

**HERRERA TEEHANKEE & CABRERA
LAW OFFICES**

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LE IRIS T. LUCIDO
CESAR DOMINI C. GARCIA
JAYPEE B. ORTIZ
VINCE ALVIN L. MONTEALTO
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SAMANTHA ROSE K. MORALES

ENRIQUE Y. TEEHANKEE
Founding Partner
(1986-2013)


www.advoc.com

22 November 2023

Sycip Gorres Velayo & Co.
SGV I Building,
6760 Ayala Avenue,
Makati, Metro Manila

Attention: Ms. Bernalette L. Ramos
Engagement Partner

Re: Philippine Life Financial Assurance Corp.



Gentlemen:

At the request of Mr. Victor C. Tan, Chief Finance Officer of Philippine Life Financial Assurance Corp. (the "Corporation"), we enclose a copy of the Secretary's Certificate certifying to the following matters:

1. Capital structure of the Corporation as of 30 September 2023;
2. Certified list of stockholders with corresponding number of shares subscribed, amount paid-up, and any unpaid subscription as of 30 September 2023;
3. Cancellation/new issuances of stock certificates during the period 1 January 2023 to 30 September 2023;
4. Date of the meetings held from 01 January 2023 up to the present to by the Board of Directors, Executive Committee and Stockholders; and
5. Completeness of Minutes of Meeting, together with the copies of the Minutes of the Meeting, held from 01 January 2023 up to the present.

HERRERA TEEHANKEE & CABRERA
LAW OFFICES

Should you require any clarification and/or assistance, please do not hesitate to let us know.

Very truly yours,

HERRERA TEEHANKEE & CABRERA

By:


ARSENIO C. CABRERA, JR.

Copy furnished:

Mr. Victor C. Tan
Chief Finance Officer
Philippine Life Financial Assurance Corporation
11th Floor, STI Holdings Center,
6764 Ayala Avenue, Makati City

*sent
Vibma 8/8/22
1/29/2023*

SECRETARY'S CERTIFICATE

I, **ARSENIO C. CABRERA, JR.**, of legal age, with office address at 5/F SGV II Building, Ayala Avenue, Makati City, after having been sworn in accordance with law, depose and state that:

1. I am the duly elected and incumbent Corporate Secretary of **Philippine Life Financial Assurance Corporation** ("Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at 4th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City;
2. The capital structure of the Corporation as of 30 September 2023 is as follows:

| | | |
|--------------------------|---|-----------------|
| Authorized Capital Stock | : | P750,000,000.00 |
| Amount Subscribed | : | P594,856,758.69 |
| Amount Paid-Up | : | P594,856,758.69 |
| Par Value | : | P0.01 |
| No. of shareholders | : | 55 |

3. The Corporation's stockholders with their corresponding number of shares subscribed, amount subscribed and paid-up as of 30 September 2023 are as follows:

| Shareholder | Number of Shares Subscribed (Common) | Amount Subscribed | Amount Paid-up | % of Ownership |
|--|--------------------------------------|------------------------|------------------------|----------------|
| Maestro Holdings, Inc. (formerly: STI Investments, Inc.) | 59,478,609,535 | ₱594,786,095.35 | ₱594,786,095.35 | 99.99% |
| Eusebio H. Tanco | 6,990,943 | 69,909.43 | 69,909.43 | 0.01% |
| Monico V. Jacob | 6 | 0.06 | 0.06 | 0% |
| Joseph Augustin L. Tanco | 1 | 0.01 | 0.01 | 0% |
| Armando L. Suratos | 1 | 0.01 | 0.01 | 0% |
| Martin K. Tanco | 1 | 0.01 | 0.01 | 0% |
| Jesli A. Lapus | 6 | 0.06 | 0.06 | 0% |
| Paolo Martin O. Bautista | 1 | 0.01 | 0.01 | 0% |
| Jose Alfonso A. Poblete | 1 | 0.01 | 0.01 | 0% |
| Cecilia C. Borromeo | 1 | 0.01 | 0.01 | 0% |
| Reynauld R. Villafuerte | 1 | 0.01 | 0.01 | 0% |
| Others | 75,372 | 753.72 | 753.72 | 0.10% |
| TOTAL | 59,485,675,869 | ₱594,856,758.69 | ₱594,856,758.69 | 100.00% |

4. The following stock certificates were cancelled during the period 1 January 2023 to 30 September 2023.

| Date | Stockholder | Stock Certificate No. | No. of Shares |
|---------------|--|-----------------------|---------------|
| 5 April 2013 | Advent Capital and Finance Corporation | 78 | 741,010,788 |
| 13 April 2023 | Advent Capital and Finance Corporation | 148 | 1,729,025,172 |
| 5 April 2013 | All Asia Insurance Holdings, Inc. | 79 | 8,067,680 |
| 13 April 2023 | All Asia Insurance Holdings, Inc. | 149 | 18,824,586 |

5. The following stock certificates were issued during the period 1 January 2023 to 30 September 2023.

| | | | |
|-------------|------------------------|-----|----------------|
| 4 May 2023 | Maestro Holdings, Inc. | 150 | 21,568,800,000 |
| 4 May 2023 | Eusebio H. Tanco | 151 | 2,646,223 |
| 31 May 2023 | Maestro Holdings, Inc | 152 | 2,470,035,960 |
| 31 May 2023 | Maestro Holdings, Inc | 153 | 26,892,266 |

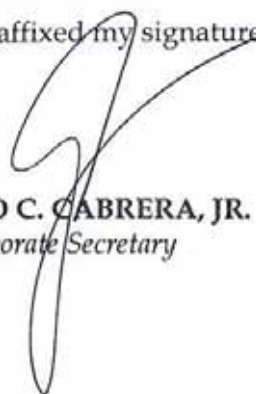
6. The Corporation held the following meetings from 1 January 2023 up to the present:

| <u>Date of Meeting</u> | | <u>Board/Stockholders/Committee</u> |
|------------------------|---|--------------------------------------|
| 17 March 2023 | - | Board of Directors |
| 3 April 2023 | - | Board of Directors |
| 5 July 2023 | - | Related Party Transactions Committee |
| 3 August 2023 | - | Annual Stockholders' |
| 3 August 2023 | - | Organizational Meeting |
| 28 September 2023 | - | Related Party Transactions Committee |
| 28 September 2023 | - | Board of Directors |

7. The Minutes constitute a full and complete record of all meetings of the directors held during the period from 1 January 2023 up to the present. The photocopies of the Minutes of the Meetings attached hereto as Annexes "A" and "G" are true and correct copies of the Minutes of the Meetings in my custody as Corporate Secretary.

8. The foregoing is in accordance with the records of the Corporation in my possession.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 22nd day of November 2023 at Makati City.



ARSENIO C. CABRERA, JR.
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO, before me this 22nd day of November 2023, affiant exhibiting to me his Passport No. P6534927B issued 23 March 2021 at DFA NCR South.

Doc. No. 165;
Page No. 34;
Book No. II;
Series of 2023.




FELIPPE MART E. CLOSA
Notary Public for Makati City
Appointment No. M-431
Until 31 December 2024
5/F SGV II Building,
6758 Ayala Avenue, Makati City
Roll of Attorneys No. 58673
PTR No. 9 66816/ Makati / 04 January 2023
IBP No. 246653 / Batangas / 12 October 2022
MCLC Compliance No. VII-0012485/
Pasig City/ 08 March 2022

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF**

PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION

17 March 2023

Conducted via Remote Communication

DIRECTORS PRESENT:

MONICO V. JACOB
JOSEPH AUGUSTIN L. TANCO
EUSEBIO H. TANCO
PAOLO MARTIN O. BAUTISTA
JOSE ALFONSO A. POBLETE
ARMANDO L. SURATOS
CECILIA C. BORROMEO

ALSO PRESENT:

YOLANDA M. BAUTISTA
MICHELLE L. AMBAGAN
VICTOR C. TAN
MARVIN M. CATAPANG
ROMMEL B. TANINGCO
ARSENIO C. CABRERA, JR.
ANNA CARMINA S. HERRERA

DIRECTOR ABSENT:

JESLI A. LAPUS

I. CALL TO ORDER

The Chairman, Mr. Monico V. Jacob, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that the notices of the meeting were sent to all directors. Thereafter, the Corporate Secretary conducted a roll call of the directors present.

The meeting was conducted through remote communication pursuant to Section 52 of the Revised Corporation Code of the Philippines which authorizes directors who cannot physically attend or vote at board meetings to participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate.

