

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

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
(No. 1 of 2020)

The annual meeting of the stockholders of AIG Insurance Philippines, Inc. (the "**Company**" or the "**Corporation**" or "**AIG Philippines**") was held via teleconference/videoconference using the WebEx Application, on 23 July 2020, at 11:10 a.m. (Philippines).

Stockholders in Attendance: AIG Asia Pacific Insurance Pte. Ltd.
Mr. Roberto R. Romulo (Chairman)
Mr. Mark Randall Lwin
Mr. Michael Florencio R. De Leon
Mr. Rene J. Buenaventura
Mr. Emmanuel Fernando O. Bautista
Ms. Leilani T. Isidro
Mr. Jeffrey R. Lacson

In Attendance: Ms. Pamela Yeo (AIG Asia Pacific
Insurance Pte. Ltd.)
Ms. Michelle Annie Comia-Marasigan
Ms. Farah Del Valle-Repol
Ms. Cyndi Villamor
Ms. Ma. Adelina S. Gatdula (Picazo Law)
Ms. Patricia Sarah C. Mamuric (Picazo Law)

1. The Chairman of the Board, Mr. Roberto R. Romulo, called the meeting to order and presided over the same. Ms. Ma. Adelina S. Gatdula, the Corporate Secretary, recorded the minutes of the meeting.
2. In compliance with Memorandum Circular No. 6, Series of 2020 issued by the Securities and Exchange Commission on the "Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication," Ms. Gatdula confirmed that:
 - a. The following stockholders and other persons are present in this meeting:
 - Mr. Roberto R. Romulo
 - Mr. Mark Randall Lwin,
 - Mr. Michael Florencio R. De Leon;
 - Mr. Rene J. Buenaventura;
 - Mr. Emmanuel Fernando O. Bautista;
 - Ms. Leilani T. Isidro;
 - Mr. Jeffrey R. Lacson;
 - Ms. Pamela Yeo (AIG Asia Pacific Insurance Pte. Ltd.)
 - Ms. Michelle Annie Comia-Marasigan;
 - Ms. Farah Del Valle-Repol;
 - Ms. Cyndi Villamor;
 - Ms. Ma. Adelina S. Gatdula (Picazo Law);
 - Ms. Patricia Sarah C. Mamuric (Picazo Law).
 - b. They are at their respective addresses on file with the Corporate Secretary.

- c. They are attending the meeting by WebEx Application teleconference/videoconference.
 - d. They can clearly hear the other attendees participating in the meeting.
 - e. They received the notice of this meeting including the agenda and materials.
 - f. The stockholders waived the twenty-one (21)-calendar day written notice of this meeting.
 - g. They 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 the Minutes of the Annual Stockholders' Meeting held on 20 March 2019**

The stockholders approved the minutes of the Annual Stockholders' Meeting held on 20 March 2019 as presented to them.

5. **Matters arising from the Minutes of the Annual Stockholders' Meeting held on 20 March 2019**

There were no new matters arising from the minutes of the Annual Stockholders' Meeting held on 20 March 2019.

6. **Approval, Ratification and Confirmation of the Acts of the Board of Directors, the Various Committees and Management from 20 March 2019 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.”

7. **Management's Annual Report**

Mr. Mark Lwin presented the Annual Report for the Year Ending 2019.

The highlights of Mr. Lwin's report are as follows:

a. **Market Landscape**

The Philippine economy grew to its slowest pace for the last 8 years at 5.9%. The weaker economy was toughened by weakness in agriculture caused by the Taal volcano eruption; onslaught of typhoons; El Nino phenomenon; African Swine Fever; and the impact of election ban. Inflation, on the other hand, stabled at 2.5% after the all-time high spike in 2018 (6.4%).

The Philippine Insurance Industry continue to register a positive growth while common bottlenecks still remain, which include difficulties in distribution capabilities, low protection content in mainstream products, shallow investment markets that limit options, and tightening risk-based capital regimes. AIG Philippines is ranked number 10 in non-life insurance companies with the highest gross premiums written, and is the only non-life insurance company in the top 10 without a consumer portfolio.

Consistent with the trend in the past reporting periods, the motor car insurance business comprised more than half of the total net premiums written with 51.39%. This is followed by fire insurance business with 13% share and accident insurance business with 9.87%.

The Insurance Commission also reported that the number of individuals covered by some form of insurance protection as of end of 2018 increased by 18.77% to 38.89 million from 2017's 32.74 million. However, General Insurance posted a slight decrease of 0.54% with only 4.29 million individuals covered, compared to 4.31 million in 2017.

In terms of financial performance, the Insurance Industry grew 17% in premiums earned, and losses increased to 25%. Investment income, net of general expenses, and taxes are also up by 6%. This leads to 42% increase in net income.

b. Company Performance

The Company had a net income for the year of PhP75 million. This is due to decline in gross premiums written across all portfolio: Referred Business decreased by 12% to major account lost; Consumer decreased by 20%, due to run off; and Commercial lines decreased by 15%, mainly due to major decline in property production as the result of remediation and limit in underwriting authority.

Loss & loss expenses are lower due to better loss experience and decrease in reserves related to property, compensating major claims, unfavorable prior year development, lower reinsurance recoveries and higher IBNR.

Lower operating expenses (decrease of 4%) is mainly driven by lower data processing charges and service fees, slightly offsetting higher salary related cost for the year and lower release of bad debts provision. Lower investments and other income (decrease of 25%) is due to higher realized foreign exchange loss due to peso appreciation and higher interest expenses on funds withheld. This was countered by increase in interest income from term deposits and fixed income securities.

8. Items for Approval

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

a. Election of Members of the Board of Directors

“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. Roberto R. Romulo
Mr. Mark Randall Lwin
Mr. Rene J. Buenaventura
Mr. Emmanuel Fernando O. Bautista
Mr. Michael Florencio R. de Leon
Mr. Jeffrey R. Lacson
Ms. Leilani T. Isidro”

b. Appointment of External Auditor for the Year 2020

“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 2020.”

9. **Date of Next Meeting**

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

10. **Closure**

There being no further business, the stockholders' meeting was adjourned.

CERTIFIED CORRECT:


MA. ADELINA S. GATDULA
Corporate Secretary

ATTEST:


ROBERTO R. ROMULO
Chairman of the Board