MINUTES OF THE MEETING OF THE FORTY SECOND (42nd) GENERAL ASSEMBLY/SHAREHOLDERS MEETING OF THE COOPERATIVE INSURANCE SYSTEM OF THE PHILIPPINES (CISP), HELD ON APRIL 16, 2016, ROOM A. V. RAMA AVE., GUADALUPE, CEBU CITY

Attendees (*)
1. Board of Directors
2. Members of the Audit Committee
3. Members of the Election Committee
4. Member-Cooperatives
5. CISP officers and Staff
6. External Auditors
7. Guests

PART I
A. Registration of delegates/representatives and guests started at 6:00 a.m. followed by the opening program at 9:25 a.m.
B. Opening prayer led by Mr. Edwin Buena and Ms. Anna Marin Crisolo
C. National Anthem (Music guided).
D. Cooperative Pledge led by Mr. Jaypee Jayjay Taguba
E. Acknowledgement of CISP member-shareholders by emcees Ms. Cherry Dejucos and Ms. Cecile Waga
F. Welcome Remarks
On behalf of the Board and management, President Roy Miclat gave thanks to the member-shareholders for their continuous support to CISP especially during those trying times when the cooperative was having financial difficulties up to the time that it has fully recovered. He also acknowledged the presence of the new members for entrusting their faith and confidence in CISP.
G. Presentation of CISP mascot
Vice-Chair Magabilen led the unveiling of the CISP mascot tagged as “Ton-ton the Mighty Leon”. The CISP also awarded a plaque of appreciation and a cash gift to Ms. Donna Jade Justin Ulangca, the staff who designed the mascot.
H. Awarding of Winner and Runner-up of the CISP Songwriting Hymn Contest
Mr. Randy Albores of United Sugarcane Planters of Davao (USPD) MPC won the grand prize of said contest while Ms. Lea Quelos of San Francisco Government Employees MPC bagged the runner-up award. Only Mr. Albores was able to attend the program to receive his prize.

1 Full lists of attendees (CISP officers/management/staff/official and accompanying delegates and guests are attached as Annexes “A&B”)
I. Awarding of Top 25 Members for 2015

Chairman BGen. Teodoro Evangelista (Ret) and President Miclat led the awarding of Top 25 CISP member-cooperative for 2015, as follows:

<table>
<thead>
<tr>
<th>NAME OF COOPERATIVE</th>
<th>NET PREMIUM INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 FICCO</td>
<td>69,861,864.15</td>
</tr>
<tr>
<td>2 San Francisco Government Employees MPC</td>
<td>6,420,251.26</td>
</tr>
<tr>
<td>3 ACDI MULTIPURPOSE COOPERATIVE</td>
<td>4,383,156.80</td>
</tr>
<tr>
<td>4 United Sugarcane Planters of Davao (USPD) Credit Cooperative</td>
<td>3,909,519.74</td>
</tr>
<tr>
<td>5 CB Palawan</td>
<td>3,305,944.97</td>
</tr>
<tr>
<td>6 SIMBAYANAN NI MARIA MPC</td>
<td>2,782,355.32</td>
</tr>
<tr>
<td>7 PERA Multi Purpose Cooperative</td>
<td>2,310,499.31</td>
</tr>
<tr>
<td>8 Avon Independent Managers MPC</td>
<td>2,138,585.58</td>
</tr>
<tr>
<td>9 BCS Credit Cooperative</td>
<td>1,621,033.89</td>
</tr>
<tr>
<td>10 Abra Diocesan Teachers and Employees Multi-Purpose Cooperative</td>
<td>1,425,049.69</td>
</tr>
<tr>
<td>11 Diffun Saranay and Development Cooperative</td>
<td>1,228,552.74</td>
</tr>
<tr>
<td>12 Bohol Public School Teachers and Employees MPC (BPSTE MPC)</td>
<td>1,219,153.27</td>
</tr>
<tr>
<td>13 BOHOL PROVINCIAL EMPLOYEES MPC</td>
<td>1,123,594.24</td>
</tr>
<tr>
<td>14 St. Joseph Parish-Kayapa Multi-Purpose Cooperative</td>
<td>1,033,340.97</td>
</tr>
<tr>
<td>15 Ilocos Sur Cooperative Bank</td>
<td>1,026,414.11</td>
</tr>
<tr>
<td>16 Bataan Cooperative Bank (CB)</td>
<td>921,580.08</td>
</tr>
<tr>
<td>17 Consolidated Cooperative Bank ( former CB Davao Del Sur )</td>
<td>889,621.92</td>
</tr>
<tr>
<td>18 Network Consolidated Cooperative Bank - Sorsogon (formerly SPCB)</td>
<td>830,506.10</td>
</tr>
<tr>
<td>19 Sangguniang Panlungsod MPC</td>
<td>826,881.28</td>
</tr>
<tr>
<td>20 Agdao Multi-Purpose Cooperative</td>
<td>811,076.60</td>
</tr>
<tr>
<td>21 Suyo Multi Purpose Cooperative</td>
<td>758,056.50</td>
</tr>
<tr>
<td>22 Samal Island MPC</td>
<td>741,463.11</td>
</tr>
<tr>
<td>23 Occidental Mindoro CB</td>
<td>720,465.19</td>
</tr>
<tr>
<td>24 Cadiz City Government Employees Dynamic MPC</td>
<td>689,802.94</td>
</tr>
<tr>
<td>25 Allen Municipal Officials and Employees Multi-Purpose Cooperative</td>
<td>674,009.33</td>
</tr>
</tbody>
</table>

PART II: BUSINESS PROPER

I. CALL TO ORDER
Chairman Evangelista called the meeting to order at 11:15 a.m.

II. PROOF OF DUE NOTICE/DETERMINATION OF QUORUM

As proof of notice, the Corporate Secretary Atty. Orlando Calilung, informed the assembly that the member-shareholders were duly notified on the holding of today’s general assembly through courier, electronic mails & telefax in the second week of March 2016, while a general notice was published in the Manila Bulletin issue of March 16, 2016 on the holding of said event.

