board of Trustees and Staffs

DATE	TRAINING/WORKSHOP NAME
January 26, 2024	National Microinsurance Forum: Sustainable and Inclusive Finance for Climate Resilience
March 4, 2024	Online Investment Briefing
April 16-17, 2024	Annual Statement Workshop
June 25, 2024	Claims Management Masterclass for Mi-MBA's TA
June 28, 2024	Cyber Security Webinar



DATE	TRAINING/WORKSHOP NAME
August 22-23, 2024	Board of Trustee's Training
August 28-30, 2024	Management Forum: Performance, Compliance, Risk
September 24, 2024	Compliance Learning Circle: On time. No Fine.
October 23, 2024	Corporate Governance: Roundtable Discussion with the Insurance Commission
October 28-30, 2024	Governance and AMLA Workshop
November 25-26, 2024	Strategic Planning
November 28-29, 2024	Claims Management for Mi-MBA's



Corporate Governance

Strong corporate governance is the cornerstone of KGI MBA's ability to serve its member-beneficiaries with excellence and integrity. For our members and the communities we serve, it ensures transparency, fairness, and the responsible use of resources. For our regulators and MFI partner, it reflects our commitment to compliance, accountability, and operational soundness. For our Board of Trustees, it provides a framework for ethical leadership and strategic oversight. And for our employees, it creates a culture of trust, professionalism, and shared responsibility. Together, good governance enables KGI MBA to remain sustainable, mission-driven, and responsive to the needs of those who rely on us most.



Board of Trustees

The Board of Trustees plays a crucial role in overseeing the governance, strategic direction, and financial health of an organization. Their primary responsibilities include setting policies, ensuring accountability, and safeguarding the organization's mission and values. Trustees provide guidance on major decisions, uphold ethical standards, and act in the best interests of stakeholders. Their leadership fosters transparency, strengthens public trust, and supports sustainable growth, making them essential to the long-term success of any company or institution.

KGI MBA's Board of Trustees is composed of seven (7) members, to wit: four (4) trustees are elected from the active members, one (1) from the MFI staff representative, and two (2) independent trustees who are professionals and expert in their field. The Trustees has a term of three (3) years while Independent Trustees serves for nine (9) years and are elected by majority of members during annual general meeting attended by the MBA Coordinators as the member's representative to the election. The Board of Trustees holds no executive position in the association.

Meet Our Board of Trustees



Ms. Catherine Ubana
PRESIDENT

Ms. Catherine Ubana is from Central Luzon Branch representing Pampanga-Olongapo-Zambales South Area to the Board of KGI MBA elected in May 2022.. She is 51 years old and a bonafide resident of Apalit, Pampanga. She is a Nursing Undergraduate and is a sari-sari store owner and has a house for rent and direct selling business funded by KGMI where she has been a member for 16 years now. She is a member of the Executive Committee and Nomination, Election and Corporate Governance Committee of the Association. She attended the Governance and AMLA workshop and other Forums related to Governance to enhance her leadership as a President. Ms. Ubana does not hold any position or directorship in any listed companies.



Ms. Rosemarie Petilo
VICE-PRESIDENT

Ms. Rosemarie Petilo is from Zambales Capitol Branch representing the Zambales North Area to the Board of KGI MBA elected in May 2023. She is 53 years old and a bonafide resident of Pangolingnan, Palauig, Zambales. She is a High School graduate and holds NCII in Massage and Housekeeping and has a farming business funded by KGMI where she has been a member for 25 years now. She is a member of the Nomination, Election and Corporate Governance Committee of the Association. She attended Governance and AMLA workshop and other trainings related to Governance. Ms. Petilo does not hold any position or directorship in any listed companies.



Ms. Liberty Arellano
SECRETARY

Ms. Liberty Arellano is one of the newly elected board this year from Zambales North Branch representing the Pangasinan-Zambales North- Area to the Board of KGI MBA. She is 62 years old and a bonafide resident of Bamban, Masinloc Zambales. She is a Secretarial graduate and has a direct selling and farming business funded by KGM where she has been a member for 22 years now. She is a member of the Nomination, Election and Corporate Governance Committee of the Association. She attended Governance and AMLA workshop and other trainings related to Governance. Ms. Arellano does not hold any position or directorship in any listed companies.



Ms. Leticia Castillo
TREASURER

Ms. Leticia Castillo is also one of the newly elected board this year from NCR North Branch representing the NCR Area to the Board of KGI MBA. She is 55 years old and a bonafide resident of Camarin, Caloocan City. She is a Commerce undergraduate and has a rug making business funded by KGMI where she is now 19 years as a member. She is a member of the Nomination, Election and Corporate Governance Committee of the Association. She attended Governance and AMLA workshop and other trainings related to Governance. Ms. Castillo does not hold any position or directorship in any listed companies.

Meet Our Board of Trustees



Dr. Ricardo Reyes
INDEPENDENT TRUSTEE

Dr. Ricardo S. Reyes Jr. is from Floridablanca, Pampanga and is one of the Independent Trustee of KGI MBA elected in May 2017. He is 76 years old and has a Ph.D in Agriculture and Ed.D in Educational Management. He attended various trainings and seminars related to the governance of an MBA until this time. Dr. Reyes is a member of the Risk Oversight and Audit Committee, Executive Committee, Remuneration and RPT Committee and he is the Chairman of the Nomination, Election and Corporate Governance Committee of the Association. Dr. Reyes is also a member of the Board of Trustees of KGMI.



Ms. Piedad Matias
INDEPENDENT TRUSTEE

Ms. Piedad Matias is from BF Homes, Caloocan City and is one of the Independent Trustee of KGI MBA elected in May 2017. She is 85 years old and has a degree of Bachelor of Science in Accountancy. She attended various trainings and seminars related to the governance of an MBA until this time. Ms. Matias is the Chairman of the Risk Oversight and Audit Committee, member of the Nomination, Election and Corporate Governance Committee and Remuneration and RPT Committee and Executive Committee of the Association. Ms. Matias is a member of the Board of Trustees of KGMI.



