

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
ALLIEDBANKERS INSURANCE CORPORATION
HELD VIRTUALLY THROUGH ZOOM
ON AUGUST 05, 2021, AT 10:00 A.M.**

PRESENT:

	No. Of Shares
LUCIO C. TAN	165,000,620
ROWENA T. CHUA	100
ALFREDO B. JIMENEZ, JR.	100
HARRY C. TAN	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, INC. Represented by CARMEN K. TAN	240,625,000
PHILIPPINE NATIONAL BANK Represented by JOSE GERMAN M. LICUP	25,000,000

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

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 to all stockholders of record 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.

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 thereto, 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

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proxies which represent 68.90% or more than two-thirds (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 all the members of the Board were present in person.

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 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 2020 ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 21, 2020

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 May 21, 2020.

As the Corporate Secretary then proceeded to read the minutes of the 2020 Annual Stockholders' Meeting held on May 21, 2020, Mr. Peter Y. Ong, a stockholder, moved that the reading of the minutes of the May 21, 2020 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 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 the 2020 Annual Stockholders' Meeting held on May 21, 2020 and to 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 2020 Annual Stockholders' Meeting that was held on May 21, 2020 and the approval of the Minutes. The Stockholders unanimously approved the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2021-01

RESOLVED, to dispense with and waive the reading and approve the Minutes of the 2020 Annual Stockholders' Meeting held on May 21, 2020, as appearing in the books of the Corporate Secretary.

V. PRESIDENT'S REPORT

The next item in the agenda was the President's Report.

President R. B. Montalbo, Jr. gave the following report:

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“IN EVERY CRISIS LIES OPPORTUNITY

Alliedbankers Insurance Corporation finished the year 2020 at PhP108Million which, while it missed the year’s target net income by less than 1%, ranks as its second (2nd) highest net income from operations ever. This is largely due to the pandemic that surprised and briefly stopped the whole world, thereby limiting the expansion plan that we have set up with the reforms and recruitments that started in 2019. We would have seen ABIC further widen its base of Retail Provincial Clients, increase its share of the Broker Business, and strengthen its coverage of the PNB Banca Business and LT Group of Companies’ growing requirements as spelled out in our 2020 - 2022 Business Plan.



In spite of the temporary setback caused by the pandemic, ABIC still managed a respectable dash to the financial finish line.



The year’s Gross Production budget was achieved by switching focus from pandemic-handicapped Retail Expansion to growing the Broker Business. As a consequence, ABIC’s Retention Ratio fell from 55% to 47%. This, consequently, led to a Net Income that fell short of target even after paring our Loss Ratio to only 17% of Net Premiums Earned from 23% in 2019.

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Despite the lower income in 2020, ABIC remained financially strong with liquidity at a high 163% and the Solvency Ratio at 367%. ABIC's Net Worth likewise surpassed the Insurance Commission's statutory minimum of PhP900Million and is, in fact, compliant already with the PhP1.30Billion statutory minimum in 2022.

While ABIC managed to achieve its gross production target but missed its net income target, all was not lost due to the pandemic. As the old saying goes, **"In every Crisis lies Opportunity"**.

While Sales Expansion and the bottom line were adversely affected, the quarantine to contain the virus became a golden opportunity to focus on three major initiatives to improve operational efficiencies and recover lost ground in sales expansion. These three will ensure that ABIC will hit the ground running at the first sign of the new normal. First, the initiative to overhaul the Company's Business Process and IT Infrastructures under the guidance of SGV & Company proceeded with more vigor and the blueprint for execution was completed. Second, the year-long lockdown of varying intensity has forced ABIC into Digitization much earlier than originally planned. Lastly, the acquisition of PNB General Insurers Co., Inc. was finalized and this will be contributing tremendously in partially negating the pandemic's impact on Sales Expansion.

Impact of the Pandemic on Sales

P2P Business

The pandemic was felt the most in the person-to-person ("P2P") business which is comprised almost entirely by the banca business with Philippine National Bank ("PNB") and the retail business through the individual agents.

The 2020 Sales Expansion Plan calls for an aggressive recruitment of provincial agents who will drive the expansion of ABIC's retail residential property and motor car line businesses. This will augur the conversion of

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ABIC's branches into a Branch Distribution Network that will continue to service the banca business with PNB and, this time, also make a big push for the retail open market. Thus, spreading ABIC's portfolio risk from mainly Cresta 5 and Cresta 6 Zones to other zones. It will likewise boost ABIC's operating income since the retail insurance business has a lower loss ratio and a higher retention ratio resulting in a wider underwriting margin.

Just as ABIC was starting the year strong, the entire nation went into lockdown on March 17, 2020. It practically put the agents' recruitment program on hold and the potential retail clients out of reach.

Despite the handicap, the branches managed to increase their production, year-on-year, by 61% and the retail open market's share to 27% from 8% in 2019. Further, while the recruitment fell short of the targets, the number of agents grew from 19 to 84. Furthermore, the San Fernando Branch and Lipa Branch were inaugurated to make them more conducive in generating business for the agents in these two locations.