All directors attended the meeting through remote communication via Zoom. The directors confirmed that they could completely and clearly hear each other. They likewise confirmed receipt of the agenda and all of the materials for the meeting.

After the roll call and foregoing confirmations, the Corporate Secretary, thereafter, certified as to the existence of quorum for the valid transaction of business.

III. APPROVAL OF THE MINUTES OF THE MEETING

Upon motion made and duly seconded, the Minutes of the Board Meeting held on 1 December 2022 were unanimously approved.

IV. FINANCIAL REPORTS

A. Snapshot of Operations

Mr. Victor C. Tan presented the following snapshot of the results of operations for the year ended 31 December 2022:

Amount in Php "millions" (Unaudited)

| PERIOD | Dec. 2022 | Dec. 2021 | INC (DEC) | % |
|--|------------|-------------|------------|-------------|
| Income from Insurance Business | | | | |
| Net Written Premium | 601 | 519 | 82 | 16% |
| Underwriting Expenses | 544 | 591 | (47) | -8% |
| Net Margin/(Loss) from Insurance Business | 57 | (72) | 129 | F |
| Assumed interest income attributable to reserves | 67 | 71 | (4) | -5% |
| Net Margin/(Loss) from Insurance Business after Interest Income | 124 | (1) | 126 | F |
| Income from Loan Business | | | | |
| Revenue on Loan Business | 497 | 290 | 207 | 72% |
| Costs of Loan Business | 162 | 92 | 70 | 75% |
| Net Margin from Loan Business | 335 | 197 | 138 | 70% |
| Gross Margin | 459 | 196 | 263 | 134% |
| Total Operating Expenses | 287 | 212 | 76 | 36% |
| Income (Loss) from Operations | 172 | (16) | 188 | F |
| Income from Other Investments | 37 | 22 | 15 | 68% |
| Income Before Tax | 209 | 6 | 203 | F |
| Provision for Income Tax | 59 | 5 | 54 | 1125% |
| Net Income (Loss) | 150 | 2 | 149 | F |
| EBITDA | 262 | 41 | 222 | F |

Mr. Tan informed the Board about the comparative group loss ratios from 2019 to 2022 as summarized in the table below:

| Calendar Year | Loss Ratio (to Cost of Sales) | |
|---------------|-------------------------------|----------------|
| | All Accounts | ARDCI Accounts |
| 2019 | 41.86% | 36.45% |
| 2020 | 39.58% | 43.15% |
| 2021 | 78.39% | 76.63% |
| 2022 | 59.79% | 60.43% |

In response to the query of Mr. Armando L. Suratos, Mr. Eusebio H. Tanco stated that the Corporation expects to see an improvement in loss ratios for 2023.

Ms. Michelle L. Ambagan noted that the number of ARDCI members decreased during the pandemic. She stated that the headcount of ARDCI members has increased this year.

Mr. Tan presented the following report on the sale of receivables:

2022

| | Outstanding Loan | Principal | Proceeds | Estimated Gain | Discount Rate |
|----------------------------|------------------|--------------|--------------|----------------|---------------|
| Classic Finance, Inc. | 1,675 | 1,361 | 1,413 | 52 | 7.5%-8% |
| Philhealthcare, Inc. | 351 | 283 | 300 | 17 | 6% |
| Phils. First Insurance Co. | 58 | 47 | 50 | 3 | 6% |
| First Optima Realty | 58 | 47 | 50 | 3 | 6% |
| Bank of Makati | 594 | 477 | 500 | 23 | 7.5% |
| Eusebio H. Tanco | 598 | 475 | 495 | 20 | 8% |
| Total | 3,335 | 2,691 | 2,809 | 118 | |

2021

| | Outstanding Loan | Principal | Proceeds | Estimated Gain | Discount Rate |
|--------------------------|------------------|--------------|--------------|----------------|---------------|
| Classic Finance, Inc. | 437 | 387 | 400 | 13 | 7% |
| Philhealthcare, Inc. | 221 | 196 | 210 | 14 | 4% |
| Union Bank of the Phils. | 544 | 476 | 500 | 24 | 6% |
| Total | 1,201 | 1,059 | 1,110 | 51 | |

In response to the query of Ms. Cecilia C. Borrromeo, Mr. Tanco explained that the Insurance Commission only allows forty percent (40%) of total assets to be considered as admitted assets. The Corporation thus sells off excess receivables before the end of each year. He noted that the Corporation would have a better spread if it could avail of a steady rediscounting rate.

Ms. Cecilia C. Borrromeo noted that Landbank could also offer a rediscounting program to the Corporation.

B. Net Worth Computation

Mr. Tan presented the net worth computation of the Corporation as of December 2022:

| | |
|--|----------------------|
| Net worth per Company (unaudited) | 1,684,649,259 |
| Less: Non-Admitted Assets | |
| Salary loans | 75,272,643 |
| Unlisted shares of stocks – Riviera | 46,600,000 |
| Investment Property- Marulas | 130,467 |
| Net Due and Uncollected Premiums- Group | 39,337,482 |
| Other receivables | 11,217,814 |
| Receivables from Surety | 30,260,002 |
| Non-IT fixed assets | 7,410,876 |
| Deposit & prepayments | 12,045,418 |
| Due from reinsurer | 31,070,998 |
| Investment in AAMI | 4,674,002 |
| Excess on Real Property Infusion | 34,209,685 |

| | |
|--|----------------------|
| Deferred Tax | 23,542,969 |
| Total Non-Admitted Assets | 315,772,358 |
| Net Worth, net of non-admitted assets | 1,368,876,901 |
| Minimum Net Worth requirement 2022 | 1,300,000,000 |
| Net Worth Surplus 2022 | 68,876,901 |

In response to the query of Mr. Suratos as to the cost of non-admitted assets, Mr. Tanco noted that the Corporation could fall below the minimum net worth requirement if it did not take steps such as the sale of receivables.

C. Snapshot - 2022 Actual (Unaudited) versus 2022 Budget

Mr. Tan presented the following snapshot of the results of operations for 2022 versus the 2022 budget:

| PERIOD | 2022 Actual | 2022 Budget | INC (DEC) | % |
|--|-------------|-------------|------------|-------------|
| Income from Insurance Business | | | | |
| Net Written Premium | 601 | 614 | (13) | -2% |
| Underwriting Expenses | 544 | 560 | (17) | -3% |
| Net Margin/(Loss) from Insurance Business | 57 | 54 | 4 | 7% |
| Assumed interest income attributable to reserves | 67 | 63 | 4 | 6% |
| Net Margin/(Loss) from Insurance Business after Interest Income | 124 | 117 | 8 | 7% |
| Income from Loan Business | | | | |
| Revenue on Loan Business | 497 | 314 | 183 | 58% |
| Costs of Loan Business | 162 | 97 | 65 | 66% |
| Net Margin from Loan Business | 335 | 217 | 118 | 54% |
| Gross Margin | 459 | 334 | 126 | 38% |
| Total Operating Expenses | 287 | 258 | 29 | 11% |
| Income (Loss) from Operations | 172 | 75 | 97 | 128% |
| Income from Other Investments | 37 | 5 | 32 | 639% |
| Income Before Tax | 209 | 80 | 129 | 160% |
| Provision for Income Tax | 59 | 20 | 39 | 194% |
| Net Income (Loss) | 150 | 60 | 90 | 149% |
| EBITDA | 262 | 105 | 157 | 150% |

D. Snapshot - 2023 Actual versus 2023 Budget

Mr. Tan presented the following snapshot of the results of operations for 2023 versus the 2023 budget:

| PERIOD | Actual Jan. 2023 | Budget Jan. 2023 | INC (DEC) | % |
|--|---------------------|---------------------|-----------|-------------|
| Income from Insurance Business | | | | |
| Net Written Premium | 51 | 50 | 1 | 2% |
| Underwriting Expenses | 26 | 46 | (20) | -44% |
| Net Margin/(Loss) from Insurance Business | 25 | 4 | 21 | 522% |
| Assumed interest income attributable to reserves | 4 | 4 | (0) | -2% |

| PERIOD | Actual Jan. 2023 | Budget Jan. 2023 | INC (DEC) | % |
|---|---------------------|---------------------|-----------|-------|
| Net Margin/(Loss) from Insurance Business after Interest Income | 29 | 8 | 21 | 247% |
| Income from Loan Business | | | | |
| Revenue on Loan Business | 19 | 21 | (2) | -10% |
| Costs of Loan Business | 7 | 8 | (1) | -12% |
| Net Margin from Loan Business | 12 | 13 | (1) | -8% |
| | | | | |
| Gross Margin | 41 | 21 | 20 | 93% |
| Total Operating Expenses | 23 | 26 | (3) | -10% |
| Income (Loss) from Operations | 18 | (4) | 22 | -505% |
| | | | | |
| Income from Other Investments | 1 | 1 | 0 | 49% |
| Income Before Tax | 19 | (4) | 23 | -586% |
| Provision for Income Tax | 8 | (1) | 10 | -742% |
| Net Income (Loss) | 10 | (3) | 13 | -504% |
| | | | | |
| EBITDA | 22 | (7) | 29 | -431% |

In response to the query of Mr. Eusebio H. Tanco, Mr. Joseph Augustin L. Tanco explained that the Corporation had forecast a loss for January 2023 since management assumed that the Corporation would not have sales in the first few months of the year but that it would have to pay for underwriting expenses.