Ms. Nancy Flores
MEMBER

Ms. Nancy Flores is the Branch Manager of NCR North, representing KGMI Staff to the Board of KGI MBA since May 2023. She has been in the company for 20 years. She is 44 years old and has a degree in Bachelor of Science in Computer Science. She attended Governance and AMLA Workshop last year and the training for the Board of Trustees regarding governance and other matters related to the MBA. Ms. Flores is a member of the Risk Oversight and Audit Committee of the Association. Ms. Flores does not hold any position or directorship in any listed companies.

Governance **Effectiveness**

Board meetings are essential for a company's governance, strategic direction, and decision-making. They serve as a formal platform for executives and board members to review performance, discuss key issues, and shape the future of the organization. Here also lies the ability of an organization's governing body—the Board of Trustees—to make informed, strategic decisions that drive accountability, transparency, and sustainable growth. It ensures that leadership structures, policies, and oversight mechanisms work harmoniously to achieve the organization's mission while balancing stakeholder interests.

In 2024, the Board of Trustees conducted a total of six (6) regular meetings. Five (5) was done through zoom application and one (1) face-to-face meeting and the Annual General Meeting. A meeting of the Board of Trustees without any executives present is being held after the Annual General Meeting presided by the Lead Independent Board to elect among themselves the officers and members of the committees for the year.

The schedule of Board meetings for the coming year is being approved at the last meeting of the board for the year. Below is the attendance of the Board of Trustees for the meetings held in 2024.

TRUSTEE	POSITION	ANNUAL MEETING	REGULAR MEETING	%
Catherine Ubana	President	Yes	6	100%
Rosemarie Petilo	Vice President	Yes	6	100%
Liberty Arellano**	Secretary	Yes	4	71%
Leticia Castillo**	Treasurer	Yes	4	71%
Dr. Ricardo Reyes Jr.	Independent Board	Yes	6	100%
Piedad Matias	Independent Board	Yes	6	100%
Nancy Flores	Trustee	Yes	6	100%
Susan Pajalla*	President	Yes	2	43%
Rubylyn Estong*	Vice President	Yes	2	43%

* 2024 Outgoing board

** 2024 Newly Elected

Board Committees

Board committees play a vital role in an organization by helping streamline decision-making, ensuring diverse perspectives, and improving operational efficiency. They provide structure, distribute responsibilities, and allow specialized expertise to shape policies and strategies that can benefit the organization.

KGI MBA has three (3) Committees namely:

1. Risk Oversight and Audit Committee;
2. Nomination, Election and Corporate Governance Committee; and
3. Remuneration and Related Party Transaction Committee.



These Committees of KGI MBA bring together individuals with different skills and experiences, leading to well-informed and balanced decisions. They divide responsibilities among the members, preventing overload on leadership while allowing teams to focus on specific areas. They also ensure transparency by evaluating policies, finances, and operations. They work on long-term growth strategies, keeping the organization competitive and future-ready and create opportunities throughout the organization and employees to contribute ideas, fostering a collaborative environment. By leveraging committees, organizations create a more structured, efficient, and inclusive leadership system

Risk Oversight and Audit Committee

The combined Risk Oversight and Audit Committee plays a crucial role in the organization's governance and financial integrity. By merging risk management and auditing functions, the committee ensures a comprehensive approach to safeguarding assets, maintaining compliance, and identifying potential threats. They also supervises internal audit activities to ensure transparency and efficiency in financial reporting. Additionally, the committee proposes for the appointment of external auditors to review financial statements and validate compliance with regulators.

The committee is composed of three (3) trustees chaired by an independent trustee and one (1) Board Adviser. The Internal Audit Manager and General Manager also joins the meetings of the committee for better discussion of the state of the association.

The committee had two (2) meetings for the year 2024 and discussed about the following:

1. Audited Financial Statement of 2023;
2. External Auditor for 2024;
3. Total Equity Value transferred to OCL; and
4. Proposed procedure and policy on the withdrawal of EV of lapsed members

Below are the members of the Risk Oversight and Audit Committee and their attendance to the meetings.

TRUSTEE/ADVISER	POSITION	ATTENDANCE 2 MEETINGS FOR 2024
Piedad Matias	Chairman	100%
Dr. Ricardo Reyes Jr.	Member	100%
Nancy Floress	Member	100%
Ronald Tactaquin	Member	100%

Nomination, Election and Governance Committee

The combined Nomination, Election, and Corporate Governance Committee o plays a critical role in ensuring strong leadership, ethical governance, and effective organizational oversight.

The Nomination Committee is composed of four (4) members of the Board of Trustees, majority of the committee are independent board and one (1) Board Adviser.

The committee had two (2) meetings for the year 2024 and discussed the following:

1. Area division for BoT Election;
2. Nominees profile for 2024 for BoT Election; and
3. Board assessment result of 2023

The following are the members of the Nomination, Election and Corporate Governance Committee and their attendance in the meetings.

TRUSTEE/ADVISER	POSITION	ATTENDANCE 2 MEETINGS FOR 2024
Dr. Ricardo Reyes Jr.	Chairman	100%
Piedad Matias	Member	100%
Catherine Ubana	Member	100%
Rosemarie Petilo	Member	100%
Ronald Tactaquin	Member	100%

Remuneration and **Related Party Transaction Committee**

The Remuneration and Related Party Transaction Committee is responsible for overseeing compensation policies, ensuring fair remuneration practices, and reviewing transactions involving related parties to maintain transparency and accountability. Its functions are crucial in promoting ethical governance, preventing conflicts of interest, and aligning financial decisions with organizational goals.