B2B Business

With the retail prospects dim, ABIC focused its energies on optimizing its capacity and goodwill to generate more business from its corporate or business-to-business ("B2B") production with the Brokers. From a mere 7 broker and agency partners, ABIC grew this to 24 in 2020. The Gross Production from this channel grew 30% in 2020! While they made up in Gross Production, there is a lower retention ratio from this segment because of capacity limitations and, also, of ABIC's portfolio risk management discipline.

Likewise, ABIC All-In 888 which is a predominantly Personal Accident banca product was successfully offered to corporate clients with the assistance of PNB's Institutional Banking Sector. DoubleDragon Properties Corporation had their employees covered with ABIC All-In 888 while DingDong PH, through its food delivery subsidiary *DoorBell*, had their riders covered, as well.

Overhaul of the Business Process and IT Infrastructures

What started in 2019 as a review of ABIC's IT System to be an effective tool for Data Analytics transformed into "Project Pearl", a major undertaking to review the entire Business Process Infrastructure to rid ABIC of inefficiencies and control loopholes to be able to deliver on its promise, "***We cover, You recover***" within a set turnaround time that can only be described as **Excellent Service**.

This naturally progressed, in 2020, into a review, as well, of the entire Information Technology Infrastructure of ABIC aimed at improving the Company's Data Analytics capabilities and transition ABIC into a world of Digital and Mobile Business.

By the end of the first quarter of 2021, a comprehensive Business Requirements Document ("BRD"), resulting from Project Pearl, was finalized. From a mere task force, participation in the Project ballooned to include the active participation of selected Subject Matter Experts ("SMEs"). The BRD which has become the magnum opus that will serve as blueprint for ABIC's full Digitization.

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Digitization

While Project Pearl was still ongoing, lessons learned from the project were already utilized. With the forced lockdown, ABIC achieved a 100% connectivity of all its employees. Desktops and laptops were brought home, pocket WiFi devices were provided, and an almost paperless business operations was realized.

From staff meetings to Board meetings to marketing calls with business partners, ABIC went virtual with the use of various platforms like Zoom, Microsoft Teams, and Google Meet, among others.

Acquisition of PNB General Insurers Co., Inc.

Branch Network. The acquisition of PNB Gen came at the right time. Reeling from the restrictions on our branch expansion and agents' recruitment, ABIC suddenly found itself with 15 branches in various strategic locations nationwide. Each coming with its pool of agents and a solid banca business with PNB. What was denied by the pandemic was handed over by the acquisition.

Talents. In addition to a 15-branch network, PNB Gen came with a pool of talents in technical sales, underwriting, claims processing, IT, and Accounting. Thus, realizing for ABIC its twin objectives of being poised to take on opportunities in the retail and corporate Open Market and optimizing coverage of the Captive Market with PNB and the LT Group of Companies.

IT System. PNB Gen's use of GENiiSYS, the most widely used IT system in the country, was manna from heaven. With the BRD from Project Pearl done, ABIC already has the blueprint for the customization of GENiiSYS to suit ABIC's objectives.

These will ensure that before or by the end of 2021, ABIC will have the personnel complement, the nationwide distribution network, and an efficient Business Process Infrastructure that rides on a customized digital world-ready IT Infrastructure.

Indeed, **IN EVERY CRISIS LIES OPPORTUNITY.**"

The Chairman of the Meeting then opened the floor for comments, suggestions and/or questions.

There being no comments or questions, a stockholder, Ms. Rowena T. Chua, moved to note the President's Report which was duly seconded by Mr. Alfredo B. Jimenez, Jr.

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. 2021-02

RESOLVED, to note the President's Report for the year ended December 31, 2020.

VI. PRESENTATION OF THE 2020 AUDITED FINANCIAL STATEMENTS

The Chairman of the Meeting called on the next item in the agenda which was the presentation of the 2020 Audited Financial Statements.

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President R. B. Montalbo, Jr. gave a summary of the Corporation's 2020 Audited Financial Statements, as follows:

BALANCE SHEET

	AUDITED		AUDITED		Inc/(Dec)	
	2020		2019			
<i>(in millions)</i>						
ASSETS						
Cash and Cash Equivalent	279	440	(160)	(36%)		
Insurance Receivables	756	578	178	31%		
Investment Securities and Trust	1,145	1,318	(173)	(13%)		
Investment in Associate	524	0	524			
Reinsurance Assets	544	443	101	23%		
Property and Equipment	35	27	8	28%		
Other Assets	209	334	(126)	(38%)		
TOTAL ASSETS	3,491	3,140	351	11%		
LIABILITIES						
Insurance Contract Liabilities	849	782	67	9%		
Insurance Payables	313	229	84	37%		
Other payables	537	446	91	20%		
TOTAL LIABILITIES	1,699	1,457	242	17%		
EQUITY						
Equity	1,792	1,683	109	6%		
TOTAL EQUITY	1,792	1,683	109	6%		
TOTAL LIABILITIES & EQUITY	3,491	3,140	351	11%		