Atty. Calilung further certified that of the 2,395,813 total number of shares entitled to vote, there were about 2,027,007 shares duly represented, which is equivalent to 84.61% of the total capital shares. Accordingly, there is a presence of a quorum for the holding of 42nd general assembly. With that, the Chairman formally opened the assembly meeting at 11:20 a.m.

III. APPROVAL OF THE AGENDA

The Chairman presented the order of the agenda which was also sent to the member-shareholders in the second week of March 2016 and printed in toto in the annual report for the guidance of the Assembly, to wit:

1. Call to Order
2. Proof of Due Notice
3. Determination of Quorum
4. Approval of the Agenda
5. Consideration/Approval of the Minutes of the Previous General Assembly
6. Confirmation of Board Resolutions for the Year 2015
7. Presentation/Approval of Reports
   - Joint Report of the Board of Directors and Management
   - Approval of the 2015 Audited Financial Statements
   - Audit Committee Report
   - Proposed Budget for the Year 2016
   - Five-Year Strategic Plan.
8. Appointment of Independent Auditors
9. Approval of the Election Guidelines
10. Election of Board of Directors and Committee Members
    - 7 Regular Directors; two (2) Independent Directors
    - Three (3) Members of Audit Committee
    - Three (3) Members of Election Committee
11. Proclamation of winners
12. Adjournment

There being no additional items, Ms. Virginia Yañez of First Community Cooperative moved for the approval of the agenda as presented, duly seconded by Mr. Rene Bahian of Allied Services Multi-Purpose Cooperative, thus, the following Resolution was adopted, to wit:

RESOLUTION NO. 01 (GA-2016)

BE, IT RESOLVED AS THEY ARE HEREBY, RESOLVED that the agenda matters of today’s 42nd Annual General Assembly/Shareholders Meeting of the Cooperative Insurance System of the Philippines (CISP), as presented,
BE, AS THEY ARE HEREBY, APPROVED.

IV. CONSIDERATION/APPROVAL OF THE MINUTES OF THE 41ST GENERAL ASSEMBLY/SHAREHOLDERS MEETING HELD ON APRIL 18, 2015

Mr. Ulysses Valdehuesa, DMPI Employees and Community Credit Cooperative, moved to dispense with the reading of said minutes which was severally seconded by Mr. Rene Bahian, Mr. Anthony Ryan Manus, Xavier University Community Credit Cooperative and Ms. Leonila Medina, Sacred Heart Parish and Development Cooperative. Further, Mr. Johnny Abangan, Allied Services MPC, moved for the approval of the same duly seconded by Mr. Mario Jaraula of Amoros Farmers MPC, thus the following Resolution was approved, to wit:

RESOLUTION NO. 02 (GA-2016)

BE, IT RESOLVED AS IT IS HEREBY, RESOLVED that the reading of the minutes of the 41st General Assembly/Shareholders Meeting of the Cooperative Insurance of the Philippines (CISP), be dispensed with;

RESOLVED FINALLY, that the Assembly approve the minutes of the aforesaid meeting, and

BE, AS THEY ARE HEREBY, APPROVED.

V. MATTERS ARISING FROM THE MINUTES

On the merger of CISP and FICO MBA, Mr. Miclat informed the shareholders that the same is already 95% consummated considering that all documents have been submitted to the Insurance Commission and the two parties are just waiting for the approval of IC of the liquidation of the association so that all the assets and liabilities of the latter will be taken over by CISP. By his estimate, Mr. Miclat said, IC will release its approval on said application for merger this coming June 2016. Once the merger is approved, FICCO MBA will cease to exist and all its assets and liabilities will be absorbed by CISP in which an estimated amount of P300 million capital of the association will be transferred to CISP. FICCO MBA’s liabilities only amounted to 23,000. Hence, it is projected that CISP’s assets will increase to P900 million by midyear and P1.2 billion by year end once the merger is approved.

VI. CONFIRMATION OF BOARD RESOLUTIONS FOR YEAR 2015

Mr. Rogelio Decal, Countryside Builders MPC, asked for clarification on Resolution No. 50 dated July 24, 2015 on the redemption of preferred shares. Chairman BGen. Evangelista replied that the Board of Directors, in its meeting held yesterday, unanimously approved the redemption of all outstanding preferred shares by CISP and the restoration of those written down preferred shares to their original amount. The restoration expense will be charged from the general reserve fund. But if CDA will disapprove the same, then the expense will be charged from the experience refund. With that, Mr. Decal moved for the confirmation of all Board Resolutions passed and approved by the Board for calendar year 2015.
Ms. Fe M. Vidar, Metro Manila Savings Cooperative, made a follow-up question. She asked management to elucidate on what comprise the capital that will be infused by FICCO MBA to CISP once the merger is approved. The President replied that it will be P160 million in common shares and P140 million in preferred shares of FICCO MBA members that will earn an interest of 4% per annum. Mr. Miclat also explained that prior to the restoration and redemption of the outstanding preferred shares, CISP paid different interest rates ranging from 9% to 6%, and so that CISP will be able to implement a uniform interest rate the Board approved to lower the rate of interest for preferred stock to 4% and then redeemed all outstanding preferred shares. With no further questions, Mr. Rene Bahian of Allied MPC moved for the confirmation of said Board Resolutions duly seconded by Mr. Mario Jaraula, Amoros Farmers MPC, thus the following Resolution was adopted, to wit:

RESOLUTION NO. 03 (GA-2016)

BE, IT RESOLVED AS IT THEY HEREBY, RESOLVED that all Resolutions adopted and/or approved by the Board of Directors for Calendar Year 2015, be confirmed and ratified,

BE, AS THEY ARE HEREBY, APPROVED.

VII. PRESENTATION AND APPROVAL OF REPORTS

The reports were presented in video presentations and were also printed in the annual report, highlights and discussions of which are as follows:

A.) Joint Report of the Board of Directors and Management

2015 Financial highlights

1. Profitability. Net surplus for 2015, at P 88.81 million, is 43.2% higher than the previous year’s P 62.02 million. Profitability rate improved to 27.3% from 20.7%.

- Net premium posted a minimal growth of 8.6% from P299.12 million to P324.91 million; gross revenue registered a 10.8% increase, thanks to the 302% uptick in interest income (from P1.36 mil to P 5.45 mil) and the 1,400% jump in other income (from P175,623 to P 2.63 mil). The latter is mostly due to the reversal of the over provision in retirement benefit in 2014.

- Gross revenue increased 10.8%; total expenses posted a minimal 2.3% uptick.

Top four expense accounts: claims paid, commission, increase in policy reserve and salaries and benefits registered increases of 9.7%, 2.9%, 8.2% and 21.8%, respectively. But the impact of its combined total increase of P18.5 million is cushioned by the aggregate reduction in general and admin expenses (P12.74 mil), depreciation (P173,487) and interest (P15,370). The P112.29 million in claims paid actually ate up 34.6% of net premium, a shade below the ideal proportion of 35%.

- The 21.8% increase in salaries and benefits is the combined result of the upgrade in personnel compensation and the hiring of 8 new employees and 14 project-based staff.

2. Asset Quality and Liquidity. Cash & investments constitute 87.6% of total assets, up from 85.8% at the end 2014. These accounts are more than twice the total liabilities. This is testament to the capability of CISP to settle claims and other obligations fast.

- All receivables doubtful of collection and all assets whose values have declined are fully provided.
1. Stability. While Equity’s contribution to total funds dropped to 56.9% from the 2014’s 62.5%, more than half of the liabilities is actually the mandated and fully-funded reserve (or insurance contract liabilities).

- Capital, at P244.81 million, up 20.7% from 2014’s P 202.78 million, which is compliant to the capital requirement imposed by IC.

- Statutory reserves continue to grow to P 70.13 million vs. 2014’s P 39.51 million.

- The cumulative loss on retirement fund is actuarially computed and induced by the fact that the investments to which these funds are placed incurred “marked-to-market” loss. This is considered temporary. It is expected to recover once the capital market no longer experience headwinds (decline in the world economy and uncertainties brought about by the incoming election).

Marketing Reach

From a total of 19 financial advisors and 5 marketing coordinators in 2014, the number increased to 21 and 10, respectively. This means more areas are now within reach for CISP to deliver its products and services quickly and efficiently.

A total of 51 new coops were recruited, while 11 coops resumed their patronage of CISP services, bringing to 669 the number of active member coops. The number of coops with common share investment with CISP now stood at 2,648, up 7.5% from the previous year’s 2,464.

Linkages and Network Building

CISP is actively participating in the continued enhancement and growth of the industry through various “Technical Working Groups” initiated by the Insurance Commission, GIZ (German Aid Agency), ADB (Asian Development Bank) and other government entities. Its personnel attended the TWGs on Enhanced Regulatory Framework for Micro-insurance; on Risk Based Capital Ratio on Micro-insurance; and the on-going Micro-insurance Distribution Channel and Consumer Protection.

CISP also took part in various activities sponsored by the Philippine Life Insurance Association (PLIA). It also continued its active participation in the ICMIF (International Cooperative and Mutual Insurers Federation) of ICA, through the Asia Oceania Association (AOA). It also sent its personnel to various trainings conducted by its partners: FALIA (Foundation for the Advancement of Life Insurance Around the World) and OLIS (Oriental Life Insurance Cultural Development Center) in Yokohama and Tokyo, Japan, respectively, as part of CISP’s Human Resource Development Program to develop and grow the organization.


DISCUSSION

- Mr. Valdehuesa asked on what will happen to the written down portion of more than 2000 CISP members who did not patronize CISP, and also on the I-Card receivables. Mr. Miclat replied that as unanimously approved by the CISP shareholders in two successive assemblies in 2014 and 2015, respectively, only those members who have patronized CISP products will be entitled to experience refund which will be applied in the restoration of the written down portion of their capital. In fact, those coops which landed in top 25 are those who have managed to fully recover their capital, but for those members who had ceased to
patronize CISP, they will not be able to restore their capital because of non-patronage, what they can get is dividend only.

