

ASIA INSURANCE (PHILIPPINES) CORPORATION

ANNUAL MEETING OF STOCKHOLDERS

June 24, 2013 at 10:30 a.m
Hotel Indonesia Kempinski
Jakarta

AGENDA

1. Call to Order and Determination of Quorum
2. Approval of the Minutes of the Annual Stockholders' Meeting held on August 31, 2012
3. Report of Management
4. Approval of the 2012 Audited Financial Statements
5. Ratification of Acts and Proceedings of the Board of Directors and Management During the Preceding Year
6. Election of Directors for the ensuing year
7. Appointment of External Auditors
8. Other business that may properly be brought before the meeting
9. Adjournment

Minutes of the Annual Stockholders' Meeting of
ASIA INSURANCE (PHILIPPINES) CORPORATION
Held on August 31, 2012 at the Makati Shangri-La Hotel
Makati City, Philippines

Present:

Asian International Holdings Ltd. (represented by Mr. Bernard C. Chan)
Asia Insurance Co., Ltd.-H (represented by Mr. Bernard C. Chan)
PT Asuransi Central Asia (represented by Mr. Teddy Hailamsah)
Bangkok Insurance Public Co., Ltd. (represented by Mr. Chai Sophonpanich)
APIC Holdings, Inc. (represented by Mr. Ernesto C. Mauricio)
Sec. Albert del Rosario (represented by Ms. Margarete Isleta)
Mr. Jerry T. Limpe
Mr. Michael James Limpe

1. CALL TO ORDER AND DETERMINATION OF QUORUM

In the absence of the Chairman, the Vice Chairman, Mr. Chai Sophonpanich, presided over the meeting. The Vice Chairman then called the meeting to order at 9:00 a.m. after determining that there was valid and legal quorum.

2. APPROVAL OF THE MINUTES OF THE ANNUAL STOCK STOCKHOLDERS' MEETING HELD ON JUNE 28, 2011

Copies of the Minutes of the 2011 Annual Stockholders' Meeting were provided to the stockholders for their perusal. Responding to Mr. Bernard C. Chan's query, it was explained that minutes were being prepared and presented in compliance with local regulatory requirements and documentation of the proceedings. Accordingly, on motion duly seconded, the Minutes of the 2011 Stockholders' Meeting were passed and approved as presented.

3. MANAGEMENT'S ANNUAL PERFORMANCE REPORT

Mr. Ernesto C. Mauricio, Chief Operating Officer, presented to the body the 2011 Annual Performance Report. As the Vice Chairman noted the increase in the Gross Premium Income in Casualty Insurance, Mr. Mauricio attributed the increase to Personal Accident (PA) coverages issued by the Company for Air Asia airline passengers. The Company also participates in the compulsory PA coverages to OFW's. However, the Company has not ventured yet into issuing policies for Marine Hull and medical insurance coverages.

4. APPROVAL OF THE 2011 AUDITED FINANCIAL STATEMENTS

After the Management Report, Mr. Mauricio then proceeded to presenting the 2011 Audited Financial Statements. The Audited Financial Statements as prepared by the auditing firm, Isla Lipana & Co., were approved and ratified subject to the verification of the figures in the *Investments Portfolio*.

5. RATIFICATION OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR 2011

The Vice Chairman then presented to the body at large the various Board Resolutions issued by the Board of directors during the year 2011 in response to the various operational and policy requirements of the Company. Upon review, the same were approved on motion duly seconded.

6. **ELECTION OF THE BOARD OF DIRECTORS**

All incumbent Board Directors were re-elected for the year 2012-2013 with the following designations:

Chairman	Mr. Robin Y. H. Chan
Vice-Chairman	Mr. Chai Sophonpanich
Directors	Mr. Teddy Hailamsah
	Mr. Bernard C. Chan
	Mr. Michael James Limpe
	Ms. Margarete Isleta (Independent)
	Mr. Apolinario delos Santos (Independent)

7. **APPOINTMENT OF EXTERNAL AUDITORS**

The auditing firm, Isla Lipana & Co./PriceWaterhouseCoopers was reappointed as the Company's External Auditors for 2012-2013 subject to the verification/correction of the figures in the approved 2011 Audited Financial Statements.


8. **OTHER MATTERS**

Subsequent to the favorable report made by Mr. Mauricio affirming the positive growth of the Company, the body has approved the payment of Cash Dividends in the amount of Php10.0M. In connection with the additional requirements for the **increase** of capitalization of insurance companies under existing rules recently issued by the Office of the Insurance Commissioner, the matter of the possible merger between the Company and Republic Insurance has been presented before the body to be under careful study by the Board and shall be reported on in due time.


9. **Adjournment**

There being no other matters to discuss, the meeting was adjourned at 10:45 a.m.