The committee is composed of four (4) trustees, wherein two (2) are independent and one (1) Adviser.

The Committee convened for once for the year 2024 and discussed the following:

1. KGMI Bridge Loan; and
2. KGMI Unremitted members contribution

Meeting and the attendance performance of the committee are as follows:

TRUSTEE/ADVISER	POSITION	ATTENDANCE 2 MEETINGS FOR 2024
Dr. Ricardo Reyes Jr.	Chairman	100%
Piedad Matias	Member	100%
Liberty Arellano	Member	100%
Leticia Castillo	Member	100%
Sonny Guiang	Member	100%

Board Remuneration

In accordance with the association's Constitution and By-Laws, members of the Board of Trustees are not entitled to compensation or remuneration for their services. This provision reinforces the organization's commitment to ethical governance, transparency, and financial responsibility.

The Constitution and By-Laws state that board members serve voluntarily and will not receive financial compensation for their contributions. However, they may receive reimbursement for actual expenses incurred while fulfilling their duties.

These reimbursements include:

- Monitoring Expenses – Costs associated with site visits, evaluations, and oversight responsibilities.
- Transportation Expenses – Travel-related costs incurred while attending meetings, events, or organizational activities.

Importance of the Policy

1. Ensures Ethical Governance – Prevents conflicts of interest and maintains integrity in leadership.
2. Promotes Financial Prudence – Allocates resources effectively for organizational growth rather than personal compensation.
3. Encourages Dedication to Service – Reinforces the commitment of board members to the mission and vision of the association.

By adhering to this policy, the association upholds its principles of accountability and responsible management while fostering a leadership structure that prioritizes service over financial gain.



Board and Committees

Performance Appraisal

The association values transparency, accountability, and continuous improvement. To ensure effective governance and leadership, an online board and self-assessment system was utilized to evaluate board members and committees. This appraisal process aimed to assess individual contributions, committee effectiveness, and overall governance performance.

Assessment Methodology

The evaluation was conducted through structured online assessments, ensuring a data-driven and objective approach to appraising board members and committees. The assessment included:

- Self-Assessment
- Peer Evaluation
- Committee Performance Review

The board is assessing by answering the statements provided pertaining to themselves, their peer and the board as a whole whether they strongly disagree, disagree, maybe or not sure, agree and strongly agree.

Key Findings

The appraisal revealed valuable insights into board governance and committee performance:

Strengths Identified

- High levels of engagement and dedication among board members.
- Committees successfully fulfilling their mandates and supporting organizational goals.
- Strong adherence to ethical governance and policy implementation.

Areas for Improvement

- Need for enhanced communication between committees and the board.
- Opportunities for leadership training and capacity-building.
- Optimization of committee structures to improve efficiency and impact.

The online board and self-assessment provided a comprehensive and efficient approach to evaluating governance effectiveness. By leveraging technology, the organization fosters transparency, accountability, and growth among its leadership. Moving forward, these assessments will serve as a foundation for governance enhancement and strategic development for the association.



A Testament of Excellence in Corporate Governance

In September 19, 2024, Kazama Grameen Mutual Benefit Association Inc., has been honored with the One Golden Arrow Award by the Institute of Corporate Directors (ICD), a prestigious recognition that underscores its commitment to corporate governance excellence. This award is a testament to Kazama Grameen MBA's dedication to transparency, accountability, and ethical business practices.

The Golden Arrow Award is presented to publicly listed companies that achieve a score of at least 80 points in the ASEAN Corporate Governance Scorecard (ACGS) Assessment. This rigorous evaluation is based on adherence to the Philippine Code of Corporate Governance and internationally recommended best practices. The award signifies an institution's ability to uphold strong governance principles, ensuring sustainable growth and stakeholder trust.

The microinsurance sector plays a vital role in economic stability, and awards such as the Golden Arrow motivate institutions to uphold best governance practices. Kazama Grameen MBA's achievement is not just a milestone but also a reflection of the organization's vision for sustainable and inclusive microinsurance services.

This recognition isn't just symbolic—it strengthens Kazama Grameen MBA's ability to serve communities, expand its impact, and help shape the microinsurance sector's future.

A Look Ahead: Building on Success

Receiving the One Golden Arrow Award is just the beginning for Kazama Grameen MBA. The company recognizes that corporate governance is an ongoing journey, not a destination. As the business environment evolves, Kazama Grameen MBA remains committed to continually improving its governance practices, embracing innovation, and leading the way toward a more sustainable and ethical future for its stakeholders.

Kazama Grameen MBA's achievement of the One Golden Arrow Award underscores the company's dedication to high standards of corporate governance. In a dynamic and competitive market like the Philippines, governance excellence is more than a regulatory requirement – it is a strategic advantage.

This award is not only a reflection of Kazama Grameen MBA's commitment to its shareholders but also a powerful message to the broader microinsurance community that corporate integrity and responsibility remain at the heart of long-term success.

With this honor, Kazama Grameen MBA sets a powerful example of good governance, inspiring other MBA's in the Philippines and across the globe to prioritize transparency, ethics, and responsible management.



Financial Statement



MAM & Co.

