

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
ALLIEDBANKERS INSURANCE CORPORATION
HELD VIRTUALLY THROUGH ZOOM
ON MAY 21, 2020, AT 10:00 A.M.**

PRESENT:

	<u>No. Of Shares</u>
LUCIO C. TAN	165,000,620
ROWENA T. CHUA	100
ALFREDO B. JIMENEZ, JR.	100
PETER Y. ONG	100
RUFINA T. YU	100
IRENE T. LUY	1
REYNALDO B. MONTALBO, JR.	1
MARY G. NG	1
KARLU T. SAY	1
CARMEN K. TAN	1

By Proxy

QUALISURE HOLDINGS CORPORATION Represented by CARMEN K. TAN	240,625,000
PHILIPPINE NATIONAL BANK Represented by ZACARIAS E. GALLARDO, JR.	25,000,000
HARRY C. TAN Represented by LUCIO C. TAN	100

TOTAL NUMBER OF SHARES PRESENT AND REPRESENTED BY PROXY	430,626,125
TOTAL NUMBER OF SHARES OUTSTANDING	625,000,000
PERCENTAGE OF SHARES OF STOCKHOLDERS PRESENT AND REPRESENTED BY PROXY	68.90%

ALSO PRESENT:

ATTY. ARLENE J. GUEVARRA - Corporate Secretary

I. CALL TO ORDER

The Chairman, Dr. Lucio C. Tan, called the meeting to order and then requested the President, Mr. Reynaldo B. Montalbo, Jr., to preside over the meeting. The Corporate Secretary, Atty. Arlene J. Guevarra, recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE OF MEETING

The President, as the Chairman of the Meeting, requested the Corporate Secretary to confirm if the required notice of the meeting had been sent to all the Stockholders. The Corporate Secretary certified that in accordance with Section 4, Article II of the Corporation's Amended By-Laws, written notice of the Annual Stockholders' Meeting was sent on April 21, 2020 either by registered mail and/or electronic mail to all stockholders of record as of the close of business on April 20, 2020 at their respective addresses and/or e-mail addresses indicated in the corporate records. This was confirmed by all the Stockholders present. All the Stockholders present likewise agreed to waive any defect in the notice of the Stockholders' Meeting.

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III. CERTIFICATION OF QUORUM

The Chairman of the Meeting asked the Corporate Secretary if a quorum was present for the transaction of corporate business. In response, the Corporate Secretary declared that out of a total of 625,000,000 shares outstanding and issued by the Corporation, stockholders owning a total of 430,626,125 are present or represented by proxies, which represent at least 68.90% or more than two-thirds ($\frac{2}{3}$) of the 625,000,000 outstanding capital shares of the capital stock of the Corporation. The Corporate Secretary then certified that a quorum existed for the valid transaction of corporate business.

The Corporate Secretary also informed the Stockholders that the following Directors were present in person:

Name	Designation
Lucio C. Tan	Chairman, Board of Directors/Chairman, Corporate Governance, Remuneration and Nomination Committee/Chairman, Non-Executive Committee
Reynaldo B. Montalbo, Jr.	Director/President/Chairman, Executive Committee/Member, Corporate Governance, Remuneration and Nomination Committee/Member, Investment Committee
Rowena T. Chua	Director/Executive Vice President for Strategic Partnership and Business Development/Member, Executive Committee/Member, Corporate Governance, Remuneration and Nomination Committee/Member, Investment Committee
Rufina T. Yu	Director/Senior Vice President/Comptroller/Member, Executive Committee/Member, Investment Committee
Alfredo B. Jimenez, Jr.	Independent Director/Chairman, Audit, Compliance and Risk Management Committee/Vice Chairman, Related Party Transactions Committee/Member, Corporate Governance, Remuneration and Nomination Committee/Member, Non-Executive Committee
Mary G. Ng	Independent Director/Member, Non-Executive Committee
Peter Y. Ong	Independent Director/Chairman, Related Party Transactions Committee/Vice Chairman, Audit, Compliance and Risk Management Committee/Member, Corporate Governance, Remuneration and Nomination Committee/Member, Non-Executive Committee

The Chairman of the Meeting then declared the meeting open for business.

At this point, at the request of the Chairman of the Meeting, the Corporate Secretary explained that the manner of voting is non-cumulative, except as to the election of directors. Each stockholder shall have one (1) vote for each share entitled to vote and registered in his/her/its name. The stockholders have the option to either vote in favor of or against a matter for approval, or to abstain. The vote of the stockholders representing at least a majority of the shares present or

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represented at the meeting will be sufficient to approve any of the matters for approval. In the election of directors, cumulative voting is allowed which means that a stockholder may either vote such number of shares for as many individuals as there are directors to be elected or he/she/it may cumulate said shares and vote such cumulative number of shares to one nominee or distribute them among as many nominees as he/she/it shall see fit. The top eleven (11) nominees with the most number of votes will be elected as directors.