Ms. Ambagan stated that the budget for premiums is based on reports in the system that are generated on a monthly basis especially for renewals. She noted that the Corporation also has quarterly assessments for group accounts.

In response to the query of Mr. Paolo Martin O. Bautista, Mr. Joseph Augustin L. Tanco stated that the Corporation would get a clearer picture of loss ratios in the coming months. Mr. Tanco explained that it was still too early in the year to project an improvement in loss. He noted that there were still delayed or late submission of claims.

V. DEPED REPORT

Ms. Ambagan presented the results of operations for the DepEd business as of 28 February 2023. Ms. Ambagan noted the following:

- (1) The Corporation approved 2,541 loan applications as of 28 February 2023 consisting of: (a) 763 new applications; and (b) 1,778 renewal applications.
- (2) The total approved loanable amount of these loan applications is Php610,137,000.00 consisting of: (a) Php106,045,000.00 for new loans; and (b) Php504,092,000.00 for renewal applications.

- (3) The top five regions in terms of loan volume account for 80% of total production. These regions are: (a) Region 3 (with 28% of total production); (b) Region 4A (with 23% of total production); (c) National Capital Region (with 17% of total production); (d) Region 10 (with 7% of total production); and (e) Region 4B (with 5% of total production).
- (4) The top three provinces in terms of loan volume are: (a) Metro Manila (Php105.38 Million); (b) Rizal (Php86.52 Million); and (c) Bulacan (Php79.58 Million).
- (5) The Corporation has 25 company-owned branches and 32 agency operated satellite offices.
- (6) The total outstanding receivable balance as of end February 2023 stands at over Php4 Billion.
- (7) As of February 2023, the Corporation has 23,169 outstanding accounts.
- (8) The net collection recovery rate is 97.63% for the period ending February 2023 versus 97.61% for the period ending January 2022.

In response to the query of Mr. Suratos, Ms. Ambagan explained that employees in the company-owned branches do not sell loans to teachers. Instead, agents go to teachers to solicit business. She added that satellite offices are operated by agents.

In response to the query of Mr. Jose Alfonso A. Poblete, Ms. Ambagan stated that the decrease in loan volume in 2017 and 2018 could be attributed to regulatory issues. She explained that the Department of Education ("DepEd") had terminated the accreditation of salary loan providers and then issued new terms and conditions for accreditation in June 2018. She noted that the Corporation had not been able to offer new loans for a period of six months prior to the issuance by the DepEd of these new terms and conditions for accreditation.

VI. GROUP MARKETING REPORT

Mr. Marvin M. Catapang presented the premium income for Group Marketing as February 2023.

| | Actual | Plan | Attainment | 2022 Actual | Increase/Decrease |
|----------------------|--------|--------|------------|-------------|-------------------|
| First Year Premium | 6,123 | 13,000 | 47% | 4,696 | 30% |
| Renewal Year Premium | 84,231 | 70,700 | 119% | 68,060 | 24% |
| Grand Total | 90,354 | 83,700 | 108% | 72,756 | 24% |

Mr. Catapang updated the Board about the following sales activities:

- (a) LBP Insurance Brokerage, Inc. (LIBI) informed the Corporation about the expiration of its exclusive contract with BenLife for the credit life insurance of salary and real estate loans of Landbank in January 2024. LIBI will disseminate the terms of reference and start the bidding process in July 2023.
- (b) The Corporation expects to close seven medical insurance clients in the first semester with an estimated total premium amounting to Php18 Million. This medical insurance is in partnership with PhilCare through a reinsurance agreement.
- (c) The Corporation is in the process of finalizing a partnership with InsuranceKO. InsuranceKO is one of the biggest microinsurance brokers with an online shop. The Corporation's products will be available on their online platform. InsuranceKO will handle sales, marketing and servicing.
- (d) The Corporation has an existing partnership with MLhuiller on the distribution of the Corporation's Dengue Rx products. The average monthly premiums stand at Php400,000.00. Management also met with Cebuana Lhuiller for another business partnership. The Corporation is in the process of completing the accreditation documents.
- (e) The Corporation expects to complete its partnership with Milestone Guaranty and Assurance Corp. (Milestone) for the OFW Mandatory Insurance. Milestone will be the Corporation's third non-life insurance partner for the OFW Mandatory Insurance.

The cooperative accounts in the pipelines are as follows;

| | |
|--|---|
| Ligas Kooperatiba ng Bayan sa Pagpapaunlad (Bulacan) | <ul style="list-style-type: none"> ▪ Members Insurance – Php3.5 Million ▪ Loan Insurance – Php250,000/month |
| Catmon Multi-Purpose Cooperative (Bulacan) | <ul style="list-style-type: none"> ▪ Members Insurance – Php3 Million |
| San Pablo Multi-Purpose Cooperative (Bulacan) | <ul style="list-style-type: none"> ▪ Members Insurance – Php2 Million ▪ Loan Insurance – Php100,000/month |
| San Jose Electric Cooperative (Nueva Ecija) | <ul style="list-style-type: none"> ▪ Employees Medical Insurance – Php1 Million |

Mr. Catapang also updated the Board regarding the presentation of the Corporation to sixty Bohol cooperatives.

VII. MATTERS FOR APPROVAL

A. Increase of the Maximum Amounts of New Loans and Reloans

Mr. Rommel B. Taningco informed the Board that the maximum principal loan amount for new loans and reloans is Php500,000.000 under the Corporation's existing guidelines. He noted that new loans refer to first loan applications with the

Corporation while reloan refers to subsequent loan applications of borrowers without an existing active loan current policy.

Mr. Taningco explained that management is requesting for the approval of the Board to increase the maximum amount of new loans and reloan to Seven Hundred Fifty Thousand Pesos (Php750,000.000) based on the following justifications:

- (1) Competitors offer loan amounts of up to Php1.2 Million for first time borrowers.
- (2) Borrowers prefer to transact with one lending institution that can provide the complete funding requirements instead of borrowing from several lending institutions.

Mr. Taningco presented the following collection experience for new business and reloan from January to December 2022:

| | |
|---|-------|
| Total number of new business and reloan | 3,422 |
| No. of Accounts with Php500,000 Loan | 199 |
| % of Php500,000 Loan Amounts | 5.8% |

Deduction Status of Accounts as of February 2023

| | No. of Accounts | % |
|---|-----------------|----------------------------------|
| Deducted | 132 | 66.33% |
| Queued | 5 | 2.51% |
| No Deduction | 7 | 3.52% |
| Terminated | 50 | 25.13% (full payment/renewal) |
| Not Yet Due | 5 | 2.51% |
| % of Past Due (Queued and no deduction) | 12 | 6.03% |

Repayment Status of 199 Accounts as of February 2023 (in Million Pesos)

| | |
|----------------------------------|---------------|
| Original PN Value | 122.507 |
| Principal Amount | 99.500 |
| Outstanding Principal | 71.197 |
| Outstanding receivables (P+I) | 86.768 |
| Amount Due | 29.311 (a) |
| Amount Collected | 28.794 |
| Past Due Amount | 0.517 (b) |
| Past Due Rate to Amount Due | 1.77% (b) (a) |
| Past Due Rate to Outstanding ORB | 0.60% |

Mr. Taningco explained that the Corporation would put into place the following mitigants:

- (1) A borrower must not be more than 58 years old (instead of 59 years old) at the time of termination date of the loan deduction.