M. A. MERCADO & Co.

Certified Public Accountants

2109 Cityland 10 Tower 1

156 H.V. Dela Costa Street Cor.

6815 Ayala Avenue North

1226 Makati City, Philippines

Phone: +63 (2) 8894-5783

+63 (2) 8893-1509

Fax: +63 (2) 8894-4793

E-mail: mercado_cpa@yahoo.com

Website: mamercado.com

INDEPENDENT AUDITORS' REPORT

The Members and the Board of Trustees
Kazama Grameen (KGI)
Mutual Benefit Association (KGI-MBA) Inc.
 Lot 25, Block 12, Sta. Monica Subdivision
 Subic, Zambales

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Kazama Grameen (KGI) Mutual Benefit Association (KGI-MBA) Inc.** (a Non-stock, Not-for-profit Association) (the Association), which comprise the statements of financial position as at December 31, 2024 and 2023, and the related statements of profit or loss and other comprehensive income, statements of changes in members' equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Kazama Grameen (KGI) Mutual Benefit Association (KGI-MBA) Inc.**, as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the Code of Ethics for Professional Accountants in the



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Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

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higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



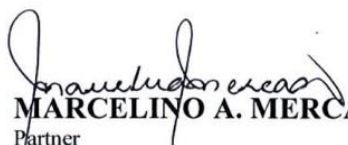
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Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management of **Kazama Grameen (KGI) Mutual Benefit Association (KGI-MBA) Inc.** and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

M. A. MERCADO & CO.


MARCELINO A. MERCADO

Partner

CPA License No. 066885

Tax Identification No. 102-921-222

P.T.R. No. 10471448; Issued on January 9, 2025, Makati City

BOA Accreditation No. 5658/P-001

Issued on December 19, 2023; Valid until November 20, 2026

SEC Accreditation No. 66885-SEC (Group B)

Issued on January 25, 2022

Valid until 2025 Financial Statements of SEC covered institutions

BIR Accreditation No. 08-006173-001-2025

Issued on March 12, 2025; Valid until March 12, 2028

IC Accreditation No. 66885-IC (Group A)

Issued on January 26, 2021

Valid until 2024 Financial Statements of IC covered institutions

Firm's BOA/PRC Cert. of Reg. No. 5658

Issued on December 19, 2023; Valid until November 20, 2026

Firm's SEC Accreditation No. 5658-SEC (Group B)

Issued on January 25, 2022

Valid until 2025 Financial Statements of SEC covered institutions

Firm's BIR Accreditation No. 08-006173-000-2021

Issued on March 5, 2024; Valid until March 5, 2027

Firm's IC Accreditation No. 5658-IC (Group A)

Issued on January 26, 2021

Valid until 2024 Financial Statements of IC covered institutions

April 14, 2025

KAZAMA GRAMEEN (KGI) MUTUAL BENEFIT ASSOCIATION (KGI-MBA) INC.*(A Non-Stock, Not-for-Profit Association)***STATEMENTS OF FINANCIAL POSITION**

		December 31	
	<i>Notes</i>	2024	2023
ASSETS			
Cash and cash equivalents	2,4	₱ 12,657,219	₱ 14,377,220
Short-term investments	2,5	12,629,990	14,124,632
Financial assets	2,3,6		
Held-to-maturity (HTM) investments		31,301,235	30,580,918
Financial asset at fair value through profit or loss		6,374,107	6,106,856
Loans and receivables		13,403,289	10,326,001
Property and equipment	2,3,7	1,044,612	141,385
Prepayments and other assets	2,8	380,813	912,570
		₱ 77,791,265	₱ 76,569,582
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	2,9	₱ 23,297,467	₱ 35,781,742
Accrued expenses and other liabilities	2,10	13,582,147	2,151,834
		36,879,614	37,933,576
Fund Balance			
Appropriated fund balance	20	20,940,632	28,945,997
Unappropriated fund balance	20	19,971,019	9,690,009
		40,911,651	38,636,006
		₱ 77,791,265	₱ 76,569,582

See Accompanying Notes to Financial Statements.

KAZAMA GRAMEEN (KGI) MUTUAL BENEFIT ASSOCIATION (KGI-MBA) INC.*(A Non-Stock, Not-for-Profit Association)***STATEMENTS OF COMPREHENSIVE INCOME**

	<i>Notes</i>	Years Ended December 31	
		2024	2023
REVENUES			
Premiums on insurance contracts	<i>2,11</i>	₱ 11,455,987	₱ 11,593,600
Investment and other income	<i>2,12</i>	2,965,725	1,643,400
Miscellaneous income	<i>2,13</i>	842,564	3,343,565
TOTAL REVENUE		15,264,276	16,580,565
BENEFITS, CLAIMS, AND EXPENSES			
Gross insurance contract benefits and claims paid	<i>15</i>	6,412,298	8,857,840
Gross change in insurance contract liabilities		(581,604)	(2,669,428)
Collection fees		586,578	594,590
		6,417,272	6,783,002
GENERAL AND ADMINISTRATIVE EXPENSES	<i>14</i>	6,052,256	5,456,806
TOTAL COSTS AND OPERATING EXPENSES		12,469,528	12,239,808
EXCESS OF REVENUES OVER EXPENSES BEFORE PROVISION FOR TAX		2,794,748	4,340,757
PROVISION FOR FINAL TAX	<i>16</i>	519,103	134,064
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		₱ 2,275,645	₱ 4,206,693

See Accompanying Notes to Financial Statements.

KAZAMA GRAMEEN (KGI) MUTUAL BENEFIT ASSOCIATION (KGI-MBA) INC.

(A Non-Stock, Not-for-Profit Association)

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

	Year ended December 31, 2024					
	Appropriated Fund Balance		Unappropriated Fund Balance		Total	
	Guaranty Fund (Note 20)	Member's Equity	Guaranty Fund (Note 20)	Member's Equity	Guaranty Fund (Note 20)	Member's Equity
Balances at January 1, 2024	₱ 16,739,559	₱ 12,206,438	₱ 30,803	₱ 9,659,206	₱ 38,636,006	
Total comprehensive income	-	-	-	2,275,645.00	2,275,645	
Appropriation of during the year	572,799	-	(572,799)	-	-	
Reversal of appropriation	4,750	-	(4,750)	-	-	
Reversal of appropriation	-	(7,586,715)	-	7,586,715	-	
Distribution to members	-	(996,199)	-	996,199	-	
Balance at December 31, 2024	₱ 17,317,108	₱ 3,623,524	₱ (546,746)	₱ 20,517,765	₱ 40,911,651	

