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**MINUTES OF THE
ANNUAL MEETING OF STOCKHOLDERS
Boardroom, 34th Floor, GT Tower International
6813 Ayala Avenue corner H.V. dela Costa Street
16 April 2013 at 1:15 pm**

I. Call to Order

Mr. Solomon S. Cua, Chairperson, presided over and called the meeting to order at 1:15 pm, the Assistant Corporate Secretary of the Corporation, Mr. Calvin L. Kohchet-Chua, took the minutes thereof.

II. Certification of Notice and Quorum

The Corporate Secretary certified that written notices of the meeting were sent by e-mail and registered mail to the stockholders at their respective residence or place of business as shown on the books of the corporation.

Inasmuch as more than two-thirds (2/3) of the stockholders were present in person or represented by proxies at the meeting, a quorum was declared by the Secretary and the special meeting of the Stockholders of Philippine AXA Life Insurance Corporation was duly constituted and opened for transaction of the business on the agenda.

III. Approval of Minutes of the Previous Meetings

Upon motion duly made and seconded, the Stockholders unanimously adopted and approved the following

RESOLUTION

“**RESOLVED**, that the minutes of the Annual Meeting of Stockholders held on 25 April 2012, the reading of which was dispensed with, be as they are hereby approved.”

IV. President's Report and Approval of the 2010 Audited Financial Statements

Mr. Severinus PP. Hermans rendered the President's report and stated the following:

AXA Philippines

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- To stay ahead and remain the benchmark in the industry, the Bancassurance model implemented needed structural changes that would propel the Corporation to a higher level of performance and support the Corporation's ambition to have more customers choosing AXA.
- What followed were very challenging months in which a lot of changes, adjustments and new ideas were implemented, that the Corporation had to continue to boost its sales performance at the same time. This resulted in closing 2012 with a 106% of target and 130% of 2011's sales performance which clearly shows that this is a partnership for growth.
- In Agency, the Corporation's focus was to achieve "*quantity*" – increasing the quantity and improve the quality of the Corporation's distributors through an integrated strategy built around a solid recruitment proposition, well-rounded training, development & induction program, and end-to-end distributor support from the lead generation to sales closing process. The Corporation also implemented needs based selling and the focus on building solutions using our new regular pay investment linked plans. The slightly lower number of active distributors was offset by a higher premium per case and allowed Agency to meet its 2012 target, registering a respectable growth over 2011 of 35%.
- To differentiate the Corporation in the Corporate Solutions market, the Corporation launched its new *Group Management System (GMS)*, an internet-based portal – the first of its kind in the industry – that enables group clients to fully manage and service their members' accounts. Mainly benefitting from the increased mortgage sales in both Metrobank and PS-Bank, Corporate Solutions was able to exceed its 2012 target and grow 35% over 2011.
- Operational challenges in the Telemarketing business with Metrobank Credit Card led to the decision at the end of the year that the best way forward is to take a step back. In line with the preference of Metrobank Card Corporation ("MCC"), the Corporation will back the offers of MCC with group insurance products. Simultaneously, the Corporation will build direct marketing capabilities using internet, telephone, SMS, e-mail and even postal mail to contact prospects for our propositions; offering Easy & affordable solutions, invitations to a financial need analysis or allow direct selling of investment solutions through the bank's internet banking site. In 2012, DMTM fell short on its target by 30% and sales performance was 16% lower than 2011.
- All sales channels together have shown the strength of the foundation that the Corporation has built and the ability to offer solutions to its prospects. Total sales performance was on target for 2012 and 26% higher than the year before. This is remarkable in a market that was driven by the increase of sales of single premium products, the Corporation's growth was, in line with its strategy, pushed more by regular premium products.

- All these efforts resulted in a net growth of the number of individual customer of 15,000 to 144,200 as of the end of 2012, an increase in our assets under management of P5.4 Billion to P44 Billion, an increase of P14 Billion in total risk exposure on individual policies to P107 Billion and a boost in the Corporation's normalized premium income by P1.1 billion to P5.0 billion. Results to be proud of and results that give the stockholders the confidence that the Corporation is on the right track.

A copy of the President's report is attached and made an integral part of the minutes.

V. Ratification of Corporate Acts

The resolutions adopted and approved by the Board of Directors during the preceding year 2012 were presented to the Stockholders for consideration and ratification.

Upon motion duly made, seconded and carried, the Stockholders unanimously adopted the following

RESOLUTION

"RESOLVED, that the resolutions adopted by the Board of Directors for the preceding year of 2012 are approved, be as they are hereby approved and ratified."

VI. Election of Directors

Nominated to the Board of Directors for the year 2013-2014 were the following (with the new nominees endorsed by the Nomination Committee):

1. Mr. Solomon S. Cua
2. Mr. Fernand Antonio A. Tansingco
3. Ms. Alesandra T. Ty
4. Mr. Severinus P. P. Hermans
5. Mr. Lope M. Yuvienco
6. Mr. Gerry Y. Tee
7. Mr. Jaime C. Laya
8. Mr. Rahul Hora
9. Mr. Kevin John Wright

and the following as Senior Adviser to the Board,

1. Mr. George S. K. Ty

and the following as,

1. Ms. Alesandra T. Ty - Treasurer
2. Mr. Bernardito M. Lapuz - Corporate Secretary
3. Mr. Calvin L. Kohchet-Chua - Assistant Corporate Secretary

Upon motion duly made and seconded, nomination was closed. There being no other nominees, those nominated were unanimously elected to serve for the year 2013-2014 and to act as such until their successors shall have been elected and qualified.

VII. Approval of Directors' Fees

Mr. Hermans reported the Directors' Fees for 2013-2014 as previously approved by Mr. Arthur V. Ty, Vice-Chairman, Domestic Subsidiaries – Financial Group of Metrobank.

Upon motion duly made and seconded, the stockholders unanimously adopted and approved the following

RESOLUTION

“RESOLVED, that the schedule of Directors' Fees for the year 2013-2014, a copy of which is attached and made an integral part of this minutes, is approved, be as it is hereby approved.”

VIII. Declaration of Stock Dividends and Increase in Paid-Up Capital

Ms. Suzanne Mondoñedo, the Corporation's Financial Controller, presented for authorization by the Stockholders the proposed stock dividends amounting to **P340.6 million (3,406,254 shares)**, to raise paid up capital to P1 billion as previously presented and approved in the *20 March 2013 Board of Directors meeting*. The dividends will come from retained earnings and treasury stock purchased as of 31 December 2012.

Once the proposed stock dividends are approved by both the Stockholders and the Board of Directors, based on 2011 industry rankings, this will bring AXA Philippines up from 13th position to 3^d in terms of paid-up capital, behind of Philippine American Life & General Insurance Co., and Generali Pilipinas Life Assurance Company, Inc.



Upon motion duly made and seconded, the stockholders unanimously adopted and approved the following

RESOLUTION

“**RESOLVED**, that this Corporation be authorized to declare shareholder stock dividends of up to **P340.6 million** from its retained earnings (Statutory basis) of **P1,511.7 million** as of 31 December 2012, payable to shareholders of record as of 1 April 2013, in proportion to their respective shareholdings.”

X. Adjournment

There being no further business to discuss, upon motion duly made, seconded and carried, the meeting was adjourned at 2:00 pm.

Prepared by:


CALVIN L. KOHCHE-CHUA
Assistant Corporate Secretary

Noted by:


BERNARDITO M. LAPUZ
Corporate Secretary

ATTESTED BY:


SOLOMON S. CUA
Chairperson