Prepared by:


ATTY. FERDINAND M. MANGAHAS
Secretary

Approved:


MR. TEDDY HAILAMSAH
President

Minutes of the Board of Directors' Meeting of
ASIA INSURANCE (PHILIPPINES) CORPORATION
Held on August 31, 2012 at 11:00 am
At the Makati Shangri-La Hotel
Makati City, Philippines

Present:

Mr. Chai Sophonpanich (Vice Chairman)
Mr. Teddy Hailamsah (Director)
Mr. Bernard C. Chan (Director)
Mr. Michael James Limpe (Director)
Ms. Margarete Isleta (Independent Director)
Mr. Apolinario delos Santos (Independent Director)
Mr. Jerry T. Limpe
Mr. Ernesto C. Mauricio
Mr. Reynaldo B. Fong
Ms. Rodelia P. Alfonso

1. Election of Officers 2012-2013

With the re-appointment of the incumbent Board Directors, including Mr. Robin Y. H. Chan as Chairman and Mr. Chai Sophonpanich as Vice-Chairman, the following Officers were likewise reappointed to the following positions to serve for the incoming year 2012-2013:

President	-	Mr. Teddy Hailamsah
Sr. EVP/Chief Operating Officer	-	Mr. Ernesto C. Mauricio
Vice President - Operations	-	Mr. Reynaldo B. Fong
VP & Chief Finance Officer	-	Ms. Rodelia P. Alfonso
Corporate Secretary	-	Atty. Ferdinand M. Mangahas

2. Budget 2012

The Board noted the budget for 2012 which was included in the 2011 Management Report. Same will be reviewed together with the operating results for the first half of the year during the next Board meeting.

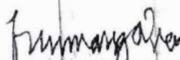
3. Merger Plans

After discussions on the matter of the proposed merger of the Company with Republic Insurance, the Board-Directors have resolved to further study the matter and meet sometime in December 2012 at a place to be determined to firm up the Company's position.


4. Adjournment

There being no other matters to discuss, the meeting was adjourned at 11:30 a.m.

Prepared by:


ATTY. FERDINAND M. MANGAHAS
Secretary

Approved:


MR. TEDDY HAILAMSAH
President

ANNUAL REPORT OF MANAGEMENT

RESULTS OF OPERATIONS Year Ended December 31, 2012

Premiums Written

	2012		2011		CHANGE	
	Php '000	%	Php '000	%	Php '000	%
FIRE	144,679	31	158,205	37	(13,526)	(9)
MOTOR CAR	231,789	49	191,536	45	40,253	21
CARGO	11,746	2	11,620	3	126	1
CASUALTY	53,122	11	34,863	8	18,259	52
BOND	32,293	7	27,517	7	4,776	17
TOTAL	473,629	100	423,741	100	49,888	12

Gross premiums booked by the Company in 2012 increased to Php 473.6 million, posting a growth rate of 12% which was higher than the average growth for the industry. According to data released by the Insurance Commission, the non-life insurance industry reported an 8.5% increase in gross premiums in 2012.

The Company recorded higher growth rates in Motor Car, Casualty and Bond. However, the total growth rate was reduced by the decrease in Fire premiums due to the soft market situation and management's voluntary reduction of exposures to Earthquake, Typhoon and Flood perils.

Premiums Retained

	2012		2011		CHANGE	
	Php '000	R/R%	Php '000	R/R%	Php '000	%
FIRE	9,123	6	13,478	9	(4,355)	(32)
MOTOR CAR	228,219	98	189,035	99	39,184	21
CARGO	2,884	25	2,398	21	486	20
CASUALTY	12,929	24	7,628	22	5,301	69
BOND	18,501	57	18,935	69	(434)	(2)
TOTAL	271,656	57	231,474	55	40,182	17

Total premiums retained rose 17% to Php 271.7 million as big increases posted in Motor Car and Casualty more than offset the shortfall in Fire and Bond. For the whole industry, total premiums retained increased by just 4% in 2012.

The Company's total retention ratio improved to 57% which is better than the 48% average retention ratio for the industry for the past three years.

Net Underwriting Income

	2012		2011		Average L/R 2007-2011
	Net U/W Income	L/R	Net U/W Income	L/R	
	Php '000	%	Php '000	%	%
FIRE	14,601	25	8,502	45	55
MOTOR CAR	42,801	50	43,840	45	48
CARGO	1,675	5	932	38	52
CASUALTY	741	21	8,939	14	39
BOND	14,100	2	7,789	19	7
TOTAL	73,918	44	70,002	42	46
Operating Expenses	49,884		47,507		
Underwriting Profit	24,034		22,495		

Substantial improvements in the loss experience in Fire, Marine Cargo and Bond boosted the total net underwriting income by 6% to Php 73.9 million. The Motor Car portfolio remained profitable despite the increase in the loss ratio.

Operating expenses increased by just 5% as management succeeded in controlling costs within the budget.

The Company achieved a net underwriting profit of Php 24 million in 2012 which was 7% higher than in 2011.

Investment Income

Interest, dividend and other investment income totaled Php 42.98 million, posting an increase of Php 11.8 million or 38%. However, the increase was offset by the booking of Php 19.7 million unrealized foreign exchange loss due to the appreciation of the Philippine Peso.

Net Profit For The Year

In 2012, the Company sustained the profitability of its underwriting and investing activities. The net profit after tax of Php 35.97 million was slightly lower than the net profit in 2011 due to the booking of unrealized foreign exchange loss.

Financial Position

The Company has complied with the Php 350 million statutory minimum paid-up capital requirement and increased its net worth to Php 644.8 million as of December 31, 2012.

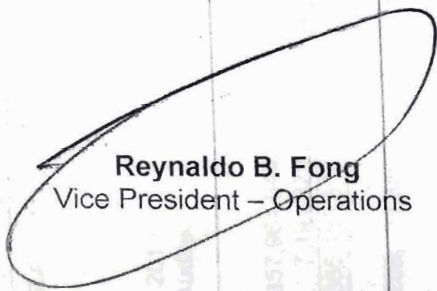
A government regulation was issued in June 2012 requiring further increases in minimum paid-up capital for insurance companies beginning December 31, 2014. However, a number of insurance companies sued the government and succeeded in getting a court order restraining the implementation of the said regulation.