	Year ended December 31, 2023					
	Appropriated Fund Balance		Unappropriated Fund Balance		Total	
	Guaranty Fund (Note 20)	Member's Equity	Guaranty Fund (Note 20)	Member's Equity	Guaranty Fund (Note 20)	Member's Equity
Balances at January 1, 2023	₱ 16,164,629	₱ 4,662,023	₱ 605,733	₱ 12,996,928	₱ 34,429,313	
Total comprehensive income	-	-	-	4,206,693	4,206,693	
Appropriation of during the year	579,680	7,586,715	(579,680)	(7,586,715)	-	
Reversal of appropriation	(4,750)	-	4,750	-	-	
Distribution to members	-	(42,300)	-	42,300	-	
Balance at December 31, 2023	₱ 16,739,559	₱ 12,206,438	₱ 30,803	₱ 9,659,206	₱ 38,636,006	

See Accompanying Notes to Financial Statements.

KAZAMA GRAMEEN (KGI) MUTUAL BENEFIT ASSOCIATION (KGI-MBA) INC.*(A Non-Stock, Not-for-Profit Association)***STATEMENTS OF CASH FLOWS**

	Notes	Years ended December 31	
		2024	2023
Cash flows from operating activities			
Loss before provision for final tax		P 2,794,748	P 4,340,756
Adjustments for:			
Interest income	2	(3,217,577)	(1,394,165)
Amortization	2,3,6	481,317	953,082
Depreciation	2,3,7	171,773	63,425
Fair value loss (gain) on financial assets through profit or loss	2,3,6	267,251	(249,235)
Reversal of provision for probable losses		-	-
Cash generated from operations before working capital changes		497,512	3,713,863
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Loans and receivables	2,3,6	(3,077,288)	(2,247,745)
Prepayments and other assets	2,8	531,757	(85,003)
Increase (decrease) in:			
Insurance contract liabilities	2,9	(12,484,275)	(2,619,273)
Accrued expenses and other liabilities	2,10	11,430,313	(2,582,118)
Cash provided by operations		(3,101,981)	(3,820,276)
Final taxes paid		(534,502)	(134,064)
Net cash provided by operating activities		(3,636,483)	(3,954,340)
Cash flows from investing activities			
Proceeds from:			
Short-term investments	2,3,6	1,494,642.00	15,182,049
Maturities of HTM investments	2,3,6	30,962,366.00	15,182,049
Acquisitions/availments of:			
Short-term investments	2,3,6	-	-
Held-to-maturity (HTM) investments	2,3,6	(32,164,000)	(30,903,049)
Property and equipment	2,3,7	(1,075,000)	(75,590)
Financial assets at FVPL	2,3,6	-	-
Interest received; net of final tax	2	2,698,474	1,383,428
Net cash used in investing activities		1,916,482	768,887
Net decrease in cash and cash equivalents		(1,720,001)	(3,185,453)
Cash and cash equivalents, beginning of year	2,4	14,377,220	17,562,673
Cash and cash equivalents, end of year		P 12,657,219	P 14,377,220

See Accompanying Notes to Financial Statements.

Strengthening the future: KGI MBA's Strategic Planning for Membership Expansion

On November 25–26, 2024, KGI MBA took a significant step in shaping its future by holding a Strategic Planning session at Seorabeol Hotel in SBMA. Facilitated by Mr. Camilo Casals and assisted by Ms. Judith Torres, both from Rimansi, the two-day event brought together its MFI Partner's Management and Branch Managers, MBA Coordinators and MBA Board of Trustees and Management to discuss the organization's growth trajectory and membership expansion.

The session began with an overview of KGI MBA's current membership demographics and growth patterns. Participants examined data on existing member engagement, retention rates, and geographic distribution. These insights highlighted the organization's strengths while pinpointing areas that require targeted expansion efforts.

The planning session focused on identifying potential avenues for KGI MBA's membership growth, ensuring sustainability, and reinforcing its mission of providing microinsurance access to a broader community. Through collaborative discussions, participants explored new geographic areas for expansion, strategic partnerships, and innovative approaches to

engage underserved sectors.

Mr. Casals provided expert guidance on customer segmentation, value proposition, and best practices in member acquisition, helping participants refine their strategies. Workshops and interactive sessions allowed for in-depth analysis of current membership structures, opportunities for inclusion, and action plans tailored to KGI MBA's unique objectives.

As KGI MBA looks ahead, the insights gained from this strategic planning session serve as a cornerstone for its future initiatives. The recommendations formulated during these discussions will be instrumental in expanding the organization's reach while reinforcing its commitment to empowering communities through microinsurance.

The success of this session highlights KGI MBA's proactive approach to sustainable growth and the dedication of its leadership in navigating the evolving needs of its members. With a clear roadmap set, the organization is well-positioned to strengthen its presence and serve a wider audience in the years to come.

Event Photos



Sustainability Initiative

The Board of Trustees Training, held on August 21-22, 2024, at the KGMI Hall in Subic, Zambales, was a pivotal event designed to provide a comprehensive refresher on the operations and governance of the KGI MBA. The two-day session brought together the existing and newly elected members of the board to strengthen their understanding of the association's core functions, ensure alignment on strategic goals, and foster an environment of effective governance.

The primary objective of the training was to re-acquaint the Board of Trustees with the essential elements of the KGI MBA's operations, including its mission, vision, and strategic goals. This refresher course was particularly important given the recent election of new trustees, ensuring that they were properly oriented on the association's history, policies, and areas of responsibility. By engaging both new and current trustees, the training aimed to promote cohesive decision-making, align the board's actions with the association's strategic direction, and enhance overall organizational effectiveness.

