

AIG PHILIPPINES INSURANCE, INC.
(Company Registration Number 18389)

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
(No. 1 of 2024)

The annual meeting of the stockholders of AIG Philippines Insurance, Inc. (the “**Company**” or the “**Corporation**” or “**AIG Philippines**”) was held in person and via teleconference/videoconference using the Microsoft Teams application, on 12 April 2024, at 2:10 p.m. (Philippines).

Stockholders in Attendance: Mr. Gary Wong (Chairman)
 Mr. Robert G. Vergara
 Mr. Michael John Morris (via tele/videoconference)
 Ms. Ma. Consuelo O. Villamor
 Mr. Lester Peñafiel
 AIG Asia Pacific Insurance Pte. Ltd. represented by Ms.
 Pamela Yeo (via tele/videoconference)

Also in Attendance: Ms. Farah del Valle-Repol
 Ms. Michelle Annie Comia-Marasigan
 Ms. Ma. Adelina S. Gatdula (Picazo Law)
 Ms. Vivien Rose C. De Guzman (Picazo Law)

1. The Chairman, Mr. Gary Wong, called the meeting to order and presided over the same. Ms. Ma. Adelina S. Gatdula, the Corporate Secretary, recorded the minutes.
2. Ms. Gatdula confirmed that:
 - a. The following committee members and other persons are present in this meeting:
 - Mr. Gary Wong
 - Mr. Robert G. Vergara
 - Mr. Michael John Morris (via tele/videoconference)
 - Ms. Ma. Consuelo O. Villamor
 - Mr. Lester Peñafiel
 - Ms. Farah del Valle-Repol
 - Ms. Michelle Annie Comia-Marasigan
 - Ms. Pamela Yeo (via tele/videoconference)
 - Ms. Ma. Adelina S. Gatdula (Picazo Law)
 - Ms. Vivien Rose C. De Guzman (Picazo Law)
 - b. Mr. Morris and Ms. Yeo are at their respective addresses on file with the Corporate Secretary.
 - c. Mr. Morris and Ms. Yeo are attending the meeting by Microsoft Teams application teleconference/videoconference.
 - d. Mr. Morris and Ms. Yeo can clearly hear the other attendees participating in the meeting.
 - e. Mr. Morris and Ms. Yeo received the notice of this meeting including the agenda and materials.
 - f. Mr. Morris and Ms. Yeo consent to the audio recording of this meeting, which recording will form part of the records of the Corporation.

3. The meeting, being quorate, proceeded.

4. **Approval of Minutes of the Annual Stockholders' Meeting held on 11 April 2023**

The stockholders approved the minutes of the Annual Stockholders' Meeting held on 11 April 2023.

5. **Approval, Ratification and Confirmation of the Acts of the Board of Directors, the Various Committees and Management from 11 April 2023 to present**

Upon motion duly made, seconded and unanimously carried, the stockholders –

“**RESOLVED**, that all the acts of the Board of Directors as well as its Standing Committees, as recorded in their respective Minutes Book, and those of the executive officers of the Corporation, since the last annual meeting of the stockholders be, as they are hereby, approved, ratified and confirmed.”

6. **President's Annual Report**

Mr. Wong presented the Annual Report for the year ending 2023.

(a) Market Landscape

The Philippine economy achieved 5.6% growth in 2023 which was slightly short of its target. The extremely high inflation which hovered around 9.0% at the start of 2023 eased as the year progressed but continued to remain high. This resulted in economic hardship and added pressure on the Filipino people to make ends meet. The Company is hopeful that the year 2024 will see continued accelerated momentum. Domestic consumption, inward remittances and spending on infrastructure projects will be key contributors to the country's economic expansion.

Further, in 2023, the Philippine non-life insurance industry registered a gross premiums written (“**GPW**”) growth of 21% driven primarily by a hardening market on the Property side coupled with robust Auto sales. The Property and Motor market in the Philippines makes up almost 70% of the entire non-life market premiums. Notably, the Company ranked number 17 in 2023 based on GPW despite the business focusing exclusively on the Commercial Lines segment of the market.

(b) Company Performance

For the calendar year ending 31 December 2023, the Company reported an extremely healthy Combined Ratio of 36% which is a 27-point improvement from the 68% reported for 2022. Top line GPW grew by 6% to reach almost Php2.4 Billion driven by growth across all Commercial Lines, except in the Financial Lines which ended the year essentially flat. This new GPW growth was the result of new business bound, increased rates on existing accounts, and higher declarations caused by increasing turnover. Consumer Lines continued to decline as the Company ran off the business. The Referral business was essentially flat.

Meanwhile, the Underwriting Income reached Php108 Million which is an 18% improvement from Php91 Million last year. This improvement was driven mainly by a 61% drop in Total Expenses from Php153 Million in 2022 to Php60 Million in 2023, broken down as follows:

- Loss and Loss Expenses which was higher than 2022 by Php18 Million (32%) due to a favorable reserve take down in 2022 (the 2023 loss ratio reflected a more normalized level of losses);
- A 28% improvement on Net Commission Income; and
- Constant monitoring on Operating Expenses which resulted in an 8% decline over the prior year. The major contributors to the decline was the implementation of a new system which resulted in the decommissioning of legacy applications that lowered overall Information Technology-related spend.

Investment and Other Income saw a 91% jump or an Php80 Million improvement from 2022 which was primarily driven by higher interest income from short-term time deposits. On the other hand, income before tax for 2023 was Php277 Million which represented a 54% increase from last year.

As the Company moves forward to 2024, it is anticipated that there would be further growth on the Property side, particularly on the specific segments the Company is engaged in. On the Marine side, there is expected to be slight increases in rates for marine cargo. It is also foreseen that there would be an acceleration in growth of the Company due to it being the sole provider of Pollution Liability policies in the Philippine market. The Company is also looking at introducing trade credit, medium-size to large size construction and energy opportunities, and potential warranty and service programs for the consumer side, to expand the business.

The stockholders noted the President's Report.

7. **Items for Approval**

Upon motion duly made, seconded and unanimously carried, the stockholders –

(a) Audited Financial Statements for the year ending 31 December 2023

“RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation's audited financial statements as of the year ended 31 December 2023, prepared by the external auditor of the Corporation, Isla Lipana & Co., as presented to the Board of Directors of the Corporation, be as it is hereby, approved.”

(b) Election of Members of the Board of Directors

Upon the endorsement of the Nomination and Corporate Governance Committee –

“RESOLVED, that the following individuals be, as they are hereby, elected as members of the Board of Directors to hold office for one (1) year or until their successors are duly elected and qualified:

Mr. Gary Wong
Mr. Robert G. Vergara
Mr. Michael John Morris
Ms. Ma. Consuelo O. Villamor
Mr. Lester Peñafiel

(c) Appointment of External Auditor for the Year 2024

“RESOLVED, AS IT IS HEREBY RESOLVED, to appoint the auditing firm of Isla Lipana & Co., as the Corporation's External Auditor for the fiscal year ending 31 December 2024.”

8. **Date of Next Meeting**

The stockholders will be advised of the next meeting in due course.

9. **Closure**

There being no further business, the meeting was adjourned.

CERTIFIED CORRECT:



MA. ADELINA S. GATDULA
Corporate Secretary

ATTEST:



GARY WONG
Chairman & President