Earlier this year, a New Insurance Law was passed by congress and is now awaiting the signature of President Aquino. The new law will supersede the above regulation and will require the following minimum capitalization for all authorized insurance companies regardless of foreign ownership:

<u>Minimum Network</u>	<u>Compliance Date</u>
Php 550,000,000	December 31, 2016
900,000,000	December 31, 2019
1,300,000,000	December 31, 2022

The Company's current network already exceeds the minimum required on December 31, 2016. The Company can meet the Php 900 million minimum network required on December 31, 2019 by **earning** an annual net profit of Php 36.5 million in the next seven years from now until 2019.

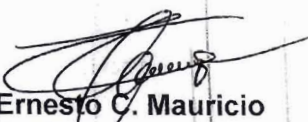
Management will endeavor to achieve the necessary build up of the Company's financial position by sustaining the growth and profitability of its business portfolio. The improving economic situation in the country is helpful and management is counting on the continued valuable support of the Shareholders and the Board of Directors.



Reynaldo B. Fong
Vice President - Operations



Rodelia P. Alfonso
Vice President & CFO



Ernesto C. Mauricio
Senior Executive VP & COO

ASIA INSURANCE (PHILIPPINES) CORPORATION
Financial Highlights

	2010 Audited	2011 Audited	2012 Audited	2013 Projected	2014 Projected
Gross Premiums Written					
Direct Business	357,964,044	412,758,068	460,143,738	530,500,000	610,075,000
Reinsurance Accepted	7,194,828	10,983,310	13,485,577	14,500,000	16,665,000
Total	<u>365,158,872</u>	<u>423,741,378</u>	<u>473,629,315</u>	<u>545,000,000</u>	<u>626,740,000</u>
Growth Rate	17	16	12	15	15
Premiums Retained	208,799,886	231,474,291	271,655,413	324,275,465	373,155,176
Retention Ratio	57	55	57	60	60
Premiums Earned	213,229,032	226,768,789	255,582,985	298,104,681	348,379,348
Commissions Earned and Other Underwriting Income	37,917,024	53,996,389	50,661,196	55,351,427	63,608,341
Commissions and Other Underwriting Expenses	<u>114,560,668</u>	<u>115,294,015</u>	<u>119,368,402</u>	<u>138,164,078</u>	<u>159,009,319</u>
Claims and Losses, Net	77,789,177	95,468,674	112,957,481	122,777,100	143,361,629
Loss Ratio	36	42	42	41	41
Net Underwriting Income	58,827,654	70,002,490	73,918,297	92,514,930	109,616,741
Investment Income	18,303,355	31,082,224	23,225,398	40,552,899	42,158,007
Operating Expenses	45,206,964	54,205,309	54,801,008	<u>59,833,177</u>	65,339,432
Expense Ratio	12%	13%	12%	11%	11%
Income Before Tax	<u>31,892,601</u>	<u>46,879,405</u>	<u>42,342,687</u>	<u>73,234,652</u>	86,435,316
Net Income	<u>27,550,726</u>	<u>37,146,146</u>	<u>35,965,851</u>	<u>62,044,244</u>	71,742,265
Paid-Up Capital	200,000,000	348,510,000	350,000,000	350,000,000	350,000,000
Total Equity	543,982,118	617,300,971	644,795,277	715,000,000	778,000,000