- (2) A borrower shall execute an undertaking that he or she will not resign or retire while the loan is still outstanding. If the borrower is separated from service, legal action shall be taken if the borrower fails to settle the outstanding obligation.
- (3) Co-borrowers are required for loan amounts which exceed Php500,000.00.

Upon motion made and duly seconded, the Board approved the following resolutions in connection with the increase of the maximum amounts of new loans and reloans to Seven Hundred Fifty Thousand Pesos (Php750,000.00).

RESOLUTION NO. 2023-BD-01

"RESOLVED, That the Board of Directors hereby approves the increase in the maximum principal loan amount for new loans and reloans from Five Hundred Thousand Pesos (Php500,000.000) to Seven Hundred Fifty Thousand Pesos (Php750,000.00), subject to the following terms and conditions:

- (a) A borrower must not be more than 58 years old (instead of 59 years old) at the time of termination date of the loan deduction.*
- (b) A borrower shall execute an undertaking that he or she will not resign or retire while the loan is still outstanding. If the borrower is separated from service, legal action shall be taken if the borrower fails to settle the outstanding obligation.*
- (c) Co-borrowers are required for loan amounts which exceed Php500,000.00.*

"RESOLVED FINALLY, That the officers of the Corporation are hereby authorized to perform all acts as may be necessary to implement the foregoing resolution."

B. Updating of Authorized Bank Signatories

Upon motion made and duly seconded, the Board approved the following resolutions for the updating of the Corporation's authorized bank signatories:

1. Bank of Makati

RESOLUTION NO. 2023-BD-02

"RESOLVED, That effective 17 March 2023 and amending prior resolutions of the Board of Directors of the Corporation, the following signatories, be authorized to: (i) withdraw from the bank account(s) of the Corporation by check, receipts, drafts, bills of exchange, withdrawal slips, orders for payment or otherwise; and (ii) sign, endorse, draw, accept, make, execute and/or deliver for negotiation,

payment, deposit or collections, checks, receipts for negotiation, payment, deposit or collections, checks, receipts, drafts, bills of exchange, orders for payment and/or similar instruments in connection with the existing bank accounts of the Corporation with Bank of Makati:

SET "A"

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|--------------------------|-----------------|---------------------------|
| Eusebio H. Tanco | Director | _____ |
| Monico V. Jacob | Chairman | _____ |
| Joseph Augustin L. Tanco | President & CEO | _____ |
| Yolanda M. Bautista | Group CFO | _____ |

SET "B"

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|-------------|-----------------|---------------------------|
|-------------|-----------------|---------------------------|

B-1

| | | |
|---------------------|---------------------------------------|-------|
| Michelle L. Ambagan | Senior Vice-President & COO | _____ |
| Ferdinand A. Recio | FVP-Operations and Corporate Planning | _____ |
| Ronald Y. Tabalada | AVP- Actuarial | _____ |

B-2

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|---------------------------|--|-------------------------------|
| Victor C. Tan | VP & CFO/Treasurer | _____ |
| Fatima R. Robles | Senior Manager- HR | _____ |
| Andrew Patrick A. Fornier | FVP- Legal and Compliance/ Compliance Officer | _____ |

SET "C"

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|--------------------|-------------------------------|-------------------------------|
| Djoanna C. Rondolo | Senior Manager- Accounting | _____ |

"RESOLVED FURTHER, That the limits on the signing authority of the above mentioned authorized signatories shall be as follows:

- a. Any two of the Set "A" signatories acting jointly, may sign without limit as to amount;
- b. Any one of the Set "A" signatories jointly with one of the Set "B-1" or "B-2" signatories, may sign without limit as to amount;
- c. Any one of the Set "B-1" signatories, jointly with any one of the Set "B-2" signatories, may sign any instrument involving up to a maximum amount of Php400,000.00;
- d. Any one of the Set "C" signatories, jointly with any one of the Set "B-1" signatories, may sign any instrument involving up to a maximum amount of Php50,000.00;
- e. Any one of the Set "C" signatories, with Set "B-2" signatories may not sign/approve jointly;
- f. Any two of the Set "B-1" signatories, may not sign/approve jointly;

- g. Any two of the Set "B-2" signatories, may not sign/approve jointly;

"RESOLVED FINALLY, That any and all prior resolutions inconsistent with the foregoing resolutions are hereby superseded and repealed."

2. Maybank

RESOLUTION NO. 2023-BD-02A

"RESOLVED, That effective 17 March 2023, and amending prior resolutions of the Board of Directors of the Corporation, the following signatories, be authorized to: (i) withdraw from the bank account(s) of the Corporation by check, receipts, drafts, bills of exchange, withdrawal slips, orders for payment or otherwise; and (ii) sign, endorse, draw, accept, make, execute and/or deliver for negotiation, payment, deposit or collections, checks, receipts for negotiation, payment, deposit or collections, checks, receipts, drafts, bills of exchange, orders for payment and/or similar instruments in connection with the existing bank accounts of the Corporation with Maybank:

SET "A"

| Name | Position | Specimen Signature |
|--------------------------|-----------------|--------------------|
| Eusebio H. Tanco | Director | _____ |
| Monico V. Jacob | Chairman | _____ |
| Joseph Augustin L. Tanco | President & CEO | _____ |
| Yolanda M. Bautista | Group CFO | _____ |

SET "B"

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|----------------------------|--|-------------------------------|
| B-1 | | |
| <i>Michelle L. Ambagan</i> | <i>Senior Vice- President & COO</i> | _____ |
| <i>Ferdinand A. Recio</i> | <i>FVP-Operations and Corporate Planning</i> | _____ |
| <i>Ronald Y. Tabalada</i> | <i>AVP- Actuarial</i> | _____ |

B-2

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|----------------------------------|---|-------------------------------|
| <i>Victor C. Tan</i> | <i>VP & CFO/Treasurer</i> | _____ |
| <i>Fatima R. Robles</i> | <i>Senior Manager- HR</i> | _____ |
| <i>Andrew Patrick A. Fornier</i> | <i>FVP-Legal and Compliance/ Compliance Officer</i> | _____ |

SET "C"

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|---------------------------|---------------------------------------|-------------------------------|
| <i>Djoanna C. Rondolo</i> | <i>Senior Manager- Accounting</i> | _____ |

"RESOLVED FURTHER, That the limits on the signing authority of the above mentioned authorized signatories shall be as follows:

- h. Any two of the Set "A" signatories acting jointly, may sign without limit as to amount;
- i. Any one of the Set "A" signatories jointly with one of the Set "B-1" or "B-2" signatories, may sign without limit as to amount;
- j. Any one of the Set "B-1" signatories, jointly with any one of the Set "B-2" signatories, may sign any instrument involving up to a maximum amount of Php400,000.00;
- k. Any one of the Set "C" signatories, jointly with any one of the Set "B-1" signatories, may sign any instrument involving up to a maximum amount of Php50,000.00;
- l. Any one of the Set "C" signatories, with Set "B-2" signatories may not sign/approve jointly;
- m. Any two of the Set "B-1" signatories, may not sign/approve jointly;
- n. Any two of the Set "B-2" signatories, may not sign/approve jointly;

"RESOLVED FINALLY, That any and all prior resolutions inconsistent with the foregoing resolutions are hereby superseded and repealed."

3. PBCOM

RESOLUTION NO. 2023-BD-02B

"RESOLVED, That effective 17 March 2023, and amending prior resolutions of the Board of Directors of the Corporation, the following signatories, be authorized to: (i) withdraw from the bank account(s) of the Corporation by check, receipts, drafts, bills of exchange, withdrawal slips, orders for payment or otherwise; and (ii) sign, endorse, draw, accept, make, execute and/or deliver for negotiation, payment, deposit or collections, checks, receipts for negotiation, payment, deposit or collections, checks, receipts, drafts, bills of exchange, orders for payment and/or similar instruments in connection with the existing bank accounts of the Corporation with PBCOM:

SET "A"

| Name | Position | Specimen Signature |
|------------------|----------|--------------------|
| Eusebio H. Tanco | Director | _____ |
| Monico V. Jacob | Chairman | _____ |

Joseph Augustin L. Tanco President & CEO _____

Yolanda M. Bautista Group CFO _____

SET "B"

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|-------------|-----------------|-------------------------------|
|-------------|-----------------|-------------------------------|

