

MANILA BANKERS LIFE INSURANCE CORPORATION

Minutes of Regular Board Meeting

October 24, 2017

PRESENT:

MR. MABINI JUAN

MR. EDGARDO MONTESCLAROS

MR. AVELINO ZAPANTA

MR. PANFILO DELA PAZ

MR. RICARDO GOLPEO

MR. ESTERO BALOTRO

MR. HECTOR A. BARRIOS

1. CALL TO ORDER

The meeting was called to order by the Chairman at 3:00pm.

2. PROOF OF NOTICE OF MEETING

The Corporate Secretary informed the Chairman that the notice of meeting was sent to all board members in accordance with the by-laws of the corporation.

3. DETERMINATION OF QUORUM

In response to the Chairman's query the Secretary replied that there was a quorum based on the presence of seven (7) directors in attendance.

4. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING HELD 23 MAY 2017

Upon motion made, the minutes of the Regular Board Meeting held on 23 May 2017 was approved.

5. PRESIDENT'S REPORT – COMPARATIVE FINANCIAL FOR 3rd QUARTER ENDING SEPTEMBER 30, 2016 VS SAME PERIOD OF 2017

Total Individual insurance premiums reached P140.9 million, while Group insurance premiums registered P44.6 million. Inclusive of Group premiums of P0.3 million from pooled business, total revenue reached P185.7 million.

Given that individual sales did not reach expected 2017 volume and group insurance premiums were slightly lower than 2016, the revenues generated did not cover the insurance and operating expenses leading to a loss of P12.6 million.

There is an expectation that individual sales will recover in the last 3 months of the year so as to be able to post a bottom line again. With the closure of some extension offices during the last quarter of 2017, expenses coming from these facilities will significantly decrease.

Infusion of additional capital of IMG Insurance Brokers, Inc. before the end of 2017 will help improve the bottom line.

6. INDUSTRY UPDATE

- a. It is expected that life insurance companies will be given by the Insurance Commission up to the end of 2017 to comply with the P550 million net worth.
- b. The Insurance Commission confirmed that Philippine Prudential Life continues to be under receivership and cannot accept new life insurance business or pay claims.
- c. MB Life is still waiting for the Insurance Commission to approve the request of an extension of its Certificate of Authority until the end of November, 2017. An investor is expected to put in the required funds to meet the net worth requirement of P550 million.
- d. Both Manor Management and Mr. Edgardo Montesclaros are selling their MB Life shares to the investor, given that they are unable to meet the P550 million net worth requirement which is scheduled to increase to P900 million by the end of 2019.
- e. It is expected that 3 domestic companies may not be able to comply with the P550 million net worth.
- f. The new process in computing reserves, using gross premium valuation is in effect.

7. ORGANIZATIONAL MANPOWER-

As of October 23, 2017, we have 86 total of manpower, to wit:

Executive	2
Employees	79
Consultant	<u>5</u>
Total	86

Attached, as Annex "A" is the detailed list of organizational manpower.

8. OUTSTANDING LEGAL CASES

a. *Commissioner of Internal Revenue*

CTA 7266	:	2001 Assessment	P8,536,623.81
CTA 7324	:	2002 Assessment	P2,969,572.79
CTA 7378	:	2003 Assessment	P2,505,630.85
Total			P14,011,827.45

The case is still pending resolution before the Supreme Court. Per de Guzman Law Office, BIR might issue amnesty.

b. *NFA vs. MBLIC* **P24,200,000.00**

Q-03-50719;BR 218;Q.C.	
Actual Damages	- P23,000,000.00
Moral Damages	- P 500,000.00
Exemplary Damages	- P 500,000.00
Atty's Fee	- P 200,000.00

NFA filed Motion for Reconsideration dated July 11, 2017. We are waiting for the Order of the SC whether to require us to comment or not.

c. *UP vs. MBLIC* **P13,167,715.65**

Civil Case No. Q-94-22383; RTC-QC
Collection of sum of money on unpaid rentals and charges

To date, the motion for reconsideration filed by UP is still unresolved.

- d. **Rowena Matulac** **P270,000.00**
CA-GR CV 623

PJS has not received to date communication from Counsel of Matulac, Atty. Geraldine Francisco regarding PJS letter on willingness of MB Life to settle the case. PJS will make follow-up and advise MB Life ASAP.

- e. **Intestate Estate of Indalicio Monera** **P103,000.00**

On August 29, 2014, the Court ordered that the records of the case be forwarded to CA for appropriate pleadings. In a resolution dated 27 October 2016, the Court of Appeals deemed the case submitted for resolution.

- f. **Felicidad Lopez vs MBLIC & NLRC** **P1,410,143.87**

On July 20, 2015, PJS received the Court of Appeals undated Transmittal to NLRC the entire records of CA GR SP 122078 for proper disposition.

- g. **MBLIC/Eastmont vs. Teresita de Mesa- Sum of Money**

Per email of Atty. Jeric Galon (of PJS) they have completed registration of the Certificate of Sale with the Register of Deeds of Quezon City. Should there be no redemption within a period of 1 year, PJS can proceed to have TCT No. 116272 over the property consolidated in the name of MB Life. Original copy of TCT No. 116272 is on file.

- h. **DST 2010 Deficiency Tax**

Case is terminated. MBLife paid the amount of P6,009,539.80 as Compromise Settlement.

9. NEW INVESTOR OF MB LIFE

IMG Insurance Brokers, Inc. will infuse funds on MB Life before the end of 2017.

9. OTHER MATTERS

9.1 Approval of 14th Month Pay

The Board approved the release of the 14th month pay on December 1, 2017 to all employees.

9.2 Directors Bonus

The Board approved the release of Directors' Bonus the amount to be the same as last year.

9.3 Special Stockholders' Meeting

MBLife will hold a Special Stockholders' Meeting on November 16, 2017.

10. ADJOURNMENT

Upon motion duly made and seconded the meeting was adjourned at 4:00 pm.



MR. MABINI JUAN

MR. EDGARDO MONTESCLAROS

MR. AVELINO ZAPANTA

MR. PANFILO DELA PAZ
W

MR. RICARDO GOLPEO

MR. ESTERO BALOTRO

MR. HECTOR BARRIOS



ATTY. MIGNON BRAGAIS
Secretary of the Meeting