The training commenced with an in-depth presentation of the KGI MBA's history, from its establishment to its current position within the industry. This session provided the newly elected trustees with a clear understanding of the association's roots, evolution, and foundational principles. By grasping the historical context of the association, the board members were able to appreciate the significance of their roles and responsibilities in ensuring the continued success and growth of KGI MBA.



Board Capacity Building



A significant portion of the training focused on financial management. Trustees were given an overview of the financial structure, budgeting processes, and financial performance metrics. KGI MBA's Bookkeeper Ms. Cristalyn Estel led discussions on the key financial principles guiding the association, helping board members understand the importance of financial oversight in achieving long-term sustainability. This session emphasized transparency, accountability, and the effective allocation of resources to support strategic initiatives.



The training also included a session on operational management, outlining the key processes and systems in place to ensure the smooth running of the association's day-to-day activities. Topics covered included operational efficiencies, resource management, and performance metrics. Board members were encouraged to identify opportunities for improvement in the association's operations, as well as ways to enhance the effectiveness of current practices in achieving organizational goals.



Compliance is a critical area for any organization, and the training highlighted the importance of adhering to industry regulations, legal requirements, and internal policies. Board members were briefed on the various compliance standards governing the operations of KGI MBA, including reporting requirements, ethical standards, and risk management strategies. This session underscored the board's role in ensuring that the association remains compliant with all applicable laws and regulations.



A key focus of the training was corporate governance, where board members were educated on best practices for ensuring transparency, accountability, and ethical decision-making within the organization. The session addressed governance frameworks, roles, and responsibilities of trustees, as well as the importance of maintaining strong, effective leadership. Trustees were also introduced to tools and strategies for enhancing board effectiveness and fostering a culture of integrity and trust across the association.

In addition to the formal presentations, the training encouraged active participation through interactive discussions, group activities, and case studies. This approach enabled trustees to engage with each other, share insights, and collaboratively explore solutions to challenges facing the association. By leveraging the diverse expertise of the board members, the training fostered a dynamic learning environment that reinforced the collective commitment to the association's success.

The Board of Trustees Training held in Subic, Zambales, was an invaluable opportunity for trustees to reconnect with the core values and operations of KGI MBA. The comprehensive training program not only provided a refresher on critical topics such as financial management, operational effectiveness, and corporate governance but also fostered a sense of unity and purpose among the board members. The training also provided the board with the

necessary tools and knowledge to fulfill their responsibilities with greater competence and confidence.

Moving forward, the newly equipped Board of Trustees is poised to make well-informed decisions that will guide KGI MBA towards continued growth and success. With a deeper understanding of the association's operations, the board is better positioned to drive strategic initiatives, ensure financial stability, and maintain high standards of governance and compliance.

The training concluded with a renewed sense of purpose and clarity to all board of trustees, ensuring that the association remains well-positioned to meet both current and future challenges. The commitment to maintaining the highest standards of governance, operational excellence, and ethical conduct will continue to guide the Board in their stewardship of the organization.

Strengthening Community Support: KGI MBA's Partnership with DSWD



KGI MBA marked a significant milestone in its mission to expand financial inclusion and strengthen community welfare through its partnership with the **Department of Social Welfare and Development (DSWD)**. This collaboration reflects our commitment to providing accessible microinsurance solutions to vulnerable sectors, ensuring financial security and support during life's uncertainties.

The partnership initially began with the presentation of KGI MBA to the Officers of Provincial Link of Zambales, held at Masinloc Municipal Hall. This initial engagement provided an avenue to introduce our organization's mission, services, and the valuable role microinsurance plays in protecting families from unforeseen financial burdens. The discussion emphasized the alignment between KGI MBA's goals and DSWD's initiatives to uplift communities through sustainable social welfare programs.

Following this meaningful dialogue, KGI MBA joined other civil society organization partners for the Memorandum of Agreement (MOA) signing, held in Pampanga on November 22, 2024. This significant event, graced by **Regional Director Venus Rebuldela**, cemented our collaboration with DSWD and reinforced our shared commitment to empowering communities through accessible social protection. The MOA outlines key areas of cooperation, including:

- Expanding microinsurance access to beneficiaries of DSWD programs.
- Providing financial literacy and education to improve awareness and utilization of insurance benefits.
- Strengthening community engagement through joint initiatives and outreach programs.

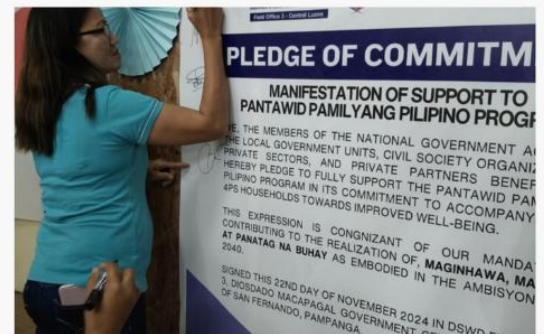


Impact and Future Directions

Through this partnership, KGI MBA aims to extend its services to a broader audience, ensuring that underserved communities receive the financial protection they deserve. The collaboration also paves the way for innovative approaches in delivering microinsurance, including digital enrollment solutions and community-based financial education programs.

As we move forward, KGI MBA remains dedicated to working alongside DSWD and other stakeholders to enhance the social impact of our initiatives. The successful presentation and MOA signing represent the first steps in what promises to be a transformative partnership—one that will create lasting benefits for families in need.

Together, we are strengthening financial security and building a future where every individual can access the protection and peace of mind they deserve.



Strengthening Community Resilience: Partnership with Brgy. Pangolingan

KGI MBA continues to expand its commitment to financial inclusion and community empowerment through a meaningful partnership with Barangay Pangolingan, led by **Hon. Howard Herson Caasi**. This collaboration marks another important step in providing accessible microinsurance solutions to local communities, ensuring financial security and protection of the barangay officials and their employees.