IV. READING AND APPROVAL OF THE MINUTES OF THE 2019 ANNUAL STOCKHOLDERS' MEETING HELD ON APRIL 30, 2019

The Chairman of the Meeting called on the next item in the Agenda which was the reading and approval of the minutes of the last Annual Stockholders' Meeting that was held on April 30, 2019.

As the Corporate Secretary then proceeded to read the minutes of the 2019 Annual Stockholders' Meeting held on April 30, 2019, Mr. Peter Y. Ong, a stockholder, moved that the reading of the minutes of the April 30, 2019 Annual Stockholders' Meeting be dispensed with and that the minutes as appearing in the books of the Corporate Secretary be approved, inasmuch as copies thereof had earlier been made available and distributed to the Stockholders before the meeting. Another stockholder, Mr. Alfredo B. Jimenez, Jr., seconded the motion.

The Chairman of the Meeting stated that there is a motion to dispense with the reading of the minutes of 2019 Annual Stockholders' Meeting held on April 30, 2019 and approve the said minutes which was duly seconded. He asked if there were any objections.

There being no objection, the Stockholders representing 430,626,125 shares or 100% of the shares present or represented at the meeting voted to approve in favor of dispensing with the reading of the minutes of the 2019 Annual Stockholders' Meeting that was held on April 30, 2019 and the approval of the Minutes. The Stockholders unanimously approved the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2020-01

RESOLVED, to dispense with and waive the reading and approve the Minutes of the 2019 Annual Stockholders' Meeting held on April 30, 2019, as appearing in the books of the Corporate Secretary.

V. PRESIDENT'S REPORT

The Chairman of the Meeting then presented the President's Report which highlights the results of operations and performance for the year ended December 31, 2019 and the projected business outlook for 2020. A copy of the President's Report is attached as Annex "A" of these minutes.

Following the conclusion of the report, the Chairman of the Meeting opened the floor for any comments or questions from the Stockholders.

A stockholder, Ms. Mary G. Ng, congratulated Management for doing a very good job in 2019. She asked that with the COVID-19 problems, how will the

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business look like in 2020 and what are the plans of Management to increase or, at least, maintain the business and the Company's performance.

In response to the queries, President R. B. Montalbo, Jr. gave the following explanations:

- **They have two (2) types of business which are the commercial or corporate or the business with the other companies and the retail which is the one that will be hit hard.**
- **AlliedBankers Insurance Corporation's (ABIC's) retail business is always been small and weak so the impact of the quarantine to the entire business should be very minimal. At most, the quarantine will have impact on the volume of production of the branches but so far, the production of the branches is already more than double last year because of the new hirings last year.**
- **The other part of the business is the commercial or corporate which includes the business from the captive market or the business from Lucio Tan Group ("LTG"); the bancassurance business or the business from Philippine National Bank ("PNB"); the business from brokers and general agencies; and the business from other insurance companies that are shared with ABIC.**
- **The commercial or corporate business remains to be strong despite the quarantine because ABIC is still getting business from the likes of Marsh and also, this year alone, ABIC is accredited by the brokers of M. V. Pangilinan Group, Ayala Group and the Megaworld Group. The business from this brokers alone should be sufficient to fill-up ABIC's requirements this year.**
- **With the foregoing, Management is positive that the business this year should at least be flat.**
- **Regarding the plans of Management to ensure to improve or maintain the business and the Company's performance:**
 - **As far as the people are concerned, by next week, everybody in ABIC will be connected via internet so despite the fact that not all of the personnel will be able to go to the office, everybody will be productive because now they are connected. Also, they will now be able to continue their regular meetings via online to ensure that everybody knows what to do moving forward.**
 - **In terms of operations, they are trying to pattern the operations after a bank not only in terms of efficiency and risk management but also in terms of account management. So they now divided the accounts and each cluster of accounts is now being handled personally by a dedicated sales person and then every Monday during their Management Committee meeting, the sales personnel are asked to account for the transactions and the activities for those set of clients that are under them. So it becomes personal. The other part is the support. They also built a Sales Support Team dedicated in providing support to the sales personnel and like the Sales Team, they also have a cluster**

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of clients. So when something from a particular client comes in, the concerned sales support personnel takes care of it on a personal basis because it is his/her personal account. So now everything from the beginning to end is the responsibility of the sales people.

There being no other comments or questions, a stockholder, Ms. Rowena T. Chua, moved to note the President's Report which was duly seconded by Ms. Mary G. Ng.

A motion having been made and seconded, the Stockholders representing 430,626,125 shares or 100% of the shares present or represented at the meeting voted to note the President's Report. Hence, the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2020-02

RESOLVED, to note the President's Report for the year ended December 31, 2019.

