

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**  
**OF**  
**BANKERS ASSURANCE CORPORATION**

Date : August 07, 2015  
Time : 10:30 a.m.  
Place : Conference Room 1  
RCBC Plaza, 47<sup>th</sup> Floor  
6819 Ayala Avenue  
Makati City, Metro Manila

**STOCKHOLDERS' PRESENT**

**STOCKHOLDINGS**

Antonio M. Rubin	1
Raul B. Tan	1
Alma P. Peñalosa	1
Edmundo L. Bunyi	1
Herminia S. Jacinto	1
Jose Martin A. Morente	1
Joselito C. Bantayan	1
	-----
	7

**STOCKHOLDERS REPRESENTED  
BY PROXIES**

**STOCKHOLDINGS**

Malayan Insurance Company, Inc.	24,998,226
Pan Malayan Management & Investment Corporation	22
Alfonso T. Yuchengco	1,745
	-----
	24,999,993

**TOTAL SHARES PRESENT AND  
REPRESENTED BY PROXIES**

**25,000,000**  
=====

**I. CALL TO ORDER**

The Chairman, Mr. Antonio M. Rubin, called and presided over the meeting. Atty. Samuel V. Torres, Corporate Secretary, recorded the minutes of the meeting.

## **II. DETERMINATION OF QUORUM**

The Chairman, Mr. Antonio M. Rubin, requested the Corporate Secretary to show proof of notices of the meeting. Atty. Samuel V. Torres exhibited the proof of notices as well as the acknowledgement receipts to the stockholders.

There being no objection to the proof of notices, the same was accepted by the Chairman. A roll call was made to determine the presence of a quorum.

The Corporate Secretary reported that the owners of 7 shares were personally present and the owners of 24,999,993 shares were represented by proxies. Therefore, the owners of a total of 25,000,000 shares outstanding and entitled to vote were either present or represented by proxies, thus making 100% attendance. A quorum was found present for purposes of the meeting.

Whereupon, the Chairman called the meeting to order and proceeded with the Agenda.

## **III. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD THE PREVIOUS YEAR**

The Minutes of the Annual Stockholders' Meeting held last August 01, 2014 was submitted to the stockholders for approval, and on motion made and duly seconded, said Minutes was unanimously approved to be correct.

## **IV. ANNUAL REPORT**

Management, through Mr. Carlo B. Diaz, presented to the stockholders the highlights of the business operations of the Corporation for the year ended December 31, 2014 as compared to that of the previous year ended December 31, 2013, as follows:

### GROSS PREMIUMS WRITTEN

Gross Premiums Written amounted to Php M. This was % higher compared to previous year's actual of Php M. The increase was mainly due to the growth of the OFW business (with growth of Php M), Microinsurance business (with growth of Php M), and Local Inward Treaty (with growth of Php M).

## NET RETAINED PREMIUM

Net Retained Premiums amounted to Php M; this was % higher compared to previous year's actual of Php M. Despite the increase, however, the Corporation incurred Php M in XL Reinstatement Premiums for calamity assistance losses.

Retention ratio for the period improved from % to %.

## PREMIUMS EARNED

The growth in the topline for 2014 softened the impact of the Php M OFW Reserve requirements, as Premiums Earned increased by % from (Php M) to Php M.

Ms. Herminia Jacinto requested Mr. Diaz to explain the reason behind the negative Premiums Earned for the year 2013. Mr. Diaz explained that the negative Premiums Earned for 2013 was a result of the impact of the Reinstatement Premium amounting to Php M (Yolanda losses) and Premium Reserves of Php M.

## CLAIMS AND LOSSES

Total registered Claims and Losses amounted to Php M. This was lower by % compared to previous year's actual of Php M. Major contributors to these losses came from the following:

- Microinsurance losses : Php M
- Local Inward Treaty losses : Php M; and
- OFW losses : Php M.

Loss Ratio in 2014 was %.

## NET UNDERWRITING INCOME

Recorded Net Underwriting Income amounted to Php M. This was % better compared to previous year's actual of Php M.

Mr. Edmundo L. Bunyi requested Mr. Diaz to explain the negative Net Underwriting Income. Mr. Diaz explained that the negative Net Underwriting Income was a result of the impact of the following:

- Premium Reserves : Php M; and
- Microinsurance Losses : Php M.

### NET FINANCIAL INCOME

Net Financial Income amounted to Php M. This was % lower compared to previous year's actual of Php M. The decrease was mainly due to the non-recurring sale of stock investments in 2013 amounting to Php M.