The partnership was officially launched with the presentation of KGI MBA's products and services to the barangay officials on August 5, 2024. During this session, KGI MBA introduced its range of microinsurance programs, emphasizing how these services can help families mitigate financial risks and enhance their economic stability. The presentation also included discussions on member benefits, claims processes, and the organization's long-term commitment to strengthening grassroots financial security.

Following this successful engagement, the partnership was formalized through the Memorandum of Agreement (MOA) signing on August 19, 2024. This significant event cemented the shared vision between KGI MBA and Barangay Pangolingan—to ensure that every officers of its barangay has access to affordable and reliable financial protection.



Disclosure and Transparency

KGI MBA is dedicated to maintaining the highest standards of transparency and accountability by implementing best practices such as open communication, regular reporting, thorough documentation of processes and decisions, and fostering a culture of integrity.

Transparency is a fundamental principle in our corporate governance framework, ensuring open and honest communication, timely disclosure of relevant information, and strict adherence to established regulations and standards. We are committed to providing stakeholders with accurate, comprehensive insights into our business practices, financial performance, and risk management strategies, empowering them to make informed decisions and reinforcing trust in our institution.

Effective disclosure enables stakeholders to navigate decisions with confidence, while transparent communication plays a vital role in proactive risk management—helping organizations like KGI MBA identify and address potential challenges before they escalate. Additionally, transparency strengthens relationships with key stakeholders, including employees, customers, investors, and the broader public. Keeping them informed fosters loyalty and enhances the organization's reputation.

To further promote accessibility, these disclosures and other corporate information are made available through our various communication tools:

- ◆ **Website - www.kgi-mba.com** Financial and Non-financial reports can be accessed in the website of the association as well as all the pertinent manuals and forms used in the course of our business
- ◆ **Media** - Members can reach the association through our Facebook page at <https://www.facebook.com/kazamagrammeenmba>
- ◆ **Brochures/Leaflets** - To enable the members and potential clients to better understand the products and services of the association, brochures and leaflets are distributed among our partner MFI branches and can be downloaded at the KGI-MBA website.
- ◆ **Hotline** - Members can contact the association via its hotline numbers: (047) 232 7298/ +63 908 892 9371 or +63 930 226 5498 or they can email us at kgi_mba@yahoo.com for inquiries.

Related Party Transactions

The Association upholds the highest standards of transparency and integrity in all related party transactions, ensuring that such transactions are conducted at arm's length at all times. To reinforce governance and accountability, all related party transactions are exclusively reviewed and deliberated during meetings of the Related Party Transaction Committee, in strict accordance with established policies and regulatory requirements.

Furthermore, a comprehensive disclosure of these transactions is provided in Note 17 of the Audited Financial Statement, ensuring full compliance with financial reporting standards and facilitating informed decision-making by stakeholders.

Internal and External Audit

KGI MBA fully complies with Insurance Commission Circular No. 29-2009, issued on November 10, 2009, regarding the selection of external auditors. In line with this, M.A. Mercado & Co., through its signing partner, Mr. Marcelino Mercado, has certified the Association's Financial Statement. For the audit of the 2024 financial statement, KGI MBA incurred expenses amounting to ₱100,000, based on the audit proposal, inclusive of 12% VAT, with out-of-pocket expenses of ₱27,875.84. Furthermore, no non-audit engagements were undertaken in 2024, and thus, no non-audit fees were incurred.

KGI MBA also shares internal audit services with its partner MFI, KGMI, to strengthen governance and oversight. The internal audit team, led by Ms. Kathleen D. Rodriguez, plays a crucial role in fostering good governance, improving risk management practices, and enhancing organizational effectiveness. By providing independent and objective assurance, the internal audit function serves as a valuable resource in supporting management and stakeholders in achieving strategic objectives and maintaining trust in the association's operations.

Stakeholder Interest

Stakeholder interest encompasses the concerns, needs, expectations, and objectives of individuals or groups invested in an organization's activities, decisions, and outcomes. Addressing stakeholder interests is essential for fostering trust, ensuring ethical business practices, and driving long-term organizational success and sustainability. By effectively managing stakeholder relationships, an organization can enhance transparency, strengthen engagement, and create value for all parties involved.

At KGI MBA, we are committed to delivering high-quality services and programs that meet stakeholders' needs while upholding transparency and fairness in all transactions. By prioritizing open communication and ethical practices, we strengthen stakeholder confidence and reinforce our dedication to sustainable and responsible business operations.

Member Satisfaction

At KGI MBA, we are committed to delivering exceptional service and ensuring that our members receive the financial support they need with efficiency and reliability. Recognizing the importance of timely assistance, we have established a streamlined claims process that guarantees the fastest possible turnaround time.

Upon notification, eligible claims for both members and their dependents are promptly processed, with the designated percentage provided even before the submission of required documents. This proactive approach reflects our dedication to minimizing delays and ensuring that financial assistance is readily available when it matters most.

Our commitment to transparency, fairness, and responsiveness underscores our mission to provide seamless service and build lasting trust among our members. By continuously refining our processes and maintaining a member-centric approach, we reinforce our dedication to operational excellence and the highest standards of service delivery.

At KGI MBA, we believe that true member satisfaction is achieved through reliability and efficiency. We remain steadfast in our mission to provide immediate and dependable financial support, ensuring peace of mind for our members and their families.

SUPPLIER AND CONTRACTORS

Suppliers and contractors also play a vital role as stakeholders in a company, contributing to its operational success and long-term sustainability. Their involvement extends beyond merely providing goods or services—they influence supply chain efficiency, cost management, quality standards, and overall business performance.

The Association has a policy about the selection, bidding and approval process for the selection of suppliers that can be read in its Corporate Governance Manual. The association appoints the General Manager/Finance Officer to lead the bidding and selection process. All decisions on the selection of suppliers is presented and approved by the board. In 2024, the association procured 10 units of laptop for the roll-out of E-Mutuals to the branches of KGMI amounting to ₱375,000.00.