Mr. Miclat also reiterated that as mentioned by the Chairman earlier, all preferred shares of coops and individual members will be restored to their pre-written down portion and if they want to infuse it back to CISP, it will only get 4% interest return per annum. As stated in the joint report of the Board and management, those 675 coops are those who have continuously patronized CISP products.

Mr. Garibaldi Leonaro, San Dionisio Credit Cooperative, inquired on what caused the substantial reduction in the general and administrative expenses (GAE) and the provision for the impairment on insurance receivables. The President replied that said reduction in the GAE is related to I-Cards of former directors and employees in which CISP had already provided 100% in 2014, thus in 2015 CISP had just provided small amount for probable losses. He added that CISP can still recover other receivables of other I-Cards. In fact, in 2015 the System recovered at least P300,000 of premium from said receivables which management booked as additional income. It is now up to the Board to approve the write off of these irrecoverable premiums from I-Cards. But management will still try to collect said premium receivables.

Mr. Francisco Jose, BCS Credit Society, asked on what is CISP doing to reach out to these non-patronizing shareholders. The Chairman replied that one of the strategic plans of CISP is to reach out to its members by conducting owners’ forums. The President added that CISP has already started doing the reach out program, as evidenced by the 51 new coop-members and 11 recovered business or those members who have stopped patronizing CISP but return back into the fold of CISP. The President expressed optimism that the way CISP is performing, the management and marketing people will not have a hard time convincing non-active members to patronize again CISP.

Mr. Vadehuesa appealed to the Board and management to design an incentive program for those members who have stopped patronizing CISP to entice them to patronize again CISP. Chairman Evangelista said that the Board and management will look into that matter.

Mr. Anthony Ryan Manus, Xavier University Credit Community Cooperative, recommended to the Board and management that CISP regularly release its newsletter to update its members on what is happening to their cooperative. The Chairman assured him that the newsletter will be released quarterly.

With no further questions asked, Ms. Amelta Lachia, Zamboanga Social Welfare and Development MPC, moved for the adoption of the joint report of the Board and management, duly seconded by Ms. Susan Ybañez of First Community Cooperative, thus the following Resolution:

RESOLUTION NO. 04 (GA-2016)

BE, IT RESOLVED AS IT IS HEREBY, RESOLVED that the joint report of the Board of Directors and Management on the result of business operation of CISP for the Year 2015, as presented and discussed,

BE, AS IT IS HEREBY, ADOPTED AND APPROVED.

B.) Approval of the 2015 Audited Financial Statements
The Chairman acknowledged the presence of Mr. Protacio F. Tacandong, Chief Operating Officer and Ms. Carolina P. Angeles, Partner Audit Services of Reyes Tacandong & Co., CISP’s 2015 external auditors. Afterwards, he gave the table to the President for the presentation of the 2015 Audited Financial Statements, which was also printed in full text in the Annual report.

Mr. Miclat read the unqualified opinion of the external auditor and then presented the highlights of the financial performance of CISP for year 2015 business operation, to wit:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>346,418,593</td>
<td>295,202,676</td>
</tr>
<tr>
<td>Short Term Investments</td>
<td>4,633,009</td>
<td>1,808,498</td>
</tr>
<tr>
<td>Insurance Receivables</td>
<td>42,436,219</td>
<td>31,952,470</td>
</tr>
<tr>
<td><strong>Available-for-sale (AFS) Financial Assets</strong></td>
<td><strong>138,711,133</strong></td>
<td><strong>46,654,255</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>559,051,528</strong></td>
<td><strong>400,758,465</strong></td>
</tr>
<tr>
<td>Insurance Contract liabilities</td>
<td>155,059,696</td>
<td>98,403,079</td>
</tr>
<tr>
<td><strong>Dividend and patronage refund payable</strong></td>
<td><strong>69,705,049</strong></td>
<td><strong>43,415,976</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>240,769,230</strong></td>
<td><strong>150,295,652</strong></td>
</tr>
<tr>
<td>Capital stock</td>
<td>244,809,800</td>
<td>202,777,100</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>318,283,298</strong></td>
<td><strong>250,462,813</strong></td>
</tr>
<tr>
<td>Gross premium on insurance contracts</td>
<td>341,086,158</td>
<td>306,519,837</td>
</tr>
<tr>
<td>Net Insurance premiums</td>
<td>324,913,011</td>
<td>299,118,776</td>
</tr>
<tr>
<td>Interest income</td>
<td>5,453,966</td>
<td>1,355,699</td>
</tr>
<tr>
<td>Other income</td>
<td>2,634,848</td>
<td>175,623</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>333,001,825</strong></td>
<td><strong>300,650,098</strong></td>
</tr>
<tr>
<td>Benefits and Claims paid on insurance contracts</td>
<td>112,289,467</td>
<td>102,321,500</td>
</tr>
<tr>
<td>Increase in legal policy reserves</td>
<td>46,500,000</td>
<td>42,962,757</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>20,241,413</td>
<td>16,614,731</td>
</tr>
<tr>
<td>Gen and admin expenses</td>
<td>14,277,755</td>
<td>27,020,859</td>
</tr>
<tr>
<td>Total Benefits and Expenses</td>
<td>244,190,773</td>
<td>238,627,287</td>
</tr>
<tr>
<td>Net Surplus for the Year</td>
<td>88,811,052</td>
<td>62,022,811</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income for the Year</strong></td>
<td><strong>83,969,936</strong></td>
<td><strong>62,197,719</strong></td>
</tr>
</tbody>
</table>