B-1

| | | |
|---------------------|------------------------------------|-------|
| Michelle L. Ambagan | Senior Vice- President & COO | _____ |
|---------------------|------------------------------------|-------|

| | | |
|--------------------|---|-------|
| Ferdinand A. Recio | FVP-Operations and Corporate Planning | _____ |
|--------------------|---|-------|

| | | |
|--------------------|----------------|-------|
| Ronald Y. Tabalada | AVP- Actuarial | _____ |
|--------------------|----------------|-------|

B-2

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|-------------|-----------------|-------------------------------|
|-------------|-----------------|-------------------------------|

| | | |
|---------------|-----------------------|-------|
| Victor C. Tan | VP & CFO/Treasurer | _____ |
|---------------|-----------------------|-------|

| | | |
|------------------|-----------------------|-------|
| Fatima R. Robles | Senior Manager- HR | _____ |
|------------------|-----------------------|-------|

| | | |
|---------------------------|--|-------|
| Andrew Patrick A. Fornier | FVP- Legal and Compliance/ Compliance Officer | _____ |
|---------------------------|--|-------|

SET "C"

| Name | Position | Specimen Signature |
|--------------------|-------------------------------|-----------------------|
| Djoanna C. Rondolo | Senior Manager- Accounting | _____ |

"RESOLVED FURTHER, That the limits on the signing authority of the above mentioned authorized signatories shall be as follows:

- o. Any two of the Set "A" signatories acting jointly, may sign without limit as to amount;
- p. Any one of the Set "A" signatories jointly with one of the Set "B-1" or "B-2" signatories, may sign without limit as to amount;
- q. Any one of the Set "B-1" signatories, jointly with any one of the Set "B-2" signatories, may sign any instrument involving up to a maximum amount of Php400,000.00;
- r. Any one of the Set "C" signatories, jointly with any one of the Set "B-1" signatories, may sign any instrument involving up to a maximum amount of Php50,000.00;
- s. Any one of the Set "C" signatories, with Set "B-2" signatories may not sign/approve jointly;
- t. Any two of the Set "B-1" signatories, may not sign/approve jointly;
- u. Any two of the Set "B-2" signatories, may not sign/approve jointly;

"RESOLVED FINALLY, That any and all prior resolutions inconsistent with the foregoing resolutions are hereby superseded and repealed."

4. Robinsons Bank

RESOLUTION NO. 2023-BD-02C

"RESOLVED, That effective 17 March 2023, and amending prior resolutions of the Board of Directors of the Corporation, the following signatories, be authorized to: (i) withdraw from the bank account(s) of the Corporation by check, receipts, drafts, bills of exchange, withdrawal slips, orders for payment or otherwise; and (ii) sign, endorse, draw, accept, make, execute and/or deliver for negotiation, payment, deposit or collections, checks, receipts for negotiation, payment, deposit or collections, checks,

| Name | Position | Specimen Signature |
|---------------------------|--|-----------------------|
| Victor C. Tan | VP & CFO/Treasurer | _____ |
| Fatima R. Robles | Senior Manager- HR | _____ |
| Andrew Patrick A. Fornier | FVP-Legal and Compliance Compliance Officer | _____ |

SET "C"

| Name | Position | Specimen Signature |
|--------------------|-------------------------------|-----------------------|
| Djoanna C. Rondolo | Senior Manager- Accounting | _____ |

"RESOLVED FURTHER, That the limits on the signing authority of the above mentioned authorized signatories shall be as follows:

- v. Any two of the Set "A" signatories acting jointly, may sign without limit as to amount;
- w. Any one of the Set "A" signatories jointly with one of the Set "B-1" or "B-2" signatories, may sign without limit as to amount;
- x. Any one of the Set "B-1" signatories, jointly with any one of the Set "B-2" signatories, may sign any instrument involving up to a maximum amount of Php400,000.00;
- y. Any one of the Set "C" signatories, jointly with any one of the Set "B-1" signatories, may sign any instrument involving up to a maximum amount of Php50,000.00;
- z. Any one of the Set "C" signatories, with Set "B-2" signatories may not sign/approve jointly;
- aa. Any two of the Set "B-1" signatories, may not sign/approve jointly;
- bb. Any two of the Set "B-2" signatories, may not sign/approve jointly;

"RESOLVED FINALLY, That any and all prior resolutions inconsistent with the foregoing resolutions are hereby superseded and repealed."

C. Renewal of Union Bank Revolving Auto Loan Fleet Line

Upon motion made and duly seconded, the Board approved the following resolutions in connection with the renewal of the Corporation's revolving auto loan fleet line with Union Bank:

RESOLUTION NO. 2023-BD-03

FOR THE REVOLVING AUTO LOAN FLEET LINE

"RESOLVED, That the Corporation be authorized to borrow, apply for, negotiate and/or secure a loan and/or other credit accommodations and facilities from Union Bank of the Philippines (the "Bank") in the principal aggregate amount of TEN MILLION PESOS (Php10,000,000.00), as well as temporary excesses or permanent increases thereon as may be approved by the Bank from time to time;

"RESOLVED FURTHER, that the Corporation be authorized to constitute a mortgage, pledge, assign or otherwise encumber in favor of the Bank the assets or properties of the Corporation described below:

DESCRIPTION OF COLLATERAL / SECURITY

For the Revolving Auto Fleet Line: Chattel Mortgage over the vehicles to be financed by the Bank

as security for said loans or credit accommodations and facilities, which may be required by the Bank and under such terms and conditions as may be agreed upon with the Bank, and for this purpose TO AUTHORIZE ANY TWO (2) of the following officers of the Corporation, namely:

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|--------------------------|-------------------------|---------------------------|
| Monico V. Jacob | Chairman | _____ |
| Eusebio H. Tanco | Director | _____ |
| Joseph Augustin L. Tanco | President & CEO | _____ |
| Yolanda M. Bautista | Group CFO/ Treasurer | _____ |

| | | |
|---------------------|---|-------|
| Michelle L. Ambagan | SVP & COO | _____ |
| Victor C. Tan | VP & CFO/Treasurer | _____ |
| Ferdinand A. Recio | FVP- Operations & Corporate Planning | _____ |

to negotiate and agree to such terms and conditions of said Auto Fleet Line or credit accommodation(s) as may be required by the Bank, and to effect renewals, amendments thereof or supplements thereto, whether such renewals, amendments or supplements are in the nature of new or separate transactions and to sign, execute and deliver, for and in behalf of the Corporation, all documents, papers and deeds which may be required by the Bank in connection with said Auto Fleet Line or credit accommodations such as but not limited to credit line/loan agreements, promissory notes, checks, drafts, chattel mortgage, pledge, deeds of assignments, and other security arrangements, and to enter into any settlement with the Bank in all matters affecting the transactions made in accordance with the authorities granted herein. For the purpose of evidencing receipt of the units subject of the Auto Fleet or credit accommodations as described above, any one (1) of the signatories authorized above may sign the delivery receipt, papers or documents to signify the receipt of the said unit/s unless the dealership require a different protocol or require a greater number of signatures in which case, such receipt, papers, or documents as required by the dealership will then be submitted to the Bank.

"RESOLVED FURTHER, that the following are the incumbent Directors/ Officers of the Corporation:

| NAME OF DIRECTORS | TITLE/DESIGNATION |
|-------------------|-------------------|
|-------------------|-------------------|

| | |
|--------------------------|----------------------|
| Monico V. Jacob | Chairman |
| Eusebio H. Tanco | Director |
| Joseph Augustin L. Tanco | Director |
| Martin K. Tanco | Director |
| Paolo Martin O. Bautista | Director |
| Cecilia C. Borromeo | Director |
| Armando L. Suratos | Independent Director |
| Jesli A. Lapus | Independent Director |
| Jose Alfonso A. Poblete | Independent Director |

| <i>Name of Principal Officers</i> | <i>Title/Position Held</i> |
|-----------------------------------|---|
| Monico V. Jacob | Chairman |
| Joseph Augustin L. Tanco | President and CEO |
| Yolanda M. Bautista | Group CFO |
| Michelle L. Ambagan | SVP and COO |
| Andrew Patrick A. Fornier | FVP- Legal and Compliance Officer/Compliance Officer |
| Flora T. Tayo | FVP-Salary Savings Division |
| Ferdinand A. Recio | FVP – Operations & Corporate Planning & Data Privacy Officer |
| Rommel B. Taningco | VP – Salary Loan Management |
| Victor C. Tan | VP and CFO/Treasurer |
| Charles Alexis S.D. Aquino | Group IT Head |
| Marvin M. Catapang | VP for Group Marketing |
| Ma. Efigenia F. Hufana | AVP for IT & Deputy/ Deputy Data Privacy Officer |
| Ronald Y. Tabalada | AVP-Actuarial |
| Dahlia H. Estrada | AVP- Cash |
| Lawrence A. Lumanog | AVP-GSD/Corp. Admin |
| Jerome V. Landrito | HR Head |
| Gertrude P. Umali | Group Internal Audit Head |
| Richyl Marie A. Macasero | Alternate Compliance Officer |
| Arsenio C. Cabrera, Jr. | Corporate Secretary |
| Anna Carmina S. Herrera | Assistant Corporate Secretary |

“RESOLVED FINALLY, that the foregoing authorities shall remain in full force and effect and binding on the Corporation until notice in writing is received by the Bank through its Office of

the President revoking, amending or otherwise modifying the same."