ENVIRONMENTALLY-FRIENDLY VALUE CHAIN

An environmentally friendly value chain, also known as a sustainable or green value chain, is a framework that integrates environmental considerations throughout the entire lifecycle of a product or service, from raw material sourcing to end-of-life disposal or recycling. The goal is to minimize negative environmental impacts while maximizing value creation and meeting the needs of stakeholders.

Though the Association's operations have no direct impact on the environment, it remains committed, however, to doing its

part in promoting environmental sustainability through different efforts within the office, such as recycling papers and turning off the lights and air conditioner during lunch breaks and after office hours.

EMPLOYEES

Employees are fundamental stakeholders in any organization, playing a crucial role in its success, growth, and sustainability. Their contributions go beyond daily operations—they influence corporate culture, innovation, productivity, and overall organizational performance. Recognizing employees as key stakeholders means ensuring their well-being, professional development, and engagement. Companies that prioritize fair compensation, career growth opportunities, and a supportive work environment foster loyalty and motivation, which, in turn, drive efficiency and business success.

In 2024, staffs of KGI MBA joined the Board of Trustees in their rest and recreation program to help reduce stress, enhance work-life balance, and improve their morale, and ultimately lead a healthier and more engaged workforce. An incentive was also given to the staffs for their impressive performance evaluation considering the three quarters of the year initiated by the partner MFI.

Moreover, as a practice and part of the employee's benefits, an annual medical examination was done in March 2024 through the company-initiated health insurance through Philcare in partnership with RMSI.

ANTI-CORRUPTION AND WHISTLEBLOWING POLICY

To not compromise the integrity of the association's operations, as written in the personnel manual, all employees are encouraged to inhibit from participating or recommending approval of any transactions that will directly or indirectly benefit one's financial interest and observe the highest standard of morality, integrity, honesty and loyalty in the performance of one's duties and responsibilities.

Also, employees and stakeholders are encouraged to report unethical behaviors, malpractices, wrongful conduct, fraud, corruption or other improper activity against the institution, violation of the company's policies and values by its trustees, officers and staff, without any fear of retaliation. The **Whistleblowing Policy** of the association can be viewed in the company's website at www.kgi-mba.com and may contact the HR department and the General Manager of KGI MBA at cellular phone numbers 09209161687/09285213691 or they can email us at mba92311@gmail.com for their reports and concerns.

All reports of illegal and dishonest activities will be promptly submitted to the President/Audit Committee and Internal Auditor who will be responsible for investigating and coordinating corrective action. The identity of the whistleblower will not be included in the report, and his/her identity will be kept secret.

COMMUNITY OF OPERATIONS

Every year, KGI MBA attends the Annual General Assembly of the branches of its partner MFI, KGMI. The General manager and its staffs are given a chance to discuss and inform the members in the covered areas of the branch of its policies and procedures and allowing the members to raise questions to clear their understanding of the products of KGI MBA.

The MBA Coordinators also helps the association to spread the advantages of KGI MBA products and services to the areas where they are assigned and encourages those who are not yet members to join the MFI and eventually be a member of the association.

Through continuous endorsement and marketing of the association and showcasing our benefits, this year, KGI MBA were able to partner with the barangay officials of Pangolingan, Palauig, Zambales and DSWD. These partnership is expected to open access to new customer bases, strengthen brand perception of KGI MBA, build trust, drive growth, enhance competitiveness, and create lasting value for stakeholders of the association.

COMPLIANCE TO REGULATORY BODIES

Adhering to regulatory requirements is essential for an organization's credibility, sustainability, and operational efficiency. Compliance with governing bodies ensures that business activities align with legal frameworks, industry standards, and ethical practices.

Following regulatory guidelines minimizes the risk of legal penalties, fines, and reputational damage. Regulatory adherence also promotes structured governance, ensuring smooth business operations with minimal disruptions.

Companies that proactively comply with regulatory requirements not only fulfill legal obligations but also enhance their long-term viability. Establishing strong compliance policies, investing in risk management frameworks, and maintaining regular audits are key strategies for sustaining ethical and successful operations.

The Association adopts all the Insurance Commission's rules and regulations, as well as its circulars and the Securities and Exchange Commission (SEC). The Annual Statement required by the Insurance commission was duly submitted in April 30 as well as the other documentary requirements to the statement. The association also diligently complies to IC's quarterly reports and SEC's requirement to file the GIS.

Due to the diligence of the association in complying regulations and circulars, we were able to receive the One Golden Arrow Award from ICD last November 2024 in implementing good corporate governance as seen in the Asean Corporate Governance Report of the association submitted to the Insurance Commission.

CREDITOR'S RIGHTS

There were no third-party credit obligations exists for the Association in 2024. The Association, on the other hand, is committed to meeting its responsibilities to members, suppliers, and third-party service providers by maintaining enough liquidity. In 2024, KGI MBA has no credit obligations to any third parties other than those resulting from normal operations, which are closed and paid immediately.

DIVIDEND POLICY

KGI MBA does not pay dividends to its members. Any profit made by the association as a result of its operations is to be used for the purposes listed in Article II whenever necessary or appropriate, subject to the restrictions of Title XI of the Philippine Corporation Code. When members reach the exit age, die, or quit from the program, KGI MBA, in accordance with the its BLIP IRR, refunds 50% of their contribution.

Our Team



Mary Jane N. Concepcion

General Manager

Sitting Third from Right

Edna E. Elefane

Operations Officer

Sitting Second from Right

Ronald D. Pascua

MIS Officer

Standing

Cristalyn R. Estel

Bookkeeper

Sitting First from Right

Dignadise M. Dayao

MIS Staff

Sitting Last from Right