ASIA INSURANCE (PHILIPPINES) CORPORATION
INCOME STATEMENT

For the Period January 1 - December 31, 2012 & 2011

	2012	2011	2010	2009	2008	TOTAL	2011	INCREASE (DECREASE) AMOUNT	%
	FIRE	MARINE	MOTOR CAR	CASUALTY	BONDS				
UNDERWRITING INCOME									
Premiums, net of returns:									
Direct business	142,555,511.44	11,746,563.64	231,774,623.86	42,537,272.57	31,529,766.43	460,143,737.94	412,758,068.10	47,385,669.84	11
Reinsurance accepted	2,123,299.18	0.00	14,281.52	10,584,713.63	763,283.12	13,485,577.45	10,983,309.78	2,502,267.67	23
	144,678,810.62	11,746,563.64	231,788,905.38	53,121,986.20	32,293,049.55	473,629,315.39	423,741,377.88	49,887,937.51	12
Less: Reinsurance ceded	135,555,961.23	8,862,534.28	3,569,983.39	40,193,184.14	13,792,239.53	201,973,902.57	192,267,086.90	9,706,815.67	5
Net premiums written	9,122,849.39	2,884,029.36	228,218,921.99	12,928,802.06	18,500,810.02	271,655,412.82	231,474,290.98	40,181,121.84	17
Decrease (Inc) in reserve for unearned premium	3,345,682.75	(102,128.98)	(15,197,467.10)	(4,545,712.94)	427,197.99	(16,072,428.27)	(4,705,501.87)	(11,366,926.41)	(242)
Net premiums earned	12,468,532.14	2,781,900.38	213,021,454.89	8,383,089.12	18,928,008.01	255,582,984.55	226,768,789.11	28,814,195.43	13
Commissions earned	31,585,272.04	3,236,244.71	877,631.28	8,021,435.76	4,994,828.37	48,715,412.16	51,185,319.14	(2,469,906.98)	(5)
Other underwriting income	625,397.99	2,900.14	97,484.67	824,644.14	395,356.69	1,945,783.63	2,811,070.35	(865,286.72)	(31)
	44,679,202.17	6,021,045.23	213,996,570.84	17,229,169.02	24,318,193.07	306,244,180.34	280,765,178.60	25,479,001.74	9
Claims and losses (Sched 1)	3,178,495.23	134,059.57	107,464,633.09	1,725,008.23	455,284.65	112,957,480.77	95,468,673.51	17,488,807.26	18
Commission expenses	23,578,461.33	3,993,021.31	60,515,438.75	11,747,763.95	9,741,409.07	109,576,094.42	107,854,255.83	1,721,838.59	2
Other underwriting expenses	3,321,478.35	218,539.63	3,214,911.37	3,015,719.41	21,659.06	9,792,307.82	7,439,758.82	2,352,549.00	32
	30,078,434.91	4,345,620.51	171,194,983.21	16,488,491.59	10,218,352.78	232,325,883.01	210,762,688.16	21,563,194.85	10
NET UNDERWRITING INCOME (LOSS)	14,600,767.26	1,675,424.72	42,801,587.63	740,677.43	14,099,840.29	73,918,297.33	70,002,490.44	3,915,806.89	6
OPERATING EXPENSES						49,883,655.29	47,507,109.48	2,376,545.81	5
UNDERWRITING PROFIT (LOSS)						24,034,642.04	22,495,380.96	1,539,261.08	7
OTHER INCOME: Interests						31,458,646.78	25,587,916.65	5,870,730.13	23
Dividends						1,865,805.56	1,132,440.55	733,365.01	65
Gain (Loss) on Sale of Stocks						2,942,069.01	0.00	2,942,069.01	
Gain on FX Fluctuation, net						(19,758,573.77)	(78,269.64)	(19,680,304.13)	(25,144)
Miscellaneous						6,717,450.15	4,440,136.90	2,277,313.25	51
						47,260,039.77	53,577,605.42	(6,317,565.65)	(12)
Less: GENERAL & ADMIN. EXPENSE NOT CHARGED TO REVENUE ACCOUNT						4,917,352.41	6,698,199.96	(1,780,847.55)	(27)
NET INCOME (LOSS) BEFORE TAXES						42,342,687.36	46,879,405.46	(4,536,718.10)	(10)
PROVISION FOR INCOME TAX- Current						8,595,785.24	3,969,596.10	4,626,189.14	117
Deferred						(2,218,948.50)	5,763,663.74	(7,982,612.24)	
NET INCOME (LOSS) AFTER TAXES						35,965,850.62	37,146,145.62	(1,180,295.00)	(3)
RATIOS									
Loss ratio	25	5	50	21	2	44	42		
Net Commission Expense Ratio	(88)	26	26	29	26	22	24		
Net to Gross Premiums Written	6	25	98	24	57	57	55		
Technical Reserve Ratio	178	28	69	74	107	75	75		
Operating Expense Ratio						11	11		
Gen.Expense to Net Premiums Written						18	21		
Combined Ratio						88	88		

ASIA INSURANCE (PHILIPPINES) CORPORATION
INCOME STATEMENT- Binondo Office
For the Period January 1 - December 31, 2012

	2012	2010	2011	2012		2011	(DECREASE)		
	FIRE	MARINE	MOTOR CAR	CASUALTY	BONDS	TOTAL	AMOUNT	%	
UNDERWRITING INCOME									
Premiums, net of returns:									
Direct business	83,406,011.13	11,431,856.14	207,092,185.35	24,729,480.45	9,715,591.68	336,375,124.75	286,613,591.77	49,761,532.98	17
Reinsurance accepted	834,814.75	0.00	7,217.18	10,425,330.56	763,283.12	12,030,645.61	7,203,943.14	4,826,702.47	67
	84,240,825.88	11,431,856.14	207,099,402.53	35,154,811.01	10,478,874.80	348,405,770.36	293,817,534.91	54,588,235.45	19
Less: Reinsurance	78,384,987.89	8,613,474.47	3,073,897.20	22,805,530.99	5,678,688.55	118,556,579.10	106,490,581.07	12,065,998.03	11
Net premiums written	5,855,837.99	2,818,381.67	204,025,505.33	12,349,280.02	4,800,186.25	229,849,191.26	187,326,953.84	42,522,237.42	23
Decrease (Inc) in reserve for unearned premium	2,837,237.84	(101,143.09)	(13,760,547.13)	(4,460,739.25)	(2,631,972.58)	(18,117,164.21)	(2,480,017.13)	(15,637,147.07)	(631)
Net premiums earned	8,693,075.83	2,717,238.58	190,264,958.20	7,888,540.78	2,168,213.67	211,732,027.06	184,846,936.71	26,885,090.35	15
Commissions earned	21,084,014.64	3,114,162.09	762,462.08	4,118,364.29	766,155.14	29,845,158.24	32,039,968.61	(2,194,810.37)	(7)
Other underwriting income	553,557.58	2,900.14	84,288.28	792,056.81	73,238.27	1,506,041.08	2,268,248.20	(762,207.12)	(34)
	30,330,648.05	5,834,300.81	191,111,708.56	12,798,961.88	3,007,607.08	243,083,226.38	219,155,153.52	23,928,072.86	11
Claims and losses	5,456,720.74	134,059.57	97,124,565.98	1,777,647.32	455,284.65	104,948,278.26	82,012,481.82	22,935,796.44	28
Commission expenses	15,074,338.13	3,895,183.23	56,095,076.57	7,906,983.63	2,658,670.46	85,630,252.02	80,663,063.16	4,967,188.86	6
Other underwriting expense	2,587,127.19	216,250.98	2,612,400.61	2,993,562.46	11,063.66	8,420,404.90	5,068,623.47	3,351,781.43	66
	23,118,186.06	4,245,493.78	155,832,043.16	12,678,193.41	3,125,018.78	198,998,935.18	167,744,168.45	31,254,766.73	19
NET UNDERWRITING INCOME	7,212,461.99	1,588,807.03	35,279,665.40	120,768.47	(117,411.69)	44,084,291.19	51,410,985.07	(7,326,693.87)	(14)
OPERATING EXPENSES						32,763,154.41	30,472,086.26	2,291,068.15	8
UNDERWRITING PROFIT (LOSS)						11,321,136.78	20,938,898.81	(9,617,762.03)	(46)
Loss ratio	62.77	4.93	51.05	22.53	21.00	49.57	44.37		
Net Commission Expense Ratio	(102.63)	27.71	27.12	30.68	39.43	24.27	25.96		
Net to Gross Premiums Written	7.00	25.00	99.00	35.00	46.00	66.00	64.00		
General Expense Ratio						9.40	10.37		
Expense to Net Premiums Written						14.25	16.27		
Combined Ratio						91.00	87.00		