D. Corporate Credit Card

Upon motion made and duly seconded, the Board approved the following resolutions in connection with the application of the Corporation with any of the following banks for a corporate credit card to be issued to the Corporation's President as the credit card assignee: (1) Bank of the Philippine Islands; (2) Metrobank; (3) Rizal Commercial Banking Corporation; or (4) Unionbank:

RESOLUTION NO. 2023-BD-04

"RESOLVED, That the Board of Directors hereby approves the application of the corporation with any of the following banks for a corporate credit card to be issued to the Corporation's president as the credit card assignee: (1) Bank of the Philippine Islands; (2) Metrobank; (3) Rizal Commercial Banking Corporation; or (4) Unionbank;

"RESOLVED FINALLY, That any two (2) of the following officers of the Corporation be appointed as the Corporation's authorized signatories for the appointment of the Corporation's corporate credit card assignee:

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|--------------------------|---|---------------------------|
| Monico V. Jacob | Chairman | _____ |
| Eusebio H. Tanco | Director | _____ |
| Joseph Augustin L. Tanco | President & CEO | _____ |
| Yolanda M. Bautista | Group CFO/ Treasurer | _____ |
| Michelle L. Ambagan | SVP & COO | _____ |
| Victor C. Tan | VP & CFO/Treasurer | _____ |
| Ferdinand A. Recio | FVP- Operations & Corporate Planning | _____ |

E. BIR Online Registration and Update System

Upon motion made and duly seconded, the Board approved the following resolutions authorizing the Corporation's VP & CFO/Treasurer, Mr. Victor C. Tan to certify, transact and sign documents in all business transactions with the Bureau of Internal Revenue ("BIR") in connection with the BIR Revenue Online Registration and Update System.

RESOLUTION NO. 2023-BD-05

"RESOLVED, That the Board of Directors hereby appoints the VP & CFO/Treasurer, Mr. Victor C. Tan, as the Corporation's duly authorized signatory for the Bureau of Internal Revenue Online Registration and Update System ("BIR ORUS");

"RESOLVED FURTHER, That Corporation hereby authorizes Mr. Victor C. Tan to sign, execute and/or deliver any and all applications, contracts, forms and other documents as may be necessary or proper in connection with the BIR ORUS;

"RESOLVED FINALLY, That the foregoing resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation."

F. Appointment of Trustees and Investment Managers

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the appointment of: (1) BPI Asset Management and Trust Corporation as a Trustee of the Corporation ; and (2) Metropolitan Bank & Trust Company-Trust Banking Group (MBTC-TBG) as Investment Manager and/or Trustee.

1. BPI Asset Management and Trust Corporation

RESOLUTION NO. 2023-BD-06

"RESOLVED, that the Corporation be as it is hereby authorized to appoint BPI ASSET MANAGEMENT AND TRUST CORPORATION ("BPI AMTC"), a trust corporation with authority engage in the business of trust, other fiduciary business and investment management activities, to act as TRUSTEE and to invest in any of the trust and investment products being offered by the BPI AMTC, or any of its affiliates, such as but not limited to Unit Investment Trust Funds, etc.;

"RESOLVED, that any two (2) of the following officers ("authorized signatories"), are hereby authorized to make,

execute, sign, accomplish, acknowledge and deliver the Trust Agreement, any document relative to and in connection with the opening, management, investments of the account such as , but not limited to, account opening documents, client suitability assessment, investment policy statement, risk disclosure statement, any and all subsequent documents, letters of instructions to BPI AMTC, deeds or contracts, waivers, releases, or other instruments in writing, relative to and in connection with the abovementioned agreement. This authority includes the right to terminate the abovementioned agreement in accordance with the provisions thereof and the right to receive the terminal report from BPI AMTC;

| Name | Position | Specimen Signature |
|--------------------------|---------------------------------------|--------------------|
| Eusebio H. Tanco | Director | _____ |
| Monico V. Jacob | Chairman | _____ |
| Joseph Augustin L. Tanco | President & CEO | _____ |
| Yolanda M. Bautista | Group CFO | _____ |
| Michelle L. Ambagan | Senior Vice President & COO | _____ |
| Victor C. Tan | VP & CFO/Treasurer | _____ |
| Ferdinand A. Recio | FVP-Operations and Corporate Planning | _____ |

"RESOLVED FINALLY, that the authorized signatory/ies above shall be authorized to constitute and delegate another person through the execution of a letter of instruction or Special Power of Attorney acceptable to BPI AMTC as they may deem fit and proper, for the purpose of receiving any or all of the BPI AMTC reports.

2. Metropolitan Bank & Trust Company - Trust Banking Group

RESOLUTION NO. 2023-BD-06A

"RESOLVED, that the Board of Directors of the Corporation hereby appoints METROPOLITAN BANK &

TRUST COMPANY – TRUST BANKING GROUP
(MBTC-TBG) as Investment Manager and/or Trustee;

“RESOLVED FURTHER, that MBTC-TBG is authorized to invest in time deposit instruments, government securities, debt securities such as notes and corporate bonds, equities, preferred shares and other collective investment schemes, such as Unit Investment Trust Funds;

“RESOLVED FURTHER, that any two (2) of the following be authorized and empowered, for and in behalf of the Corporation, and in order to give effect to and enforce the authorities herein granted to sign, execute and/or deliver any and all documents in favor of MBTC-TBG including but not limited to the Investment Management Agreement, Trust Agreement, letters of instruction/withdrawals/ termination/ investment guidelines and instructions, waiver and quitclaims in favor of MBTC-TBG or other instructions pertinent to the agency/trustee transactions aforementioned:

SET “A”

| Name | Position | Specimen Signature |
|--------------------------|-------------------------|--------------------|
| Eusebio H. Tanco | Director | _____ |
| Monico V. Jacob | Chairman | _____ |
| Joseph Augustin L. Tanco | President & CEO | _____ |
| Yolanda M. Bautista | Group CFO/ Treasurer | _____ |

SET "B"

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|----------------------------|--|-------------------------------|
| B-1 | | |
| <i>Michelle L. Ambagan</i> | <i>Senior Vice- President & COO</i> | _____ |
| <i>Ferdinand A. Recio</i> | <i>FVP-Operations and Corporate Planning</i> | _____ |
| <i>Ronald Y. Tabalada</i> | <i>AVP- Actuarial</i> | _____ |

B-2

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|----------------------------------|--|-------------------------------|
| <i>Victor C. Tan</i> | <i>VP & CFO/Treasurer</i> | _____ |
| <i>Fatima R. Robles</i> | <i>Senior Manager- HR</i> | _____ |
| <i>Andrew Patrick A. Fornier</i> | <i>FVP-Legal and Compliance / Compliance Officer</i> | _____ |

"RESOLVED FURTHER, That the limits on the signing authority of the above mentioned authorized signatories shall be as follows:

- a. Any two of the Set "A" signatories acting jointly, may sign without limit as to amount;
- b. Any one of the Set "A" signatories jointly with one of the Set "B-1" or "B-2" signatories, may sign without limit as to amount;
- c. Any one of the Set "B-1" signatories, jointly with any one of the Set "B-2" signatories, may sign any instrument

involving up to a maximum amount of Php400,000.00;

- d. Any two of the Set "B-1" signatories, may not sign jointly;
- e. Any two of the Set "B-2" signatories, may not sign jointly.

