

**MINUTES OF THE VIRTUAL ANNUAL STOCKHOLDERS' MEETING OF  
ALLIEDBANKERS INSURANCE CORPORATION  
HELD VIRTUALLY THROUGH ZOOM  
ON 24 May 2024, AT 2:00 PM**

**(For Approval at the 2025 Annual Meeting of the Stockholders)**

**PRESENT:**

	<b>No. of Shares</b>
LUCIO C. TAN	165,000,619
RUFINA T. YU	100
PETER Y. ONG	100
ROWENA T. CHUA	100
CIELO M. SALGADO	100
IRENE T. LUY	1
MARY G. NG	1
CARMEN K. TAN	1
PERFECTO M. DOMINGO	1
KARLU T. SAY	1
ZACARIAS E. GALLARDO, JR.	1

**BY PROXY:**

QUALISURE HOLDINGS, INC.	240,625,000
Represented by Lucio C. Tan/ Carmen K. Tan/ Irene T. Luy	

PHILIPPINE NATIONAL BANK	25,000,000
Represented by Modette Ines V. Carino	

<b>PERCENT OF SHARES OF STOCKHOLDERS PRESENT AND REPRESENTED BY PROXY</b>	68.90%
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<b>TOTAL NUMBER OF SHARES OUTSTANDING</b>	625, 000,000
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<b>TOTAL NUMBER OF SHARES PRESENT AND REPRESENTED BY PROXY</b>	430,626,025
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**ALSO PRESENT:**

ATTY. MA. CLARA C. DE CASTRO	Corporate Secretary
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#### **I. CALL TO ORDER**

The President, Mr. Perfecto M. Domingo, called the meeting to order. The Corporate Secretary proceeded to record the minutes of the proceedings.

#### **II. CERTIFICATION OF NOTICE OF MEETING**

The President asked the Corporate Secretary if notices were sent to the Stockholders and whether quorum was present for the transaction of corporate business. In response thereto, the Corporate Secretary certified that notices were duly sent to the stockholders on 14, 15 and 16 May 2024 via email, registered mail and personal service, respectively. The Corporate Secretary further declared that out of a total of 625,000,000 shares outstanding and issued by the Corporation, stockholders owning a total of 430,626,025 are present or represented by proxies, which represent 68.90% or more than two-thirds 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 President then declared the meeting open for business.

#### **III. READING AND APPROVAL OF THE MINUTES OF THE 2023 ANNUAL STOCKHOLDERS' MEETING HELD ON 01 JUNE 2023**

The President moved on to the next order of business which was the reading and approval of the minutes of the last Annual Stockholders' Meeting that was held on 01 June 2023.

Copies of the minutes of the meeting were made available to the stockholders prior to the meeting for their inspection. Upon motion duly made and approved, the reading of the minutes of the 01 June 2023 Annual Stockholders' Meeting was dispensed with and the said minutes as appearing in the books of the Corporate Secretary was approved.

The Stockholders unanimously approved the following resolution:

#### **STOCKHOLDERS' RESOLUTION NO. 2024-01**

**RESOLVED**, to dispense with and waive the reading and approve the Minutes of the 2023 Annual Stockholders' Meeting held on 01 June 2023, as appearing in the books of the Corporate Secretary.

#### **IV. PRESIDENT'S REPORT**



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

President Perfecto M. Domingo gave the following report:

2023 saw the continued recovery of our economy to its pre-pandemic level, with GDP growth of 5.6%. The non-life insurance industry posted growth in gross premiums of 13% over the previous year.

Against this backdrop, the Company performed well generating top line premiums of P 3.3B in 2023, an increase of 15% from last year. The Company's 2023 performance marks the first time that ABIC exceeded the P 3B mark, catapulting it into the top 12 position in the non-life insurance industry.

The growth came mainly from the three major insurance pillars (fire, personal accident and aviation) accounting for 74% of the Company's premium volume, which went up by 19%. Notably, personal accident line grew by 33%, mainly due to the increase in the sales of PAL travel insurance.