VI. PRESENTATION OF THE 2019 AUDITED FINANCIAL STATEMENTS

The Chairman of the Meeting moved on to the next item in the Agenda which was the presentation of the 2019 Audited Financial Statements.

He informed the Stockholders that the Corporation's external auditor, SyCip Gorres Velayo & Co. ("SGV & Co."), has not yet completed the audit of the Corporation's Financial Statements for the year 2019 because of the quarantine that hampered their ability to move within Metro Manila and also for the ABIC officers and staff who are not able to go to the office to go into the folders and records to satisfy the requirements of SGV & Co.. He also reported that according to SGV, based on the latest Trial Balance, the Net Income will probably be P128.0Million or P129.0Million once the final audit is out. He likewise explained that for the unaudited Financial Statements, it shows that:

- For the Balance Sheet:
 - Total Assets, at the end of 2019, was P3.245Billion which is an 18% or almost half a billion pesos improvement from the P2.746Billion in 2018.
 - Equity went up from P1.532Billion to P1.689Billion, or an increase of 10%.
 - Liabilities went up by 28% from P1.2Billion to P1.556Billion.
- For the Income Statement:
 - The Gross Premiums Written ("GPW") last year was P860.0Million which is higher by 27% than 2018's P679.0Million and also within the budget of between P800.0Million to P900.0Million to deliver a Net Income of P100.0Million.
 - Net Income was P128.0Million which is 34% of the Net Premiums Earned ("NPE").
 - Loss went down from 35% in 2018 to only 24% in 2019, or down by 11%.

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- In terms of the technical income or the income from the insurance business itself, from a mere 12% of the NPE, it becomes 26% of the NPE.

Regarding the comment earlier of Mr. Zacarias E. Gallardo, Jr., proxy of Philippine National Bank, a stockholder, on the difference in the capital stock, President R. B. Montalbo, Jr. stated that unfortunately, he does not have the details but if the Body would allow, he will reply to the query via e-mail to everybody.

The Stockholders approved President R. B. Montalbo, Jr.'s suggestion to reply to the query via e-mail.

After some further discussion, Ms. Mary G. Ng moved to note the report on the financials which was duly seconded by Mr. Peter Y. Ong.

A motion having been made and seconded, the Stockholders representing 430,626,125 shares or 100% of the shares present or represented at the meeting approved the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2020-03

RESOLVED, to note the Financial Reports for the period ending December 31, 2019.

VII. RATIFICATION OF ALL THE ACTS, DECISIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, CORPORATE OFFICERS AND MANAGEMENT SINCE THE 2019 ANNUAL STOCKHOLDERS' MEETING

The Chairman of the Meeting proceeded to the next order of business which was the ratification of all the acts, decisions and proceedings of the Board of Directors, Corporate Officers and Management since the 2019 Annual Stockholders' Meeting. He explained that it is customary for the Stockholders during the annual meeting to ratify the acts, decisions and proceedings during the preceding year of the Board of Directors and of the Management acting within the scope of their delegated authority.

The Stockholders were then provided with a report of all the acts, resolutions and proceedings of the Board of Directors, Corporate Officers and Management since the 2019 Annual Stockholders' Meeting.

The Chairman of the Meeting explained that said acts, resolutions, decisions and proceedings were corporate acts taken by the Board of Directors, Corporate Officers and Management in the normal course of business. He also informed the Stockholders that the minutes of the meetings of the Board of Directors and Board Committees are on file with the Office of the Corporate Secretary and are available for review/inspection at anytime during office hours, upon request by any Stockholder.

Mr. Alfredo B. Jimenez, Jr. took the floor and moved that all acts, resolutions and proceedings of the Board of Directors, Corporate Officers and Management since the 2019 Annual Stockholders' Meeting, as reflected in the Management's Report and the minutes of the meetings of the Board of Directors and the Board Committees, be approved, confirmed and ratified. Ms. Rowena T. Chua seconded the motion.

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The Chairman of the Meeting asked if there were any objections.

There being no objection, the Stockholders representing 430,626,125 shares or 100% of the shares present or represented at the meeting voted in favor of the ratification of all the acts, resolutions, decisions and proceedings of the Board of Directors, Corporate Officers and Management since the 2019 Annual Stockholders' Meeting and resolved, thus:

STOCKHOLDERS' RESOLUTION NO. 2020-04

RESOLVED, to approve, ratify and confirm all the acts, resolutions, decisions and proceedings of the Board of Directors, Corporate Officers and Management since the 2019 Annual Stockholders' Meeting, as reflected in the Management's Report and the minutes of the meetings of the Board of Directors and Board Committees.

VIII. ELECTION OF DIRECTORS

The next order of business was the election of the Board of Directors of the Corporation for the ensuing year 2020 - 2021.

The Chairman of the Meeting explained that the Corporation's Articles of Incorporation provides for eleven (11) directors.

