

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

Date : August 12, 2016
Time : 10:30 a.m.
Place : Conference Room 1
RCBC Plaza, 47th Floor
6819 Ayala Avenue
Makati City, Metro Manila

STOCKHOLDERS PRESENT

STOCKHOLDINGS

Antonio M. Rubin	1
Alma P. Peñalosa	1
Edmundo L. Bunyi	1
Herminia S. Jacinto	1
Jose Martin A. Morente	1
Joselito C. Bantayan	1
Frederick T. Pineda	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 =====
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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 ON AUGUST 7, 2015

The Minutes of the Annual Stockholders' Meeting held last August 07, 2015 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 Company for the year ended December 31, 2015 as compared to that of the previous year ended December 31, 2014, as follows:

GROSS PREMIUMS WRITTEN (GPW)

Gross premiums written amounted to Php[REDACTED]. This is [REDACTED]% lower compared to the previous year's actual GPW of Php[REDACTED]. The decrease was mainly due to the contractions in the Company's microinsurance business (Php[REDACTED]), OFW business (Php[REDACTED]) and Local Inward Treaty (Php[REDACTED]).

The decrease in the microinsurance business was a result of the direction to clean up and shift the calamity assistance programs to PA-based programs. Although there were new and growth accounts amounting to Php[REDACTED], this was offset by the non-renewal of unfavorable accounts amounting to Php[REDACTED].

The downturn in OFW business was mainly a result of the slowdown in deployments to the Middle East caused by the decline in oil prices.

The decrease in the Company's Local Inward Treaty business was a result of the withdrawal from the Fire Insurance Pool (Php███).

NET RETAINED PREMIUM

Net retained premiums totaled Php███; this was █% lower compared to the previous year's actual of Php███. The Company's XL costs have improved from Php███ to Php███ (decreased by █% or Php███) due to the direction to stop writing unprofitable PA accounts with Calamity Assistance cover. The retention ratio increased from █% to █%.

PREMIUMS EARNED

Premiums earned increased by █% from Php███ to Php███. The increase was mainly due to the stabilization of premium reserves expected on the 3rd year of OFW operations.

CLAIMS AND LOSSES

Total registered claims and losses amounted to Php███. This is lower by █% compared to previous year's actual of Php███. This improvement was mainly due to the clean-up of unfavorable PA accounts. Major contributors to the losses came from the Company's Personal Accident line with a total Php███ (OFW - Php███, Microinsurance - Php███ and PA Local Inward Treaty - Php███). There was a loss recovery from the Company's Engineering Local Inward Treaty of Php███, resulting in the net claims and losses of Php███.

Loss Ratio in 2015 was █%.

NET UNDERWRITING INCOME

Recorded net underwriting income amounted to Php███. This was █% better compared to previous year's actual of - Php███. Contributors to this turn-around were as follows:

- Lower XL costs due to shift in profitable PA-based programs (decrease by Php███);
- Stabilization of OFW reserves (decrease by Php███); and
- Lower Claims and Losses (decrease by Php███).

NET FINANCIAL INCOME

Net financial income amounted to Php [REDACTED]. This was [REDACTED]% lower compared to the previous year's actual of Php [REDACTED]. The decrease by Php [REDACTED] was mainly due to the lower Dividend Income from stock investments and provision for impairment of Available For Sale Financial Assets.

GENERAL EXPENSES

General Expense amounted to Php [REDACTED]. This was higher by [REDACTED]% compared to the previous year's actual of Php [REDACTED]. The increase was mainly due to the operational requirements of the OFW business (Pinoy Assist).

Expense ratio against Premiums Written was [REDACTED]%, and [REDACTED]% against Premiums Earned.

NET INCOME

Total net income amounted to Php [REDACTED]. This was better by [REDACTED]% compared to the previous year's actual of -Php [REDACTED].

UNDERWRITING RATIOS:

- Loss Ratio was at [REDACTED]%;
- Net Acquisition was at [REDACTED]%;
- Expense ratio was at [REDACTED]% and
- Combined Ratio was at [REDACTED]%.

BALANCE SHEET:

ASSETS

Total assets amounted to Php [REDACTED]. This was lower by [REDACTED]% or Php [REDACTED], compared to the previous year's actual of Php [REDACTED].