ASIA INSURANCE (PHILIPPINES) CORPORATION
INCOME STATEMENT- Makati Office
For the Period January 1 - December 31, 2012 & 2011

						TOTAL	2011	INCREASE (DECREASE)	
	2	0	1	2	AMOUNT			%	
	FIRE	MARINE	MOTOR CAR	CASUALTY	BONDS				
UNDERWRITING INCOME									
Premiums, net of returns:									
Direct business	59,149,500.31	314,707.50	24,682,438.51	17,807,792.12	21,814,174.75	123,768,613.19	126,144,476.33	(2,375,863.14)	(2)
Reinsurance accepted	1,288,484.43	0.00	7,064.34	159,383.07	0.00	1,454,931.84	3,779,366.64	(2,324,434.80)	(62)
	60,437,984.74	314,707.50	24,689,502.85	17,967,175.19	21,814,174.75	125,223,545.03	129,923,842.97	(4,700,297.94)	(4)
Less: Reinsurance ceded	57,170,973.34	249,059.81	496,086.19	17,387,653.15	8,113,550.98	83,417,323.47	85,776,505.83	(2,359,182.36)	(3)
Net premiums written	3,267,011.40	65,647.69	24,193,416.66	579,522.04	13,700,623.77	41,806,221.56	44,147,337.14	(2,341,115.58)	(5)
Decrease (Inc) in reserve for unearned premium	508,444.91	(985.89)	(1,436,919.96)	(84,973.69)	3,059,170.57	2,044,735.94	(2,225,484.73)	4,270,220.67	192
Net premiums earned	3,775,456.31	64,661.80	22,756,496.70	494,548.34	16,759,794.34	43,850,957.49	41,921,852.41	1,929,105.09	5
Commissions earned	10,501,257.40	122,082.62	115,169.20	3,903,071.47	4,228,673.23	18,870,253.92	19,145,350.53	(275,096.61)	(1)
Other underwriting income	71,840.41	0.00	13,196.39	32,587.33	322,118.42	439,742.55	542,822.15	(103,079.60)	
	14,348,554.12	186,744.42	22,884,862.29	4,430,207.14	21,310,585.99	63,160,953.96	61,610,025.08	1,654,008.48	3
Claims and losses (Sched 1)	(2,278,225.51)	0.00	10,340,067.11	(52,639.09)	0.00	8,009,202.51	13,456,191.69	(5,446,989.18)	(40)
Commission expenses	8,504,123.21	97,838.08	4,420,362.18	3,840,780.32	7,082,738.60	23,945,842.39	27,191,192.66	(3,245,350.27)	(12)
Other underwriting expenses	734,351.16	2,288.65	602,510.77	22,156.95	10,595.40	1,371,902.92	2,371,135.35	(999,232.43)	(42)
	6,960,248.85	100,126.73	15,362,940.06	3,810,298.18	7,093,334.00	33,326,947.82	43,018,519.71	9,691,571.88	23
NET UNDERWRITING INCOME/(LOSS)	7,388,305.27	86,617.69	7,521,922.23	619,908.97	14,217,251.99	29,834,006.14	18,591,505.38	11,242,500.76	60
OPERATING EXPENSES (Schedule 1)						17,120,500.87	17,035,023.21	85,477.66	1
UNDERWRITING PROFIT (LOSS)						12,713,505.27	1,556,482.17	11,157,023.10	717
Loss ratio	(60.00)	0.00	45.00	(11.00)	0.00	18.00	32.00		
Net Commission Expense Ratio	(61.13)	(36.93)	17.79	(10.75)	20.83	12.14	18.22		
Net to Gross Premiums Written	5.00	21.00	98.00	3.00	63.00	33.00	34.00		
General Expense Ratio						13.67	13.11		
Gen. Expense to Net Premiums Written						40.95	38.59		
Combined Ratio						69.00	92.00		

ASIA INSURANCE (PHILIPPINES) CORP.
COMPARATIVE OPERATING EXPENSES
For the Period January 1- December 31, 2012 & 2011