INCOME STATEMENT

	AUDITED		AUDITED		Inc/(Dec)	
	2020		2019			
<i>(in millions)</i>						
Gross Premiums Written	804	100%	860	100%	(56)	(7%)
Premium Ceded	427	53%	386	45%	41	11%
Net Retained	377	47%	474	55%	(97)	(20%)
Net Premiums Earned	441	100%	374	100%	67	18%
Gross Underwriting Income	513	117%	448	120%	65	15%
Underwriting Expense	138	31%	63	17%	76	121%
Commission Expense	64	15%	67	18%	(3)	(4%)
Claims & Losses	73	17%	87	23%	(14)	(16%)
Total Deductions	276	63%	217	58%	59	27%
Net Underwriting Income	238	54%	232	62%	6	3%
General & Administrative Expense	168	38%	158	42%	9	6%
Net Income from Operations	70	16%	73	20%	(3)	(5%)
Investment & Other Income	78	18%	96	26%	(18)	(18%)
Net Income Before Tax	148	34%	169	45%	(21)	(12%)
Net Income After Tax	108	25%	128	34%	(20)	(15%)

After some discussion, Mr. Jose German M. Licup, proxy of a stockholder, Philippine National Bank, moved to approve the Corporation's 2020 Audited Financial Statements as presented.

Said motion 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:

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STOCKHOLDERS' RESOLUTION NO. 2021-03

RESOLVED, to approve the Corporation's 2020 Audited Financial Statements as submitted by the auditing firm SyCip Gorres Velayo & Co..

VII. RATIFICATION OF ALL THE ACTS, DECISIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, CORPORATE OFFICERS AND MANAGEMENT SINCE THE 2020 ANNUAL STOCKHOLDERS' MEETING

The Chairman of the Meeting moved on 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 2020 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.

He then reported on the acts, resolutions and proceedings of the Board of Directors, Corporate Officers and Management since the 2020 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.

A stockholder, Ms. Karlu T. Say, moved for the exclusion of the Board approval granting ex-gratia settlement to Eton City, Inc. ("ECI") in the amount of P9,733,761.61 which is 50% of the P19,467,523.31 Loss of ECI, subject to ECI revoking the appointment of Marsh as its broker on record and ECI appointing ABIC as its exclusive insurance service provider.

After some discussion, Ms. Rowena T. Chua took the floor and moved that all acts, resolutions and proceedings of the Board of Directors, Corporate Officers and Management since the 2020 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, except for the Board approval granting a P9,733,761.61 ex-gratia settlement to ECI.

Said motion was duly seconded by Mr. Jose German M. Licup.

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

There being none, 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 2020 Annual Stockholders' Meeting, except for the Board approval granting an ex-gratia settlement to ECI. The Stockholders unanimously resolved, thus:

STOCKHOLDERS' RESOLUTION NO. 2021-04

RESOLVED, to approve, ratify and confirm all the acts, resolutions, decisions and proceedings of the Board of Directors, Corporate Officers and Management since the 2020 Annual Stockholders' Meeting, as reflected in the Management's Report and the minutes of the meetings of the Board of Directors and Board Committees, except for the Board approval granting a P9,733,761.61 ex-gratia settlement to Eton City, Inc. which is 50% of the P19,467,523.31 Loss of ECI, subject to ECI revoking the appointment of Marsh as its broker on record and ECI appointing ABIC as its exclusive insurance service provider.

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VIII. ELECTION OF DIRECTORS

The next order of business was the election of the Board of Directors of the Corporation for the ensuing year 2021 - 2022.

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

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

Corporate Governance Committee Member Rowena T. Chua reported that the following are the nominees to the Board of Directors for the year 2021 - 2022:

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. She also explained that the Corporate Governance 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.

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. Said motion was duly seconded by Ms. Karlu T. Say.

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

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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 2021 - 2022, 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 item for approval was the Appointment of External Auditor for the year 2021.

Audit and Risk Committee Chairman Alfredo B. Jimenez, Jr. explained that the Corporation's present External Auditor, SyCip Gorres Velayo & Co. ("SGV & Co."), continued to provide satisfactory service to the Corporation and on that basis, the Audit and Risk Committee is recommending and endorsing the retention/re-appointment of SGV & Co. as External Auditor for the year 2021.

Ms. Mary G. Ng, a stockholder, moved that the auditing firm SGV & Co. be retained as external auditor of the Company, as recommended and endorsed by the Audit and Risk Committee.

Another stockholder, Ms. Rufina T. Yu, 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 the Corporation's external auditor for the ensuing year. Hence, the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2021-05

RESOLVED, to approve the re-appointment/retention of SyCip Gorres Velayo & Co. as the External Auditor of the Corporation for the year 2021.

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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 10:33 A.M..

CERTIFIED CORRECT:



ATTY. ARLENE J. GUEVARRA
Corporate Secretary

ATTESTED:

LUCIO C. TAN
Chairman

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