He then requested Corporate Governance, Remuneration and Nomination Committee Member Rowena T. Chua for the list of nominees to the Board of Directors.

Director Rowena T. Chua reported that the following are the nominees to the Board of Directors for the year 2020 - 2021:

1. DR. LUCIO C. TAN
2. MS. CARMEN K. TAN
3. MS. ROWENA T. CHUA
4. MS. IRENE T. LUY
5. MR. REYNALDO B. MONTALBO, JR.
6. MS. KARLU T. SAY
7. MR. HARRY C. TAN
8. MS. RUFINA T. YU
9. MR. ALFREDO B. JIMENEZ, JR.
10. MS. MARY G. NG
11. MR. PETER Y. ONG

She stated that Mr. Alfredo B. Jimenez, Jr., Ms. Mary G. Ng and Mr. Peter Y. Ong were duly nominated as Independent Directors and that except for Ms. Carmen K. Tan, Ms. Irene T. Luy and Ms. Karlu T. Say, all the nominees are incumbent members of the Board of Directors. She also explained that the Corporate Governance, Remuneration and Nomination Committee had screened and reviewed the qualifications of all the nominees and determined that all the eleven (11) nominees have met all the requirements and possess all the qualifications and none of the disqualification to be elected as directors of the Corporation. She likewise stated that all nominees have given their respective consent to their nomination.

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A brief discussion on the profile of the nominees, including, but not limited to, their age, education, background/work experience, current and previous positions, and relevant training and seminars attended followed.

Ms. Carmen K. Tan, a stockholder, moved that since there were only eleven (11) persons nominated to, and qualified for, the eleven (11) seats in the Board, all the votes be cast in favor of the eleven (11) nominees and thereafter, they be declared as the elected Directors of the Corporation for the ensuing year, to serve for a term of one (1) year or until their successors shall have been elected and qualified. Another stockholder, Ms. Karlu T. Say, duly seconded the motion.

The Chairman of the Meeting asked if there were any objections to the motion.

A motion having been duly made and seconded and there being no objection, the Chairman of the Meeting directed the Corporate Secretary to cast, as she did cast, all the votes in favor of the eleven (11) nominees, as follows:

Director	Votes
Lucio C. Tan	430,626,125
Carmen K. Tan	430,626,125
Rowena T. Chua	430,626,125
Irene T. Luy	430,626,125
Karlu T. Say	430,626,125
Harry C. Tan	430,626,125
Reynaldo B. Montalbo, Jr.	430,626,125
Rufina T. Yu	430,626,125
Alfredo B. Jimenez, Jr. (Independent Director)	430,626,125
Mary G. Ng (Independent Director)	430,626,125
Peter Y. Ong (Independent Director)	430,626,125

Thereafter, the Chairman of the Meeting declared all the eleven (11) nominees elected as Directors of the Corporation for the ensuing year 2020 - 2021, to serve as such in accordance with the Corporation's By-Laws for a period of one (1) year or until their successors shall have been duly elected and qualified.

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman of the Meeting then informed the Stockholders that the next proposal to be presented for approval was the Appointment of External Auditor for the year 2020.

Audit and Compliance and Risk Management Committee Chairman Alfredo B. Jimenez, Jr. explained that the Corporation's present External Auditor, SyCip Gorres Velayo & Co. ("SGV & Co."), has provided satisfactory service to the Corporation and on that basis, the Audit and Compliance and Risk Management Committee is recommending and endorsing the retention/re-appointment of SGV & Co. as External Auditor for the year 2020.

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Mr. Peter Y. Ong moved that the auditing firm SGV & Co. be retained as external auditor of the Company, as recommended and endorsed by the Audit and Compliance and Risk Management Committee. Ms. Rufina T. Yu, a stockholder, duly seconded the motion.

The Chairman of the Meeting asked if there were any objections to the motion.

There being no objection, the Stockholders representing 430,626,125 shares or 100% of the shares present or represented at the meeting voted for the re-appointment/retention of SGV & Co. as external auditor for the ensuing year. The Stockholders unanimously approved the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2020-05

RESOLVED, to approve the re-appointment/retention of SyCip Gorres Velayo & Co. as the External Auditor of the Corporation for the year 2020.

X. ADJOURNMENT

The Chairman of the Meeting asked if there were any other questions or comments which the Stockholders wished to raise before adjournment. There being none and considering all the matters in the Agenda have been discussed, the Chairman of the Meeting entertained a motion to adjourn. Upon motion duly made and seconded, the meeting was adjourned at 10:28 A.M..

CERTIFIED CORRECT:


ATTY. ARLENE J. GUEVARRA
Corporate Secretary

ATTESTED:

LUCIO C. TAN
Chairman

REYNALDO B. MONTALBO, JR.
President
(Chairman of the Meeting)