	2012	2011	INCREASE (DECREASE)	
			AMOUNT	%
ADVERTISING EXPENSES	34,000.00	25,300.00	8,700.00	34
ALLOWANCES & BONUSES	5,175,566.57	4,853,669.93	321,896.64	7
ASSOCIATION & POOL DUES	1,001,432.42	892,909.69	108,522.73	12
BANK CHARGES	8,235.96	29,094.37	(20,858.41)	(72)
BAD DEBTS WRITTEN OFF		0.00		
COMMUNICATION & POSTAGE	1,121,772.25	1,115,225.47	6,546.78	1
DONATIONS & CONTRIBUTIONS	0.00	0.00	0.00	0
EMPLOYEE BENEFITS	5,008,331.60	5,674,132.38	(665,800.76)	(12)
INSURANCE EXPENSES	162,285.20	184,973.40	(22,688.20)	(12)
LIGHT & WATER	2,128,671.93	1,986,977.91	141,694.02	7
MISCELLANEOUS EXPENSES	289,155.28	259,386.52	29,768.76	11
OTHER OPERATING EXPENSES	1,802,906.09	1,816,067.28	(13,161.19)	(1)
PAG-IBIG FUND CONTRIBUTIONS	86,150.00	79,954.00	6,196.00	8
PRINTING, STATIO & SUPPLIES	1,695,196.63	1,373,852.65	321,343.98	23
PROFESSIONAL FEE	726,553.57	680,750.00	45,803.57	7
PROFESSIONAL & TECHNICAL DEV ⁿ	148,450.00	192,080.40	(43,630.40)	(23)
PROMOTIONAL EXPENSES	481,382.35	478,209.95	3,172.40	1
RENTAL EXPENSE	289,795.45	822,844.57	(533,049.12)	(65)
REPAIRS & MAINTENANCE	706,664.82	639,453.98	67,210.84	11
REPRESENTATION & ENT ^t	2,440,897.10	2,241,073.87	199,823.23	9
SALARIES & WAGES	21,672,419.57	19,437,389.10	2,235,030.47	12
SSS CONTRIBUTIONS	1,118,792.10	1,038,327.20	80,464.90	8
SUBSCRIPTION EXPENSES	94,160.31	51,812.75	42,347.56	82
TAXES, LICENSES & FEES	401,822.73	545,530.08	(143,707.35)	(26)
TRANSP0 & TRAVEL	3,170,356.19	2,913,233.14	257,123.05	9
DIRECTORS & OFFICERS: FOREIGN	118,657.17	174,860.86	(56,203.69)	(32)
	<u>49,883,655.29</u>	<u>47,507,109.48</u>	<u>2,376,545.81</u>	<u>5</u>

COMPARATIVE GENERAL & ADMIN. EXPENSES NOT CHARGED TO REVENUE ACCOUNT
For the Period January 1- December 31, 2012 & 2011

DEPRECIATION EXPENSES	3,919,296.62	3,452,820.34	466,476.28	14
DIRECTOR'S FEES	159,331.66	175,000.00	(15,668.34)	(9)
REPRESENTATION & ENTERTAINMENT		2,000,000.00	(2,000,000.00)	(100)
TAXES, LICENSES & FEES	838,724.13	1,070,379.62	(231,655.49)	(22)
			0.00	0
	<u>4,917,352.41</u>	<u>6,698,199.96</u>	<u>(1,780,847.55)</u>	<u>(27)</u>

ASIA INSURANCE (PHILIPPINES) CORPORATION

**Investment Portfolio
As of 31 December 2012**

Summary of Investment	% Investment	Acquisition Cost	Market Value 12-31-12	Increase/(Decrease) In Value
I. Investment on Building Units and Parking Space				
1. Tytana Plaza				
(664.85 square meters)		25,000,000.00	26,594,000.00	1,594,000.00
one (1) Parking Slot		400,000.00	700,000.00	300,000.00
2. Tektite Tower II				
(218 square meters with two (2) parking slots)		8,984,000.00 (inclusive)	9,025,000.00 900,000.00	941,000.00
3. One (1) Parking Slot at Cityland Tower 10		110,250.00	490,000.00	379,750.00
4. Chatham House Building				
(797.5 square meters) -inclusive of 12 parking slots		34,906,250.00	40,852,000.00	5,945,750.00
6. Sherwood Hills Country Club				
(610 square meters)		1,317,600.00	2,440,000.00	1,122,400.00
Total investment on buildings and parking slots	10.08%	70,718,100.00	81,001,000.00	10,282,900.00
II. Investment in Stocks (AFS)	3.62%	25,419,569.20	40,405,664.68	14,986,095.48
III. Available-for-Sale Investment	5.92%	41,552,016.08	51,825,920.76	10,273,904.68
IV. Held-to-Maturity Investment	54.70%	383,699,172.14	382,623,710.13	(1,075,462.01)
V. Short-term Time Deposits	25.68%	180,155,660.91	175,650,991.48	(4,504,669.43)
	100%	701,544,518.33	731,507,287.05	29,962,768.72

ASIA INSURANCE (PHILIPPINES) CORPORATION
Budget Underwriting Results
For the period January 01-December 31, 2013