- The AFS are those investments in Ross accounts with the Bureau of Treasury.
- The decision to increase the general reserve is to ensure that CISP is financially stable in case disasters like Yolanda or Sendong hit again the Philippines or a strong earthquake just like what happened in Japan years ago will also hit the country. If the same catastrophe will hit the Philippines which may hit CISP policy holders members, at least our cooperative is financially ready to pay them.
- The substantial increase in investment income is because of the good investment management that CISP is now implementing.
- As for the salaries and benefits of employees, the President said that CISP values its employees more that’s why management will be implementing a new benefit package for its employees so as to attract competent and highly skilled individuals to join CISP, that’s why management will raise the entry level of rank and file employees to at least 20,000 per month upon regulation.

With no objections and questions raised, Mr. Francisco Jose moved for the approval of the 2015 Audited Financial Statements. However, Ms. Marlene Sindayen of Novaliches Development Cooperative asked for clarifications on two matters: first, whether this year external auditor is accredited by the CDA; Second, though it was explained why there was
an increase in the general reserve fund she wants to know the optional fund especially on
the allocation on the cooperative education and training fund.

Mr. Miclat assured Ms. Sindayen that Reyes Tacandong & Co. is a CDA-accredited. In
fact, it is also the external auditor of some CISP coop-members. As to the second question,
the statutory reserve has been re-allocated but said approval was only made this year after
the finalization of the audited financial statement prior to general assembly, hence, the
general reserve fund will get 17% which is compliant with the statutory requirement which
provides that the allocation should not be lower than 10%. For the CETF, the CISP
allocated 2% while the requirement is that it should not be more that 10%. But the optional
fund was returned to 8%. This will be reflected in the Resolution for 2016.

Thereupon, with no more questions raised, Mr. Johnny Abangan, Allied Services MPC,
seconded the pending motion of Mr. Francisco, thus the assembly unanimously approved
the 2015 Audited financial Statements, to wit:

RESOLUTION NO. 05 (GA-2016)

BE, IT RESOLVED AS IT IS HEREBY, RESOLVED that the
Audited Financial Statements of the Cooperative Insurance System of
the Philippines for Calendar Year ended December 31, 2015, as
presented to, and discussed by, the General Assembly,

BE, AS IT IS HEREBY APPROVED.

Afterwards the assembly took a recess at 12:30 and resumed at 1:30 p.m.

C) Audit Committee Report

The report of the Audit Committee was also printed in the annual report. And no questions
were raised thereon, thus, Mr. Rene Bahian, Allied Services MPC, Jose moved for the
approval of the same, duly seconded by Mr. Jaraula. Consequently the Assembly approved
the same unanimously and the following Resolution was adopted, to wit:

RESOLUTION NO. 06 (GA-2016)

BE, IT RESOLVED AS IT IS HEREBY, RESOLVED that the
report of the Audit Committee on the financial and operations
performances of the CISP for Calendar Year 2015, as presented and
discussed,

BE, AS IT IS HEREBY ACCEPTED AND APPROVED.

D) Proposed Budget for Year 2016

The President presented the Proposed Budget for 2016, highlights of which are as follows.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Gross premiums on ins. contracts</td>
<td>360,000,000</td>
<td>341,086,158</td>
<td>410,000,000</td>
</tr>
<tr>
<td>Net insurance premiums</td>
<td>350,000,000</td>
<td>324,913,011</td>
<td>390,000,000</td>
</tr>
<tr>
<td>Investment Income</td>
<td>3,000,000</td>
<td>5,453,966</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Net Revenue</td>
<td><strong>353,150,000</strong></td>
<td><strong>333,001,826</strong></td>
<td><strong>396,300,000</strong></td>
</tr>
<tr>
<td>Increase (decrease) in legal policy</td>
<td>41,000,000</td>
<td>46,500,000</td>
<td>48,000,000</td>
</tr>
<tr>
<td>Gross benefits and claims paid on</td>
<td>104,400,000</td>
<td>112,289,467</td>
<td>118,000,000</td>
</tr>
</tbody>
</table>
insurance contracts

Net insurance benefits and claims 145,4000,000 158,789,467 166,000,000
Total benefits and expenses 264,200,000 244,190,774 289,200,000
Excess (deficiency) or revenue over expenses 88,950,000 88,811,052 107,100,000
Total comprehensive income (loss) for the year 88,950,000 83,969,936 107,100,000
Profitability rate 27.5%

Upon due deliberation and on the motion of Mr. Jaraula, Amoros Farmers MPC, duly seconded by Mr. Bahian, Allied Services MPC, the assembly unanimously approved the proposed budget, thus the following Resolution was adopted, to wit:

RESOLUTION NO. 07 (GA-2016)

BE, IT RESOLVED AS IT IS HEREBY, RESOLVED that the proposed Budget for Calendar Year 2016 as presented to, and deliberated on by, the General Assembly of the Cooperative Insurance System of the Philippines (CISP),

BE, AS IT IS HEREBY, APROVED.

E) Five-Year Strategic Plan

The Five-Year milestones (2016 to 2020) were presented in video presentations. The full texts were also printed in the annual report.

1. Year 2016: DEVELOP and strengthen the manpower of the cooperative to be able meet the challenges of an expanded market.