"RESOLVED FURTHERMORE, that MBTC-TBG, its directors, officers, employees, agents or authorized representatives are each entitled and authorized to rely on these instructions as valid, binding and effective upon the CORPORATION and that MBTC-TBG, its directors, officers, employees, agents or authorized representative shall not be liable for any act done or suffered by them in reliance of the above instructions, provided MBTC-TBG and its authorized representatives stated at the beginning of this paragraph acted in good faith, it being understood that any and all risks and costs arising from the above instructions shall be for the CORPORATION's sole and exclusive account;

"RESOLVED FURTHERMORE, that all things/acts done and documents executed and entered into by the aforementioned signatories pursuant to and in accordance with the foregoing authorities are hereby confirmed, affirmed and ratified. Likewise all things/acts done and documents executed and entered into prior to this Resolution are hereby affirmed, confirmed, and ratified;

"RESOLVED FINALLY, that the foregoing authorities shall remain in full force and effect and binding on the Corporation until the Investment Management Agreement and/or Trust Agreement has been terminated or otherwise voided."

G. Bureau of Treasury

Upon motion made and duly seconded, the Board approved the following resolutions in connection with the designation of the authorized signatories to transact, execute and sign all documents as may be required by the Bureau of Treasury in relation to the Corporation's Client Securities account in the National Registry of Scripless Securities:

RESOLUTION NO. 2023-BD-07

"RESOLVED, That effective 17 March 2023 and amending prior resolutions of the Board of Directors of the Corporation, the following officers, are hereby designated as the authorized signatories to transact, execute and sign all documents as may be required by the Bureau of Treasury in relation to the Corporation's Client Securities account in

the National Registry of Scripless Securities, or NRoSS (formerly Registry of Scripless Securities/RoSS, formerly Securities Account Tax Tracking System/SATT):

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|--------------------------------------|--|-------------------------------|
| <i>Eusebio H. Tanco</i> | <i>Director</i> | _____ |
| <i>Monico V. Jacob</i> | <i>Chairman</i> | _____ |
| <i>Joseph Augustin L. Tanco</i> | <i>President & CEO</i> | _____ |
| <i>Yolanda M. Bautista</i> | <i>Group CFO</i> | _____ |
| <i>Michelle L. Ambagan</i> | <i>Senior Vice- President & COO</i> | _____ |
| <i>Victor C. Tan</i> | <i>VP & CFO/Treasurer</i> | _____ |
| <i>Andrew Patrick A. Fornier</i> | <i>FVP- Legal and Compliance/ Compliance Officer</i> | _____ |
| <i>Ferdinand A. Recio</i> | <i>FVP- Operations and Corporate Planning</i> | _____ |

“RESOLVED FINALLY, That any and all prior resolutions inconsistent with the foregoing resolutions are hereby superseded and repealed.”

VIII. OTHER MATTERS

A. Bancassurance with Landbank

Ms. Borromeo stated that the Corporation can submit a letter of intent to become a bancassurance partner of Landbank. Upon approval by the Board of Directors of Landbank of the Corporation's application, the Corporation and Landbank can enter into a Memorandum of Agreement for bancassurance.

Mr. Eusebio H. Tanco noted that the Corporation's agents approach teachers in order to sell loans while teachers go to Landbank branches to apply for loans. He stated that a bancassurance arrangement between the Corporation and Landbank would be a good combination of these different approaches.

B. Update on Property for Share Swap

Atty. Arsenio C. Cabrera informed the Board that the Securities and Exchange Commission (the "SEC") had already issued a payment assessment form in connection with the Corporation's request for a confirmation of valuation on the property for share swap with Maestro Holdings, Inc. (the "Property for Share Swap"). He noted that the SEC's approval of the Property for Share Swap and confirmation of valuation would take one week from the payment of the necessary fees to the SEC. He explained that the final step would be to secure a Certificate Authorizing Registration from the Bureau of Internal Revenue for the Property for Share Swap for the transfer of the subject property as a tax-free exchange under Section 40(c)(2) of the National Internal Revenue Code.

IX. ADJOURNMENT

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.




ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:


MONICO V. JACOB
Chairman



EUSEBIO H. TANCO
Director


JOSEPH AUGUSTIN L. TANCO
Director


PAOLO MARTIN O. BAUTISTA
Director


CECILIA C. BORROMEO
Director



ARMANDO L. SURATOS
Independent Director


JOSE ALFONSO A. POBLETE
Independent Director

ATTEST:

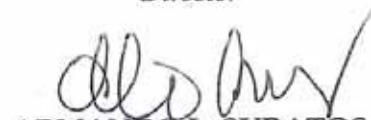

MONICO V. JACOB
Chairman

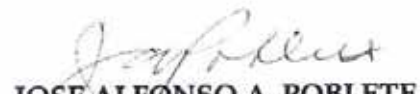

EUSEBIO H. TANCO
Director


JOSEPH AUGUSTIN L. TANCO
Director


PAOLO MARTIN O. BAUTISTA
Director


CECILIA C. BORROMEIO
Director


ARMANDO L. SURATOS
Independent Director


JOSE ALFONSO A. POBLETE
Independent Director

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF**

PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION

3 April 2023

Conducted via Remote Communication due to COVID-19 Pandemic

DIRECTORS PRESENT:

MONICO V. JACOB
JOSEPH AUGUSTIN L. TANCO
EUSEBIO H. TANCO
PAOLO MARTIN O. BAUTISTA
JESLI A. LAPUS
JOSE ALFONSO A. POBLETE
ARMANDO L. SURATOS

ALSO PRESENT:

YOLANDA M. BAUTISTA
MICHELLE L. AMBAGAN
VICTOR C. TAN
ANDREW PATRICK A. FORNIER
ARSENIO C. CABRERA, JR.
ANNA CARMINA S. HERRERA

DIRECTOR ABSENT:

CECILIA C. BORROMEIO

I. CALL TO ORDER

The Chairman, Mr. Monico V. Jacob, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that the notices of the meeting were sent to all directors. Thereafter, the Corporate Secretary conducted a roll call of the directors present.

The meeting was conducted through remote communication pursuant to Section 52 of the Revised Corporation Code of the Philippines which authorizes directors who cannot physically attend or vote at board meetings to participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate.

All directors attended the meeting through remote communication via Zoom. The directors confirmed that they could completely and clearly hear each other. They likewise confirmed receipt of the agenda and all of the materials for the meeting.

After the roll call and foregoing confirmations, the Corporate Secretary, thereafter, certified as to the existence of quorum for the valid transaction of business.

III. APPROVAL OF THE MINUTES OF THE MEETING

Upon motion made and duly seconded, the Minutes of the Board Meeting held on 17 March 2023 were unanimously approved.

IV. APPROVAL OF AUDITED FINANCIAL STATEMENTS

Mr. Victor C. Tan presented the draft Audited Financial Statements for the period ended 31 December 2022. A copy of the draft Audited Financial Statements is attached hereto as Annex "A".

Mr. Jesli A. Lapus, the Chairman of the Audit and Risk Committee stated that the Audit Committee was endorsing the draft Audited Financial Statements for the period ended 31 December 2022 to the Board of Directors for approval.

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the approval of the Corporation's Audited Financial Statements for the period ended 31 December 2022.

RESOLUTION NO. 2023-BD-08

"RESOLVED, That the Board of Directors approve, as it hereby approves, the Audited Financial Statements of the Corporation for the period ended 31 December 2022;

"RESOLVED FINALLY, That the Corporation's external auditor, SyCip Gorres Velayo & Co. be, as it is hereby authorized to release the Audited Financial Statements of the Corporation for the period ended 31 December 2022."

V. MATTERS FOR APPROVAL

A. Bancassurance Agreement with Landbank

Ms. Michelle L. Ambagan updated the Board about the plan for the Corporation to enter into a bancassurance agreement with Land Bank of the Philippines ("Land Bank"). She stated that this would entail the use of Land Bank's premises for the presentation and sale of the Corporation's financial products.

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the bancassurance agreement between the Corporation and Land Bank and the use of Land Bank's premises for the presentation and sale of the Corporation's financial products.

RESOLUTION NO. 2023-BD-09

"RESOLVED, That the Board of Directors hereby approves the use of the premises of Land Bank of the Philippines (the "Bank") for the presentation and sale of the Corporation's financial products in connection with the Corporation's Bancassurance agreement with the Bank;

"RESOLVED FURTHER, That the Board of Directors hereby appoints any two (2) of the following officers of the Corporation to sign, execute and deliver all contracts, forms, and other documents as may be necessary or proper in connection with the Corporation's Bancassurance agreement with the Bank:

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|--------------------------|---------------------------------|-------------------------------|
| Eusebio H. Tanco | Director | _____ |
| Monico V. Jacob | Chairman | _____ |
| Joseph Augustin L. Tanco | President & CEO | _____ |
| Michelle L. Ambagan | Senior Vice- President & COO | _____ |
| Victor C. Tan | VP and CFO/Treasurer | _____ |

"RESOLVED FINALLY, That the foregoing resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation."