	FIRE	MARINE	MOTOR CAR	CASUALTY	BONDS	TOTAL	Actual 2012	AMOUNT INC/(DEC)	% INC/(DEC)
UNDERWRITING INCOME									
Premiums, net of returns									
Direct business	159,000,000.00	13,000,000.00	273,500,000.00	49,000,000.00	36,000,000.00	530,500,000.00	460,143,737.94	70,356,262.06	15
Reinsurance Accepted	2,500,000.00	-	-	11,000,000.00	1,000,000.00	14,500,000.00	13,485,577.45	1,014,422.55	8
	161,500,000.00	13,000,000.00	273,500,000.00	60,000,000.00	37,000,000.00	545,000,000.00	473,629,315.39	71,370,684.61	15
Less: Reinsurance Ceded	145,816,087.50	7,959,850.00	4,194,033.11	47,054,442.42	15,700,121.16	220,724,534.19	201,973,902.57	18,750,631.62	9
Net Premiums Written	15,683,912.50	5,040,150.00	269,305,966.89	12,945,557.58	21,299,878.84	324,275,465.81	271,655,412.82	52,620,052.99	19
Decrease(Inc) in reserve for Unearned Premium	(3,608,584.71)	(359,354.00)	(20,654,142.33)	(9,215.54)	(1,539,487.85)	(26,170,784.43)	(16,072,428.27)	(10,098,356.16)	63
Net Premiums Earned	12,075,327.79	4,680,796.00	248,651,824.56	12,936,342.04	19,760,390.99	298,104,681.38	255,582,984.55	42,521,696.83	17
Commissions Earned	33,735,639.77	2,914,708.53	1,033,576.81	9,658,889.47	6,021,876.70	53,364,691.26	48,715,412.16	4,649,279.10	10
Other Underwriting Income	576,616.96	-	114,765.74	823,411.48	471,941.21	1,986,735.39	1,945,783.63	40,951.76	2
	46,387,584.51	7,595,504.53	249,800,167.11	23,418,642.99	26,254,208.90	353,456,108.04	306,244,180.34	47,211,927.70	15
Claims and Losses	3,622,598.34	1,404,238.80	111,893,321.05	3,880,902.61	1,976,039.10	122,777,099.90	112,957,480.77	9,819,619.13	9
Commission Expenses	26,226,933.25	4,415,370.29	71,624,999.48	13,273,232.21	11,309,029.00	126,849,564.23	109,576,094.42	17,273,469.81	16
Other Underwriting Expenses	4,158,546.59	381,082.14	3,791,616.36	2,960,197.63	23,071.18	11,314,513.90	9,792,307.82	1,522,206.08	16
	34,008,078.17	6,200,691.23	187,309,936.89	20,114,332.45	13,308,139.28	260,941,178.02	232,325,883.01	28,615,295.02	12
NET U/W INCOME(LOSS)	12,379,506.34	1,394,813.29	62,490,230.22	3,304,310.54	12,946,069.62	92,514,930.01	73,918,297.33	18,596,632.68	25
OPERATING EXPENSES (SCHEDULE 1)						54,571,610.49	49,883,655.28	4,687,955.22	9
UNDERWRITING PROFIT						37,943,319.52	24,034,642.06	13,908,677.46	58

ASIA INSURANCE (PHILIPPINES) CORPORATION
Budget Underwriting Results-Binondo
For the period January 01-December 31, 2013

	FIRE	MARINE	MOTOR CAR	CASUALTY	BONDS	TOTAL	Actual 2012	AMOUNT INC/(DEC)	% INC/(DEC)
UNDERWRITING INCOME									
Premiums, net of returns									
Direct business	90,000,000.00	12,500,000.00	246,000,000.00	24,000,000.00	8,000,000.00	380,500,000.00	335,474,135.66	45,025,864.34	13
Reinsurance Accepted	1,000,000.00	-	-	11,000,000.00	1,000,000.00	13,000,000.00	11,939,370.84	1,060,629.16	9
	<u>91,000,000.00</u>	<u>12,500,000.00</u>	<u>246,000,000.00</u>	<u>35,000,000.00</u>	<u>9,000,000.00</u>	<u>393,500,000.00</u>	<u>347,413,506.50</u>	<u>46,086,493.50</u>	<u>13</u>
Less: Reinsurance Ceded	80,740,427.50	7,570,000.00	3,572,750.17	22,999,499.63	4,087,413.74	118,970,091.04	117,207,437.54	1,762,653.50	2
Net Premiums Written	10,259,572.50	4,930,000.00	242,427,249.83	12,000,500.37	4,912,586.26	274,529,908.96	230,206,068.96	44,323,840.00	19
Decrease(Inc) in reserve for Unearned Premium	(2,331,035.29)	(349,579.00)	(19,437,323.69)	150,365.09	337,223.61	(21,630,349.28)	(18,117,164.21)	(3,513,185.07)	19
Net Premiums Earned	7,928,537.21	4,580,421.00	222,989,926.14	12,150,865.46	5,249,809.87	252,899,559.68	212,088,904.75	40,810,654.93	19
Commissions Earned	21,962,305.00	2,749,171.66	908,077.73	4,026,631.03	681,142.57	30,327,327.99	29,845,158.24	482,169.75	2
Other Underwriting Income	576,616.96	-	100,385.73	770,269.60	65,111.75	1,512,384.04	1,501,801.87	10,582.16	1
	<u>30,467,459.17</u>	<u>7,329,592.66</u>	<u>223,998,389.59</u>	<u>16,947,766.09</u>	<u>5,996,064.20</u>	<u>284,739,271.71</u>	<u>243,435,864.87</u>	<u>41,303,406.84</u>	<u>17</u>
Claims and Losses	2,378,561.16	1,374,126.30	100,345,466.76	3,645,259.64	524,980.99	108,268,394.85	104,948,278.26	3,320,116.59	3
Commission Expenses	16,421,854.32	4,259,927.41	66,808,161.52	7,730,861.92	2,363,664.42	97,584,469.58	85,622,695.67	11,961,773.91	14
Other Underwriting Expenses	2,939,187.69	377,242.03	3,134,880.73	2,924,065.12	10,184.69	9,385,560.26	8,455,555.45	930,004.81	11
	<u>21,739,603.18</u>	<u>6,011,295.74</u>	<u>170,288,509.01</u>	<u>14,300,186.67</u>	<u>2,898,830.09</u>	<u>215,238,424.69</u>	<u>199,026,529.38</u>	<u>16,211,895.31</u>	<u>8</u>
NET U/W INCOME(LOSS)	<u>8,727,855.99</u>	<u>1,318,296.92</u>	<u>53,709,880.59</u>	<u>2,647,579.42</u>	<u>3,097,234.10</u>	<u>69,500,847.02</u>	<u>44,409,335.49</u>	<u>25,091,511.54</u>	<u>57</u>
OPERATING EXPENSES (SCHEDULE 1)						35,811,470.94	32,718,422.01	3,093,048.94	9
UNDERWRITING PROFIT						<u>33,689,376.08</u>	<u>11,690,913.48</u>	<u>21,998,462.60</u>	<u>188</u>
RATIOS									
Loss Ratio	30.00	30.00	45.00	30.00	10.00	42.81	49.48		
Commission Expense Ratio	18.05	34.08	27.16	22.09	26.26	24.80	24.65		
Commission Income Ratio	27.20	36.32	25.42	17.51	16.66	25.49	25.46		
Net to Gross Premium Written	11.27	39.44	98.55	34.29	54.58	69.77	66.26		
General Expense Ratio						9.10	9.42		
Combined Ratio						76.98	84.03		