   • Premium Income = P 410 M
   • Net Income = P 107.1 M

2. Year 2017: ENHANCE and speed up the delivery of services through Koop Insurance Networks (KIN) that will serve as the marketing arm of CISP and launching of an online inquiry system that will quickly respond to the concerns and queries of clients.

   • Premium Income = P 492 M
   • Net Income = P 122.4 M

3. Year 2018: MAXIMIZE the use of the new systems and technology installed in 2016 and 2017 that will facilitate member servicing and upgrading of skills of human Resources.

   • Premium Income = P 600.2 M
   • Net Income = P 163 M

4. Year 2019: INTENSIFY the marketing and delivery of new products and services through branching and the development of manpower.

   • Premium Income = P 750.3 M
   • Net Income = P 222.5 M

5. Year 2020: ACCELERATE the growth of CISP with all the systems, products and
services in place. By this time, it is targeted that CISP will have obtained an ISO certification that will validate all the effort the previous five years.

- Premium Income = ₱960.3 M
- Net Income = ₱309.5 M

No question or clarification was raised on the aforesaid strategic plans, thus Mr. Valdehuesa moved for the approval of the same severally seconded by Messrs. Bahian, Jaraula, and Jose, thus the following Resolution was unanimously approved, to wit:

RESOLUTION NO. 08 (GA-2016)

BE, IT RESOLVED AS THEY ARE HEREBY, RESOLVED that
the Five-Year Strategic Plans for the Years 2016-2020, as presented to and deliberated on by, the General Assembly,

BE, AS THEY ARE HEREBY, APROVED.

VIII. APPOINTMENT OF INDEPENDENT AUDITORS

The President informed the Assembly that management requested for quotations from three of the country’s top auditing firms, namely SGV & Co., Isla Lipana & Co. and the current CISP external auditors Reyes Tacandong & Co. Considering the good performance of Reyes Tacandong & Co., management recommended to the Assembly for the re-engagement of the audit services of said external auditors for the 2016 CISP business operation. There being no objection or comment on said recommendation, Mr. Jaraula moved for the approval of said recommendation which was unanimously seconded, thus, the following Resolution was approved.

RESOLUTION NO. 9 (GA-2016)

BE, IT RESOLVED AS IT IS HEREBY, RESOLVED that the Cooperative Insurance System of the Philippines, re-engage the audit services of Reyes Tacandong & Co. for CISP operation for Calendar Year 2016,

BE, AS IT IS HEREBY, APPROVED.

IX. APPROVAL OF THE ELECTION GUIDELINES

The Chairman turned over the floor to Mr. Danilo Capili, Chairman of the Election Committee for the conduct of the 2015 CISP election.

Mr. Capili said that before the shareholders proceed to the election of Board of Directors and Committee members, the body should approve first the Election Guidelines as mandated by the CDA rules. He said that the full texts of said guidelines as well as the addendum were sent to all CISP members of record together with the notice, Amended Articles of Cooperation and By-laws, thus it is presumed that all shareholders have already read the same. So he asked the assembly if they still have some questions or clarifications. No one from the members raised any question or objection, thus Mr. Mario Jaraula moved for the adoption and/or approval of said election guidelines, which was unanimously seconded. Thus the following Resolution was adopted, to wit:
RESOLUTION NO. 10 (GA-2016)

BE, IT RESOLVED AS IT IS HEREBY, RESOLVED that the Election Guidelines, which shall govern the conduct of election of officers of the Cooperative Insurance System of the Philippines for the 42nd Annual General Assembly, as presented to and discussed by the General Assembly,

BE, AS IT IS HEREBY, APPROVED.

X. ELECTION OF OFFICERS

The ELECOM Chairman declared vacancies for the following elective posts:

- Seven (7) regular members of the Board
- Two (2) Independent Directors
- Three (3) Members of the Audit Committee
- Three (3) Members of Election Committee

Thereafter, Mr. Capili announced the candidates who have filed and qualified for the regular directors and independent director. For the Audit Committee, only one candidate had filed a certificate of candidacy but did not qualify. Whereas, for the Election Committee none has filed a certificate of candidacy:

Qualified candidates for Board of Directors

1. Senen C. Bacani
2. Prudencio F. Consolacion
3. Teodoro P. Evangelista
4. Francisco C. Jose
5. Imelda S. Magabilen
6. Benjamin T. Que
7. Raymon Joseph L. Salvador

Independent Directors

1. Jesus G. Cornito

Mr. Capili added that per IC requirement, CISP has to elect two independent directors. In the case of Mr. Cornito, by virtue of his filing of certificate of candidacy in which he has qualified, he is already declared a winner. He said that what CISP did last year for the failure of elections for independent directors and Committees, the Assembly unanimously decided to hold floor nominations, thus for this year the Assembly has to do the same in order to elect the other independent director. He then read to the Assembly the qualifications for the said position as provided in the CISP by-laws and election rules. Accordingly, the Assembly will nominate in order of priority, thus, the first nominee will be the first priority and if qualified will be elected as such. Thereafter. The ELECOM Chairman opened the floor for nominations.