By source of business, LT Group contributed P 2.1B in premiums, which is equivalent to 64% of the portfolio, posting an increase of 11%. Open market accounts, on the other hand, contributed P 1.2B, accounting for 36% of the portfolio. The higher open market business was the result of the management's strategies to develop agency and brokers business and expand the Company's sales network.

As for the bancassurance operations, it generated P 630M in premiums, accounting for 19% of the total company revenue. The Company currently has a 15-year exclusive bancassurance marketing agreement with PNB, which was signed in 2020.

Net income from current operations almost doubled at P 121M in 2023, against the net income from previous year of P 61M. However, with the non-recurring expenses of P 40M, net income registered amounted to P 81M, which is still 33% better than the net income in 2022.

Improvements in the bottom line were mainly due to the lower losses incurred, costing only P 183M compared to P 357M last year (lower by 48%). There were no catastrophic losses and major fire incidents that hit the Company's business portfolio. This can be attributed primarily to the prudent underwriting policies being implemented by the management.

Loss ratio, or the losses incurred as a percentage of premiums earned, reached 29% this year, as against last year's loss ratio of 47%. Meanwhile, the Company's investment income and other income increased by 13%.

While the Company improved its operations, the offering for fire insurance lines remains challenging in view of the hardening reinsurance market. In 2023, basic reinsurance cost increased by 36% from P350M in 2022 to P 475M, without impact of adjustments due to Typhoon Odette in 2021. This prompted the management to increase the fire insurance rate by 23%, which consequently reduced the Company's fire portfolio by around 20%. This initiative is expected to improve the underwriting results with the reduction of the net risk exposure and consequently, lower the reinsurance cost for the coming year.

As part of the efforts to streamline operations, the Company implemented measures to reduce general and administrative expenses. Such initiatives, which include those affecting manpower complement, delivery of administrative services, and premises operations, resulted in 9% reduction in costs before non-recurring expenses.

Moving forward, management is optimistic on the results of the 2024 operations. With the continuous recovery of the economy, it is expected that the top line will continue to grow with renewed focus on bancassurance channel, both on the retail and corporate. The mass sales products being offered to PNB with an improved platform will soon be launched and is expected to bring profitable retainable business.

On the corporate accounts, management will continue to work closely with PNB's Institutional Banking Sector to increase our penetration rate. As for the retail side, primarily on the consumer loans, management is hoping to increase business as new loan programs are lined up.

For 2024, the Company will focus on the net premiums written, which will carry a bigger weight than the gross premiums written target. Hence, the drive will be towards retainable business to enhance profitability. Management is also hoping to further develop the Company's microinsurance channel by collaborating with targeted institutions, increasing the agency workforce nationwide and capitalizing on the 15 branches to generate retail accounts.



On the backroom operations, management is working on streamlining its backroom operations and strengthening its internal control. Management will likewise continue to put emphasis on collections, controlling the operating expenses and finding ways to improve how business is done. In the end, the primary objective of management is to improve the Company's ROE to at least 10% within the next three years and increase shareholder value.

While there may be challenges along the way, the Company has its inherent strengths, considering our bancassurance partnership with PNB, our being part of a big business conglomerate and having a respected name in the industry. Likewise, there are dedicated and capable people that can make things happen and deliver results.

Management extends its gratitude to the stockholders for their unwavering support and confidence.

The President then opened the floor for any comments or questions on the company's performance and operations for the year 2021.

There being no comments or questions, a motion was made and seconded to note the President's Report, as presented to the Stockholders.

The stockholders unanimously approved the following resolution:

**STOCKHOLDERS' RESOLUTION NO. 2024-02**

**RESOLVED**, to note the President's Report for the year ended 31 December 2023.

**V. PRESENTATION OF THE 2023 AUDITED FINANCIAL STATEMENTS**

The President presented the Independent Auditor's Report and the Audited Balance Sheets and Income Statements of the Company:

## SGV's Independent Auditor's Report

April 12, 2024

"In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs)."

SYCIP GORRES VELAYO & CO.