Cash and cash equivalent increased by [REDACTED]% or Php [REDACTED]M from the previous year's actual of Php [REDACTED] due to proceeds on early redemption of US Dollar Bonds (RCBC US Dollar Bonds).

For Financial Assets, stocks and bonds decreased by [REDACTED]% or Php [REDACTED] due to the decrease in revaluation on stock investments reflected in the revaluation of reserve of investments shown under stockholders equity.

Deferred acquisition increased by Php [REDACTED]. This is higher by [REDACTED]% due to the Gross Premium Written for the period.

Other Assets increased by Php █% or by Php █ from last year's actual of Php █. This was mainly due to additional Input VAT and deferred tax.

LIABILITIES

Total Liabilities decreased by █% or Php █ from last year's actual of Php █ mainly due to the payment of Reinsurance Minimum Premium Deposits (lower by █% or Php █) net of recoveries (Local Inward Treaty – Macpool = Php █).

STOCKHOLDERS' EQUITY

Stockholders' equity or net worth decreased by █% or Php █, mainly due to the decrease in revaluation of reserve on investments by Php █, which was partially offset by the increase in retained earnings by █% arising from the Net Income for the period amounting to Php █.

Nominal ROE in 2015 was █% compared to █% in 2014.

Comprehensive ROE in 2015 was █% compared to █% in 2014 due to unfavorable net change on fair value of available for sale financial assets.

Thereafter, the stockholders were 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 2015 AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements for the year ended December 31, 2015 prepared by the Company's external auditor, SYCIP, GORRES, VELAYO & COMPANY were presented to the stockholders for their examination and approval.

After study and discussion, and upon motion duly seconded, the stockholders unanimously approved the 2015 Audited Financial Statements of the Company.

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 2016-2017. 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 Company for the year 2016- 2017:

Antonio M. Rubin
Alma P. Peñalosa
Edmundo L. Bunyi*
Herminia S. Jacinto*
Jose Martin A. Morente
Joselito C. Bantayan
Frederick T. Pineda

(*nominated as independent director)

The Corporate Secretary informed the stockholders that all the duly elected directors are non-executive directors, except for Mr. Joselito C. Bantayan who, as President of the Company, is an executive director.

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 for the year 2016-2017.

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.

Original signed

ATTY. SAMUEL V. TORRES
Corporate Secretary

ANNEX:

DIRECTORS PRESENT

Antonio M. Rubin	Chairman, Board of Directors
Joselito C. Bantayan	President
Alma P. Peñalosa	Board Member
Edmundo L. Bunyi	Independent Board Member
Herminia S. Jacinto	Independent Board Member
Jose Martin A. Morente	Board Member
Frederick T. Pineda	Board Member

III. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD ON AUGUST 7, 2015

Voting Results

Total Outstanding Shares	Total Votes Cast	Votes in Favor	Votes Against	Abstentions
25,000,000	25,000,000	25,000,000	0	0

V. APPROVAL OF THE 2015 AUDITED FINANCIAL STATEMENTS

Voting Results

Total Outstanding Shares	Total Votes Cast	Votes in Favor	Votes Against	Abstentions
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
Joselito C. Bantayan	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
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
Jose Martin A. Morente	25,000,000	25,000,000	25,000,000	0	0
Frederick T. Pineda	25,000,000	25,000,000	25,000,000	0	0
Total Votes:					25,000,000

VII. APPOINTMENT OF EXTERNAL AUDITOR

“RESOLVED, that the stockholders of Bankers Assurance Corporation (the “Company”) approve, ratify and confirm the appointment of the auditing firm of SYCIP, GORRES, VELAYO & COMPANY as the external auditor of the Company for the year 2016-2017.”

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

“RESOLVED, that the stockholders of Bankers Assurance Corporation (the “Company”) approve, ratify and confirm all the acts 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:

Original signed
ANTONIO M. RUBIN
Chairman

Original signed
JOSELITO C. BANTAYAN
President

Original signed
HERMINIA S. JACINTO
Independent Director

Original signed
EDMUNDO L. BUNYI
Independent Director

Original signed
ALMA P. PEÑALOSA
Director

Original signed
JOSE MARTIN A. MORENTE
Director

Original signed
FREDERICK T. PINEDA
Director