A. Nominees for Independent Director (1)

Mr. Jaraula nominated Mr. Armen Cuenca of City Hall Employees Credit Cooperative, MPC, as independent director. Then he motioned to close the nomination which was seconded by Mr. Jaime Balansag, Cooperative Rural Bank of Misamis Oriental. Mr.
Valdehuesa objected saying that the assembly still has to open for other nominations so that in the event that the nominee will not qualify, it will not cause a dilemma to the Board on who to appoint for the said position. Mr. Capili agreed with Mr. Valdehuesa, hence he asked the body to nominate for more candidates so that in the event that Mr. Cuenca will not qualify then it will not cause a vacuum in the said position. Mr. Balasag then queried Mr. Capili if in case Mr. Cuenca qualifies what will happen then to other nominees. Mr. Capili replied that Mr. Cuenca will be the first order of priority. Hence, Mr. Jaraula withdrew his motion.

Ms. Leonila Medina nominated Mr. Restituto Milagroso. However, Mr. Capili said that Mr. Milagro is not qualified considering that he is a former incumbent director of CISP. For that, Ms. Medina withdrew her nomination. Mr. Raymond Joseph Salvador nominated Ms. Fe Vidar, Metro Manila Savings Cooperative. Mr. Rene Bahian nominated Mr. Danilo Abellana, Bohol MPC. On motion duly seconded the body closed the nominations. Mr. Capili reiterated that the nominees will still be subject to screening of the ELECOM, thus:

- Mr. Armen Cuenca
- Ms. Fe Vidar
- Mr. Danilo Abellana

B. Nominees for Members of Audit Committee

Mr. Francisco Jose nominated Mr. Rey Gabilagon of Tibud Sa Katibawasan. However, Mr. Capili said that Mr. Gabilagon is not qualified since he also filed his certificate of candidacy for said position but was disqualified by the ELECOM. Thereafter, Ms. Medina nominated Ms. Wilma Gidaya, Immaculate Conception Parish Development Cooperative; Mr. Lazaro Nicdao nominated Mr. Rodolfo Dalangin, Novaliches Development Cooperative, and Mr. Bahian nominated Mr. Rolan Literaturs, Xavier University Employees Credit Cooperative. Thereafter, Mr. Jaraula moved to close the nominations duly seconded by Mr. Jose. The qualification of said nominees will also be reviewed by the Election Committee. The latter will recommend to the Board for confirmation the names of the qualified nominees.

C. Election of Members of Election Committee

Mr. Consolacion moved for the re-election of the incumbent members of the said Committee. No one objected to the motion, and then Mr. Batillo seconded said motion, which the Assembly unanimously upheld, hence, the following Resolution was approved, to wit:

RESOLUTION NO. 11 (GA-2016)

BE, IT RESOLVED AS IT IS HEREBY, RESOLVED that the General Assembly of the Cooperative Insurance System of the Philippines (CISP), re-elect the incumbent members of the Election Committee, namely:

1. Mr. Frederico A. Blanco – San Francisco Government Employees MPC
2. MR. DANILDO M. CAPILI – Parole and Probation MPC
3. MS. KAREN ANN R. BALBUENA – Allied Services MPC
RESOLVED FINALLY, that the term of office of the said members of the CISP Election Committee shall be for a period of one (1) year or until the next General Assembly.

BE, AS IT IS HEREBY, APPROVED

XI. ELECTION OF BOARD OF DIRECTORS/INDEPENDENT DIRECTORS

Mr. Capili informed the body that despite the reminder in the notices sent to the members, there are still representatives of member-coops who did not bring with them Secretary’s Certificate or Board Resolution vesting them the authority to represent and participate in the election for and on behalf of the their respective cooperatives. Upon consultation with the CISP legal counsel, the ELECOM decided that it will allow said delegates from 23 cooperatives to vote in the election provided that they will execute a sworn affidavit. However, Mr. Capili warned that this will be the first and last time that the representatives who will fail to present a board resolution or secretary’s certificate to that effect will be permitted to vote in the election. Then Mr. Capili sought the approval of the General Assembly if they will allow said delegates to vote, to which the members unanimously approved upon execution of an affidavit. The said delegates represent the following cooperatives:

1. Agdao Multi-Purpose Cooperative
2. Avon Independent Managers MPC
3. Barbaza Multi-Purpose Cooperative
4. Borbon Multi-Purpose Cooperative
5. Baguio Vegetable Retailers MPC
6. Cooperative Bank of Misamis Oriental
7. Coop for Christ MPC
8. Dingle Gov’t Workers and Employees Dev’t. Cooperative
9. Cooperative Bank of Ilocos Norte
10. Diffun Saranay Development Cooperative
11. Ilocos Sur Cooperative Bank
12. Libertad Multi-Purpose Coop
13. Masbate Multi-Purpose Coop
14. Metro Manila Savings Cooperative
15. Mariveles Public Market Devt.’ Coop
16. Sanguniang Panlungsod MPC
17. St. Joseph Kayapa Parish MPC
18. St. Vincent Ferrer Parish MPC
19. People Integrated MPC
20. Trinidad Multi-Purpose Coop
21. Matala Womens MPC
22. Lamac Multi-Purpose Cooperative
23. Zamboanga Social Welfare Dev’t MPC

A. Manner of Voting

The candidates were also given a time to introduce themselves to the members. Likewise, Mr. Capili read to the body the guidelines for the electronic voting. He explained that the IDs of official delegates contain the number of shares of the respective cooperatives which correspond to the number of votes that they could assign to their chosen candidates. Notwithstanding that all the candidates are already deemed winners, the members will still have to cast their votes to determine the first four candidates who will serve for a term of two years and the last three for one year. A voter could give his/her vote to a single candidate or distribute his/her votes to all candidates evenly or unevenly. Thus, if a voter has 1000 shares he can assign all his/her votes to a single candidate or distribute them...
unequally, say 400 votes to candidate A and 100 votes each to Candidates B,C,D,E and so on.