### GENERAL EXPENSES

General Expense amounted to Php M. This was higher by % compared to previous year's actual of Php M.

The increase was mainly due to the operational requirements of the OFW business (Pinoy Assist) and Polisy Asia.

Expense ratio against Premiums Written was % and % against Premiums Earned.

### NET INCOME

Total Net Income amounted to Php M. This was better by % compared to previous year's actual of Php M.

### UNDERWRITING RATIOS:

- Loss Ratio was at %;
- Net Acquisition was at %;
- Expense Ratio was at % and
- Combined Ratio was at %.

### BALANCE SHEET:

#### ASSETS

Total Assets amounted to Php B. This was lower by %, compared to previous year's actual of Php B.

Cash and Cash Equivalent increased by % or Php from previous year's actual of Php primarily due to the new placements in fixed deposits.

For Financial Assets, stocks increased by %

stock investments reflected in the revaluation of reserve of investments shown under stockholders equity.

Loans & Receivables increased by % or Php mainly due to reclassification of Yolanda losses paid as Accounts Receivables amounting to Php (Microensure).

Reinsurance Assets decreased by % or Php M mainly due to payments in loss recoverable from treaty reinsurers of Yolanda claims.

- Decrease due to payment of Yolanda claims → Php
- Reversal of O/S Loss Reserves – Yolanda → Php
- RI Recoverable on late reported losses (CAT Events) registered in November 2014 → Php
- Net Decrease in RI Recoverable for Unpaid Losses → Php

Accrued Income increased by or Php mainly due to accrued dividends from stock investments.

Deferred Acquisition Costs increased by or Php mainly due to the increase in Commission Expenses from the growth GPW.

Other Assets increased by mainly due to prepayments of rent, support fees (CSC & Bloomberg), and Input VAT.

## LIABILITIES

Total Liabilities decreased by mainly due to the following:

- Decrease in Claims and Losses payable by Php due to payments of Yolanda claims;
- Increase in Reserve for unexpired premium by Php ;
- Increase in Commission Payable by Php ; and
- Increase in Insurance Payable by Php

## STOCKHOLDERS' EQUITY

Stockholders' Equity or Net Worth increased by % or Php M. The increase was mainly due to the following:

- Increase in Revaluation Reserve on investments by as explained earlier; and
- Decrease in Retained Earnings by or Php M arising from the Net Loss for the period (-Php M).

Nominal ROE in 2014 was compared to in 2013.

Comprehensive ROE in 2014 was compared to in 2013.

The stockholders were further given the opportunity to ask questions regarding the Report.

After some discussion, and on motion made and duly seconded, the stockholders noted the Report.

### **V. APPROVAL OF THE 2014 AUDITED FINANCIAL STATEMENTS**

The Audited Financial Statements of the Corporation prepared by its external auditor, SYCIP, GORRES, VELAYO & COMPANY, for the year ended December 31, 2014 were presented to the stockholders for examination and approval.

After study and discussion, and upon motion duly seconded, the stockholders unanimously approved the 2014 Audited Financial Statements of the Corporation.

### **VI. ELECTION OF DIRECTORS**

Before the start of the Election of Directors, the Corporate Secretary, in behalf of the Board, informed the stockholders of several important matters:

- a. Cumulative voting is allowed;
- b. Voting may be done in person or by proxy based on the number of votes standing in

the name of stockholder in the books of the corporation;

- c. Voting shall be done by raising of hands and the Corporate Secretary shall count the votes cast;
- d. The need to elect a non-executive director who holds no other position than as director to ensure impartial and fair judgment in the Board's decision-making process; and
- e. Only the seven (7) nominees garnering the greatest number of votes shall be declared as elected.

Thereafter, the Chairman declared open the nomination for Members of the Board of Directors for the year 2015-2016. The Chairman of the Remuneration and Nomination Committee nominated all incumbent members of the Board, noting the integrity, qualification, experience and performance of each nominee.

Ms. Herminia S. Jacinto and Mr. Edmundo L. Bunyi were nominated as independent directors.

No other names were submitted for nomination. On motion made and duly seconded, the nomination was closed and voting commenced.

On motion made and duly seconded, the following stockholders were unanimously elected Directors of the Corporation for the year 2015- 2016:

Antonio M. Rubin  
Raul B. Tan  
Alma P. Peñalosa  
Edmundo L. Bunyi\*  
Herminia S. Jacinto\*  
Jose Martin A. Morente  
Joselito C. Bantayan

(\*nominated as independent director)

The Corporate Secretary informed the stockholders that all the duly elected directors are non-executive directors of the Corporation except for Mr. Raul B. Tan who is an executive director (President) of the Corporation.