*Bernadette L. Ramos*

Bernadette L. Ramos

Partner

CPA Certificate No. 0091096

Tax Identification No. 178-486-666

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-081-2024, January 26, 2024, valid until January 25, 2027

PTR No. 10079998, January 6, 2024, Makati City

April 12, 2024

## AUDITED BALANCE SHEETS

In Millions	2023	2022	Variance	
ASSETS				
Cash and Cash Equivalents	2,015	1,746	270	15%
Insurance Receivables - net	1,849	1,911	(62)	(3%)
Investment in Subsidiary	-	1,556	(1,556)	-
Financial Assets	2,070	895	1,176	131%
Accrued Income	35	9	26	300%
Reinsurance Assets	3,877	3,782	95	3%
Deferred Acquisition Costs	134	152	(18)	(12%)
Property and Equipment- net	62	57	5	8%
Right-of-use assets - net	24	-	24	0%
Intangible Asset - net	41	47	(5)	(11%)
Deferred Tax Assets- net	64	27	37	135%
Net Pension Asset	13	18	(5)	(29%)
Other Assets	453	238	215	90%
TOTAL ASSETS	10,637	10,437	200	2%

In Millions	2023	2022	Variance	
LIABILITIES				
Insurance Contract Liabilities	4,668	4,487	181	4%
Insurance Payables	1,288	1,222	66	5%
Accounts Payable and Accrued Expenses	899	1,083	(183)	(17%)
Deferred Reinsurance Commissions	66	69	(4)	(5%)
Income Tax Payable	-	-	-	0%
Lease Liabilities	27	16	11	70%
Dividends Payable	19	19	-	0%
Net Pension Liability	-	-	-	0%
Total Liabilities	6,967	6,896	71	1%
EQUITY				
Capital Stock	845	470	375	80%
Treasury shares	(810)	-	(810)	0%
Subscribed Capital Stock	600	166	435	263%
Contingency Surplus	1,600	1,600	-	0%
Contributed Surplus	442	442	-	0%
Revaluation Reserve on AFS Financial Assets	54	54	(1)	(1%)
Revaluation reserve on financial assets at FVOCI	-	-	-	0%
Remeasurement Gains/Losses on Defined Benefit Plan	9	16	(7)	(42%)
Retained Earnings	930	793	137	17%
Total Equity	3,670	3,541	130	4%
TOTAL LIABILITIES AND EQUITY	10,637	10,437	200	2%

## AUDITED INCOME STATEMENTS

In Millions	2023	2022	Variance	
REVENUES				
Gross earned premiums	3,185	2,789	396	14%
Reinsurers' share of gross earned premiums	(2,555)	(2,025)	(530)	26%
Net earned premiums	630	764	(134)	(18%)
Other income	608	525	82	16%
Total income	1,238	1,289	(52)	(4%)
BENEFITS, CLAIMS AND EXPENSES				
Net insurance benefits and claims	183	357	(174)	(49%)
General and administrative expenses	414	392	22	6%
Underwriting expenses	312	177	135	76%
Commission expense	208	266	(58)	(22%)
Interest expense	2	1	1	72%
Other Expenses	936	836	100	12%
Total benefits, claims and other expenses	1,119	1,194	(75)	(6%)
INCOME BEFORE INCOME TAX	119	96	23	24%
PROVISION FOR INCOME TAX	38	35	3	8%
NET INCOME	81	61	20	33%

The President then opened the floor for any comments or questions on the company's audited financial statements for the year ended 31 December 2023.

There being no comments or questions, a motion was made and seconded to approve the 2023 audited financial statements of the company.

The stockholders unanimously approved the following resolution:

### **STOCKHOLDERS' RESOLUTION NO. 2024-03**

**RESOLVED**, as it is hereby resolved, to approve the 2023 Audited Financial Statements of the Company, as presented to the Stockholders.

### **VI. RATIFICATION OF ALL THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE 2023 ANNUAL STOCKHOLDERS' MEETING**

The President proceeded to the next order of business, which is the ratification of all the acts, resolutions and proceedings of the Board of Directors, and Management since the 2023 Annual Stockholders' Meeting.

He then proceeded to present the list of all acts, resolutions and proceedings of the Board of Directors and Management since the 2023 Annual Stockholders' Meeting.