With regard to the lone candidate for independent director, Mr. Jesus Cornito, the members are still required to cast their votes for him and the votes will have to be counted. Accordingly, if the voter has 1000 assigned votes to the regular directors he/she also has 1000 assigned votes to the lone candidate for independent director of he/she wishes to vote for Mr. Cornito.

B. Appointment of Independent Body to conduct audit on the Electronic Voting System and the result of the election

In the spirit of transparency and good governance, Mr. Capili requested the Assembly to appoint an independent body, aside from the ELECOM, who will check and/or audit the electronic voting system prior to the casting of votes and the result of the said election. Thereafter, the body appointed Messrs. Ulysses Valdehuesa, Mario Jaraulla and Engr. Rene Bahian as members of said independent body. Consequently, the members of said independent body conducted an auditing or checking on the electronic voting system to verify its accuracy and ensure that the same is free from error and human intervention. Consequently, after the verification and checking of the system, the independent body certified that the system is accurate and secured. Thereafter, the assembly proceeded to the voting. A special lane for senior citizens and persons with disability was also provided for said member-voters.

C. Results of the Election

The independent body verified first the results of the votes prior to the announcement of winners. Mr. Capili announced the following candidates as winners. The first four winners will server for two years or until 2018 and the last three for one year or until the next general assembly. For the newly elected independent director, he will serve for five years from 2016 to 2021, thus.

<table>
<thead>
<tr>
<th>Name of Winning Candidates</th>
<th>Board of Directors</th>
<th>Votes Garnered</th>
<th>Coop Represented</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SENEN C. BACANI</td>
<td>400,239</td>
<td>Peace and Equity Foundation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ACDI Multi-Purpose Cooperative</td>
</tr>
<tr>
<td></td>
<td>TEODORO P. EVANGELISTA</td>
<td>398,240</td>
<td>USPD Savings &amp; Credit Cooperative</td>
</tr>
<tr>
<td></td>
<td>IMELDA S. MAGABILEN</td>
<td>379,888</td>
<td>First Community Cooperative</td>
</tr>
<tr>
<td></td>
<td>BENJAMIN T. QUE</td>
<td>361,403</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RAYMOND JOSEPH L. SALVADOR</td>
<td>211,430</td>
<td>San Dionsio Credit Coop Cooperative Banks</td>
</tr>
<tr>
<td></td>
<td>PRUDENCIO F. CONSOLACION</td>
<td>161,264</td>
<td>Federation of the Philippines (BANGKOOP)</td>
</tr>
<tr>
<td></td>
<td>FRANCISCO C. JOSE</td>
<td>136,207</td>
<td>BCS Credit Cooperative</td>
</tr>
</tbody>
</table>

|                            | JESUS G. CORNITO    | 2,048,677     | Memorial Services Coop Fed |
RESOLUTION NO. 12 (GA-2016)

WHEREAS, there are seven vacant positions in the Board of Directors and two for Independent Directors of the Cooperative Insurance of the Philippines (CISP) in the 2016 CISP Election of Officers;

WHEREAS, based on the certification made by the CISP Election Committee seven candidates have submitted their certificates of candidacy for the regular Board of Director and have qualified, and that only one candidate filed for candidacy for Independent Director;

WHEREFORE, PREMISES CONSIDERED, and by the authority vested in the Election Committee by the General Assembly to accept candidates for the Board of Directors and that of Independent Directors and/or evaluate their qualifications and thereafter declare the winning candidates during the election, the following candidates are hereby declared as winners for the position of the Board of Director and Independent Director, respectively, to wit:

**Board of Directors**

1. SENEN C. BACANI
2. TEODORO P. EVANGELISTA
3. IMELDA S. MAGABILEN
4. BENJAMIN T. QUE
5. RAYMOND JOSEPH L. SALVADOR
6. PRUDENCIO F. CONSOLACION
7. FRANCISCO C. JOSE

**Independent Director**

1. JESUS G. CORNITO

RESOLVED FURTHER, that the following directors shall serve for two (2) years or until year 2018, to wit:

1. SENEN C. BACANI
2. TEODORO P. EVANGELISTA
3. IMELDA S. MAGABILEN
4. BENJAMIN T. QUE

and the following directors shall serve for one (1) year or until the next General Assembly:

4. RAYMOND JOSEPH L. SALVADOR
5. PRUDENCIO F. CONSOLACION
6. FRANCISCO C. JOSE

RESOLVED FINALLY, that Mr. Cornito shall serve for five (5) years or until year 2021.

BE, AS IT IS HEREBY, APPROVED.
After the proclamation of winners Mr. Capili turned over the floor to Chairman BGen. Evangelista for the other items in the agenda.

XII. NEW BUSINESS

None was taken up

XIII. SINGING OF CISP HYMN

The Chairman requested all the delegates, officers and staff of the System to sing the CISP hymn.

XIV. ADJOURNMENT

The Chairman gave thanks to all the delegates, officers and staff for their presence and participation in the said event. There being no more matters to be discussed, the assembly meeting was adjourned at 3:00 p.m.

Certified True and Correct:

ORLANDO C. CALILUNG
Corporate Secretary

Attested:

BGEN. TEODOO P. EVANGELISTA AFP (Ret)
Chairman