**VII. APPOINTMENT OF EXTERNAL AUDITOR**

The Audit Committee had previously reviewed and evaluated the experience and qualifications of the external auditors and these were presented to the stockholders for deliberation.

Upon motion made and duly seconded and as recommended by the Audit Committee, the stockholders reappointed the auditing firm SYCIP, GORRES, VELAYO & COMPANY as external auditor of the Corporation for the year 2015-2016.

**VIII. APPROVAL OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT DURING THE PRECEDING YEAR**

The Corporate Secretary presented to the stockholders all the acts, proceedings and resolutions adopted by the Board of Directors and Management up to the date of this meeting.

Upon motion made and duly seconded, all the previous acts, proceedings and resolutions adopted by the Board of Directors and Management up to the date of this meeting were unanimously approved by the stockholders.

There were no corporate acts which were disapproved by the stockholders.

There being no other business to discuss, the meeting was adjourned.

**ATTY. SAMUEL V. TORRES**  
Corporate Secretary



**ANNEX:**

List of Board Members who attended the most recent AGM

Antonio M. Rubin	Chairman, Member of Remuneration and Nomination Committee
Raul B. Tan	President
Edmundo L. Bunyi	Independent Director, Member of Audit Committee, Member of Remuneration and Nomination Committee, Member of Risk Management Committee
Herminia S. Jacinto	Independent Director, Member of Audit Committee, Member of Risk Management Committee
Joselito C. Bantayan	Director
Alma P. Peñalosa	Director, Member of Remuneration and Nomination Committee
Jose Martin A. Morente	Director

**III. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD THE PREVIOUS YEAR**

Voting Results

<b>Total Outstanding Shares</b>	<b>Total Votes Cast</b>	<b>Votes in favor</b>	<b>Votes against</b>	<b>Abstentions</b>
25,000,000	25,000,000	25,000,000	0	0

**V. APPROVAL OF THE 2014 AUDITED FINANCIAL STATEMENTS**

Voting Results

<b>Total Outstanding Shares</b>	<b>Total Votes Cast</b>	<b>Votes in favor</b>	<b>Votes against</b>	<b>Abstentions</b>
25,000,000	25,000,000	25,000,000	0	0

## **VI. ELECTION OF DIRECTORS**

### Voting Results

Name	Total Outstanding Shares	Total Votes Cast	Votes in favor	Votes against	Abstentions
Antonio M. Rubin	25,000,000	25,000,000	25,000,000	0	0
Raul B. Tan	25,000,000	25,000,000	25,000,000	0	0
Joselito C. Bantayan	25,000,000	25,000,000	25,000,000	0	0
Edmundo L. Bunyi	25,000,000	25,000,000	25,000,000	0	0
Herminia S. Jacinto	25,000,000	25,000,000	25,000,000	0	0
Alma P. Peñalosa	25,000,000	25,000,000	25,000,000	0	0
Jose Martin A. Morente	25,000,000	25,000,000	25,000,000	0	0
Total Votes:					25,000,000

## **VII. APPOINTMENT OF EXTERNAL AUDITOR**

The resolution adopted reads:

“RESOLVED, that the Company appoint the auditing firm of SYCIP, GORRES, VELAYO & COMPANY as the external auditor of the Company for the year 2015-2016.”

## **VIII. APPROVAL OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT DURING THE PRECEDING YEAR**

The resolution adopted reads:

“RESOLVED, that the stockholders of Bankers Assurance Corporation approve, ratify, and confirm all the acts, resolutions, and proceedings of the Board of Directors and Management during the preceding year up to the date of this meeting as these are recorded in the books and records of the Company.”

**READ & APPROVED BY:**

\_\_\_\_\_  
(Sgd.)  
ANTONIO M. RUBIN  
Chairman

\_\_\_\_\_  
(Sgd.)  
RAUL B. TAN  
President

\_\_\_\_\_  
(Sgd.)  
HERMINIA S. JACINTO  
Director

\_\_\_\_\_  
(Sgd.)  
EDMUNDO L. BUNYI  
Director

\_\_\_\_\_  
(Sgd.)  
ALMA P. PEÑALOSA  
Director

\_\_\_\_\_  
(Sgd.)  
JOSE MARTIN A. MORENTE  
Director

\_\_\_\_\_  
(Sgd.)  
JOSELITO C. BANTAYAN  
Director