Upon a motion duly made and seconded, all acts, resolutions and proceedings of the of the Board of Directors, and Management since the 2023 Annual Stockholders' Meeting, as presented to the Stockholders and reflected



in the minutes of the meetings of the Board of Directors and Board Committees, were approved, confirmed and ratified.

There being no objections, the Stockholders unanimously approved the following resolution:

**STOCKHOLDERS' RESOLUTION NO. 2024-04**

**RESOLVED**, to approve, ratify and confirm all acts, resolutions and proceedings of the Board of Directors and Management since the 2023 Annual Stockholders' Meeting, as presented to the Stockholders and reflected in the minutes of the meetings of the Board of Directors and Board Committees.

**VII. APPOINTMENT OF THE EXTERNAL AUDITOR**

The President proceeded to the next item for approval which is the Appointment of the External Auditor for the year 2024.

The Audit, Risk Management and Compliance Committee recommended the retention of the Company's current external auditor, Sycip Gorres Velayo & Co. ("SGV").

Upon a motion duly made and seconded, the re-appointment of SGV as the Company's external auditor for the year 2024 was approved.

There being no objections, the Stockholders unanimously approved the following resolution:

**STOCKHOLDERS' RESOLUTION NO. 2024-05**

**RESOLVED**, to approve the re-appointment/retention of Sycip Gorres Velayo & Co. as the External Auditor of the Corporation for the year 2024.

**VIII. ELECTION OF DIRECTORS**

The next item in the agenda was the election of the Board of Directors of the Corporation for the year 2024 – 2025.

The President explained that the Articles of Incorporation of the Company provides for eleven (11) directors.

He then requested the Corporate Governance Committee for the list of nominees to the Board of Directors.



The Corporate Governance Committee presented the following nominees to the Board of Directors for the year 2024 – 2025. The qualifications of all the nominees were duly reviewed and screened by the Corporate Governance Committee. All eleven (11) nominees have met all the requirements and possess all the qualifications and none of the disqualifications to be elected as directors of the Corporation. All the nominees have given their respective consent to their nomination:

1. Dr. Lucio C. Tan
2. Mrs. Carmen K. Tan
3. Mr. Perfecto M. Domingo
4. Ms. Rowena T. Chua
5. Ms. Rufina T. Yu
6. Mr. Zacarias E. Gallardo, Jr.
7. Ms. Irene T. Luy
8. Ms. Karlu T. Say
9. Ms. Mary G. Ng
10. Mr. Peter Y. Ong
11. Ms. Cielo M. Salgado

Ms. Mary G. Ng and Ms. Cielo M. Salgado were nominated as Independent Directors.

Upon a motion duly made and seconded, the Corporate Secretary was directed to cast all votes equally in favor of the eleven (11) nominees.

There being no objections to the motion, the following nominees were elected as Directors of the Corporation for the year 2024 – 2025, to serve as such in accordance with the Corporation's By-Laws, for a period of one (1) year or until their successors have been duly elected and qualified.

1. Dr. Lucio C. Tan
2. Mrs. Carmen K. Tan
3. Mr. Perfecto M. Domingo
4. Ms. Rowena T. Chua
5. Ms. Rufina T. Yu
6. Mr. Zacarias E. Gallardo, Jr.
7. Ms. Irene T. Luy
8. Ms. Karlu T. Say
9. Ms. Mary G. Ng
10. Mr. Peter Y. Ong
11. Ms. Cielo M. Salgado

#### **IX. ADJOURNMENT**

The President asked if there were any other questions or comments which the Stockholders wished to raise before the adjournment. There being none, and considering all the matters in the Agenda have been discussed, the President entertained a motion to adjourn.

Upon motion duly made and seconded, the meeting was adjourned.

The President thanked everyone for their attendance.

**CERTIFIED CORRECT:**



**ATTY. MA. CLARA C. DE CASTRO**  
Corporate Secretary

**ATTESTED:**



**LUCIO C. TAN**  
Chairman



**PERFECTO M. DOMINGO**  
President