



NASFUND CONTRIBUTORS SAVINGS & LOANS SOCIETY MINUTES OF BOARD MEETING NO.12 OF 2007

DATE : Wednesday 5th December 2007
TIME : 11:00 am
VENUE : NASFUND Board Room

1. MEETING OPENED

The Chairman Mr. Ian Tarutia opened the meeting at 12:15 pm

1.1 Members Present:

: Ian Tarutia	: Chairman
: Reginald Monagi	: Director
: Michael Manning	: Director
: William Lamur	: Director
: Ellenor Iutiko	: Director

1.2 Apologies:

: Nil

1.3 Absentees:

: Nil

1.4 Attending:

: Erastus Kamburi	: Company Secretary
: Dilly Tarua	: Manager NCSL

2. NEW DIRECTOR

The Chairman introduced and welcomed the new Director, Ellenor Iutiko and informed the Board that the Registrar of Savings & Loans Society had formally endorsed the appointment. Ellenor is currently employed by Oil Search as the PNG Human Resource Manager.

3. DISCLOSURE OF CONFLICT OF INTEREST

Nil

4. MINUTES OF 11th MEETING OF 12th SEPTEMBER 2007.

4.1 It was **resolved to accept the Minutes as presented.**

Moved by Mike Manning. Seconded by Reg Monagi. All in favour

5. MATTERS ARISING FROM THE MINUTES.

5.1 Item 6.2 – The Chairman informed the Board that Ms. Ranu Tamarua has assumed the responsibility of ensuring that the call on IBD would be for the highest bidder and not simply rolled over.

5.2 Item 9 – The Chairman informed the Board that the Central Bank has given its approval to include property into the asset portfolio.

6. MANAGERS REPORT

6.1 The Manager gave an abridged version of the Report as follows:-

- Gross assets as at 31st October stood at K34,324,089 compare to K22,583,903 in 2006.
- NAV as at 31st October is K4,986,356 compared to K657,634 in 2006.
- Net Profit for period ending 31st October is K4,343,053 compared to K398,249 in 2006
- Total membership as at 31st October is 30,067.
- Central Bank endorsement of Ellenor Iutiko on NCSL Board
- The Central Bank approval to invest in property.

6.2 Investment Update:-

- Total investment stands at K25.352million net of loans. This is an increase by 15% from previous month due to gains in equity investments.
- Equity portfolio recorded a net gain of K2.371million (51.94% gain) from last month caused by the high appreciation in share prices of all stocks held by NCSL

6.3 Profit & Loss:-

- Net profit as at end of October is K4,343,053 which is K610,276 above budget.
- The high increase in profit is the result of the surge in price of Credit Corporation shares.

6.4 New Developments

6.4.1 Loan Incentive Reward Scheme

- 100 mobile phones purchased from Digicel.
- Members who take a loan in excess of K500 enter the weekly draw to win a mobile phone and boom box
- The Scheme runs from 7th December through to January 2008.

6.4.2 Travel Express

- Agreement with Travel PNG where members applying for loan for travel are referred to Travel PNG for them to organize the members travel itinerary.
- The Board considered the travel express arrangement to be unfair to NCSL as it should derive some benefit from this arrangement

The Board **resolved** that:-

- **Unless Travel PNG agrees to give certain credit to NCSL or discount to NCSL members no agreement should be executed.**

6.5 The Board **resolved** to:-

- **Note and accepted the Managers Report as presented subject to item 6.4.2 resolution.**

Moved by Mike Manning. Seconded by William Lamur. All in favour.

7. NCSL BUDGET 2008

7.1 The Chairman gave an abridged version of the NCSL 2007 Budget as follows:

- Expenses of K1.126 million – an estimated increase of 9.2% over 2007
- Projected income of K3.584 million attributed mainly to unrealized gain on equity shares
- Projected net profit of K2.458 million
- Staff levels increase from 10 to 14 full time staff
- Membership base estimated to increase from 29,000 to 37,000 members

- AON fees which constitutes 51% of the expenses will remain static until 2009.
- The budget focuses on growing membership and strengthening income stream through expanded loans

7.2 The Board raised the following issues in relation to the Budget:-

- Unrealized gain on equities of K1,997,339 was too optimistic
- NCSL Manager to discount this figure by 50%

7.3 The Board **resolved** to:-

- **Approve the NCSL Budget for 2008 subject to the changes to unrealized gain as discussed in Item 7.2; and**
- **Circulate again to the members the Budget containing the changes.**

Moved by William Lamur. Seconded by Reg Monagi. All in favour.

NOTE: The Chairman excused Mr Mike Manning from the Meeting at 12:50pm.

8. BONUS PAYMENTS

8.1 The Chairman highlighted the following:-

- Staff appraisal conducted in June and November to measure individual KPI's against set objectives
- All staff performed above expectations to achieve excellent results
- Management recommends bonus payments which represents 7% of budgeted wages and salary bill at an average 3 weeks per staff member.

8.2 The Board **resolved** to:-

- **Approve the payment of bonus totaling K9,469 before tax to NCSL staff as recommended by management.**

Moved by Elleanor. Seconded by William Lamur. All in favour.

9. ANY OTHER BUSINESS

Nil

10. CLOSE OF MEETING

There been no further matters the Chairman closed the Meeting at 1:10 pm.

**SIGNED AS A TRUE AND CORRECT
RECORD OF THE MEETING:**

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Ian Tarutia
CHAIRMAN

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Erastus B. Kamburi
SECRETARY