ASIA INSURANCE (PHILIPPINES) CORPORATION
Budget Underwriting Results-Makati
For the period January 01-December 31, 2013

	FIRE	MARINE	MOTOR CAR	CASUALTY	BONDS	TOTAL	Actual 2012	AMOUNT INC/(DEC)
UNDERWRITING INCOME								
Premiums, net of returns	69,000,000.00	500,000.00	27,500,000.00	25,000,000.00	28,000,000.00	150,000,000.00	124,669,602.28	25,330,397.72
Direct business	1,500,000.00	-	-	-	-	1,500,000.00	1,546,206.61	(46,206.61)
Reinsurance Accepted	70,500,000.00	500,000.00	27,500,000.00	25,000,000.00	28,000,000.00	151,500,000.00	126,215,808.89	25,284,191.11
Less: Reinsurance Ceded	65,075,660.00	389,850.00	621,282.94	24,054,942.79	11,612,707.42	101,754,443.15	84,766,465.03	16,987,978.12
Net Premiums Written	5,424,340.00	110,150.00	26,878,717.06	945,057.21	16,387,292.58	49,745,556.85	41,449,343.86	8,296,212.99
Decrease(Inc) in reserve for Unearned Premium	(1,277,549.42)	(9,775.00)	(1,216,818.64)	(159,580.63)	(1,876,711.46)	(4,540,435.15)	2,044,735.94	(6,585,171.09)
Net Premiums Earned	4,146,790.58	100,375.00	25,661,898.42	785,476.58	14,510,581.12	45,205,121.70	43,494,079.79	1,711,041.91
Commissions Earned	11,773,334.77	165,536.86	125,499.08	5,632,258.44	5,340,734.12	23,037,363.27	18,870,253.92	4,167,109.35
Other Underwriting Income	-	-	14,380.01	53,141.88	406,829.46	474,351.36	443,981.76	30,369.60
	15,920,125.35	265,911.86	25,801,777.51	6,470,876.90	20,258,144.70	68,716,836.33	62,808,315.47	5,908,520.86
Claims and Losses	1,244,037.17	30,112.50	11,547,854.29	235,642.97	1,451,058.11	14,508,705.05	8,009,202.51	6,499,502.54
Commission Expenses	9,805,078.93	155,442.88	4,816,837.97	5,542,370.29	8,945,364.58	29,265,094.65	23,953,398.74	5,311,695.91
Other Underwriting Expenses	1,219,358.90	3,840.11	656,735.63	36,132.51	12,886.49	1,928,953.64	1,336,752.37	592,201.27
	12,268,475.00	189,395.49	17,021,427.88	5,814,145.78	10,409,309.18	45,702,753.34	33,299,353.62	12,403,399.71
NET U/W INCOME(LOSS)	3,651,650.35	76,516.37	8,780,349.63	656,731.12	9,848,835.52	23,014,082.99	29,508,961.84	(6,494,878.86)
OPERATING EXPENSES (SCHEDULE 1)						18,760,139.55	17,165,233.27	1,594,906.28
UNDERWRITING PROFIT						4,253,943.44	12,343,728.57	(8,089,785.14)
RATIOS	RATIOS							
Loss Ratio	Loss Ratio	30.00	30.00	45.00	30.00	10.00	32.10	18.41
Commission Expense Ratio	Commission Expense Ratio	13.91	31.09	17.52	22.17	31.95	19.32	18.98
Commission Income Ratio	Commission Income Ratio	18.09	42.46	20.20	23.41	45.99	22.64	22.26
Net to Gross Premium Written	Net to Gross Premium Written	7.69	22.03	97.74	3.78	58.53	32.84	32.84
General Expense Ratio	General Expense Ratio						12.38	13.60
Combined Ratio	Combined Ratio						79.40	73.00