B. Institutional Risk Assessment

Atty. Andrew Patrick A. Fornier stated that, pursuant to IC Circular Letter No. 2018-48 the Corporation is mandated to take appropriate steps to identify, assess and understand its risk environment in relation to Anti-Money Laundering ("AML") and Counter-Terrorism Financing ("CTF") and appropriately define and document its risk-based approach to the same. He explained that the key requirement is the Institutional Risk Assessment ("IRA") which will provide the foundation for the adoption by the Corporation of measures aimed at promoting and enforcing AML and CTF

regulations and which must be conducted to the satisfaction of the IC.

Atty. Fornier presented the 2023 Edition of the IRA Plan and Guidelines of the Corporation with the following objectives:

- (a) Clearly identify the exposure points of the Corporation to AML and CTF risks;
- (b) Measure the capability of current processes and resources of the Corporation to respond to and mitigate the identified risks;
- (c) Improve and augment the risk prevention infrastructure of the Corporation in a practical and sustainable manner; and
- (d) Promote a responsible and vigilant employee base for whom AML and CTF prevention shall be one of the priority directions;

Atty. Fornier presented the following steps for the IRA:

| Steps | Particulars |
|----------------|---|
| Identification | Identifying known or suspected threats and vulnerabilities relevant to the Corporation; |
| Analysis | (a) analyzing the likelihood and consequences of identified risk (b) assessing the quality of risk management (c) determining the residual risk |
| Evaluation | Evaluating residual risk versus risk appetite and formulating prioritized action plans |

Atty. Fornier explained that the following members of the Compliance Team would be primarily responsible for implementing the IRA:

| Member | Position |
|---------------------------------|--|
| Atty. Andrew Patrick A. Fornier | Compliance Officer, FVP- Legal and Compliance |
| Atty. Richyl Marie A. Macasero | Deputy Compliance Officer, AVP- Legal and Compliance |
| Atty. Carl Joseph N. Rivera | Junior Corporate Counsel, Legal and Compliance |
| Heide S. Morareng | Executive Assistant, Legal and Compliance. |

Mr. Lapus stated that the Audit and Risk Committee was endorsing the IRA for approval to the Board of Directors.

Upon motion made and duly seconded, the Board unananimously approved the following resolutions in connection with the approval of the IRA:

RESOLUTION NO. 2023-BD-10

"WHEREAS, pursuant to Circular Letter No. 2018-48 of the Insurance Commission (the "IC"), the Corporation is mandated to take appropriate steps to identify, assess and understand its risk environment in relation to Anti-Money Laundering ("AML") and Counter-Terrorism Financing ("CTF") and appropriately define and document its risk-based approach to the same;

"WHEREAS, the key requirement is the Institutional Risk Assessment ("IRA") which will provide the foundation for the adoption by the Corporation of measures aimed at promoting and enforcing AML and CTF regulations and which must be conducted to the satisfaction of the IC;

"NOW THEREFORE BE IT RESOLVED, That the Board of Directors hereby approves the 2023 Edition of the IRA Plan and Guidelines of the Corporation, which is attached hereto as Annex "A", with the following objectives:

- (a) Clearly identify the exposure points of the Corporation to AML and CTF risks;
- (b) Measure the capability of current processes and resources of the Corporation to respond to and mitigate the identified risks;
- (c) Improve and augment the risk prevention infrastructure of the Corporation in a practical and sustainable manner; and
- (d) Promote a responsible and vigilant employee base for whom AML and CTF prevention shall be one of the priority directions;

"RESOLVED FURTHER, That the Board of Directors hereby approves the following steps for the IRA as summarized in the table below as well as a recurring phase of reporting findings to relevant management and leadership, monitoring of the current risk infrastructure and periodic reassessment of the same;

| Steps | Particulars |
|----------------|---|
| Identification | Identifying known or suspected threats and vulnerabilities relevant to the Corporation; |
| Analysis | (e) analyzing the likelihood and consequences of identified risk (f) assessing the quality of risk management (g) determining the residual risk |
| Evaluation | Evaluating residual risk versus risk appetite and formulating prioritized action plans |

"RESOLVED FURTHER, That the Board of Directors hereby appoints the following members of the Compliance Team who shall be primarily responsible for carrying out the steps of the IRA as outlined above and implementing the IRA:

| Member | Position |
|---------------------------------|--|
| Atty. Andrew Patrick A. Fornier | Compliance Officer, FVP- Legal and Compliance |
| Atty. Richyl Marie A. Macasero | Deputy Compliance Officer, AVP- Legal and Compliance |
| Atty. Carl Joseph N. Rivera | Junior Corporate Counsel, Legal and Compliance |
| Heide S. Morareng | Executive Assistant, Legal and Compliance. |

"RESOLVED FINALLY, That the foregoing resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation."

C. Appropriation of Retained Earnings

Ms. Ambagan stated that pursuant to IC Circular 2016-66, *Valuation Standards for Life Insurance Policy Reserves*, effective January 1, 2017, the Corporation is required to make appropriations if the actuarial computation using gross premium valuation (GPV) on traditional life insurance results in a negative reserve as at year-end. Based on the GPV report of the Corporation's actuary, she explained that management's proposal is for the Board of Directors to approve the reduced appropriation of retained earnings amounting to Php1.2 Million as of 31 December 2022. She noted that the existing appropriation is at Php6.4 Million while the Corporation's negative reserve is at Php5.2 Million as at reporting date.

Upon motion made and duly seconded, the Board unanimously approved the following resolution in connection with the reduced appropriation of retained earnings amounting to Php1.2 Million as of 31 December 2022 for the Corporation's negative reserves of Php5.2 Million as at reporting date:

RESOLUTION NO. 2023-BD-11

"WHEREAS, pursuant to IC Circular 2016-66, Valuation Standards for Life Insurance Policy Reserves, effective January 1, 2017, the Corporation is required to make appropriations if the actuarial computation using gross premium valuation (GPV) on traditional life insurance results in a negative reserve as at year-end;

"WHEREAS, the existing appropriation of the Corporation is at Php6.4 Million while the Corporation's negative reserve is at Php5.2 Million as at reporting date;

"NOW BE IT HEREBY RESOLVED, That the Board of Directors approve, as it hereby approves, the reduced appropriation of retained earnings amounting to Php1.2 Million as of 31

December 2022 for the Corporation's negative reserves of Php5.2 Million as at reporting date."

VI. OTHER MATTERS

A. Zambales Satellite Office

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the establishment of a satellite office in Iba, Zambales:

RESOLUTION NO. 2023-BD-12

"RESOLVED, That the Corporation hereby approves the establishment of a Satellite Office located at Unit 3 ACM III Bldg., Ground Floor, National Road, Palanginan, Iba, Zambales (the "Satellite Office");

"RESOLVED FURTHER, That the Corporation hereby appoints: (a) Mr. Frederick S. San Diego as the Operations Head (the "Operations Head"); and (b) Mr. Cirilo E. Sobrino, Jr. as the Satellite Office Manager (the "Satellite Office Manager");

"RESOLVED FURTHER, that the Corporation hereby approves the execution of a Special Power of Attorney in favor of the Operations Head and the Satellite Office Manager for the purpose of authorizing the Operations Head and the Satellite Office Manager to receive summons, notices and legal processes in any action or other legal proceeding against the Corporation, for and on behalf of the Corporation (the "Special Power of Attorney");

"RESOLVED, FINALLY, That the Corporation hereby designates the President and CEO, Mr. Joseph Augustin L. Tanco, as its authorized representative to execute the Special Power of Attorney."

B. Sorsogon City Satellite Office

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the establishment of a satellite office in Sorsogon City:

RESOLUTION NO. 2023-BD-13

"RESOLVED, That the Corporation hereby approves the establishment of a Satellite Office located at 1373 Alegre St., Sorsogon City (the "Satellite Office");

"RESOLVED FURTHER, That the Corporation hereby appoints the Marketing Director, Mr. Macabuhay Tayo, as its authorized representative for the Satellite Office (the "Authorized Representative");

"RESOLVED FURTHER, that the Corporation hereby approves the execution of a Special Power of Attorney in favor of the Authorized Representative for the purpose of authorizing the Authorized Representative to receive summons, notices and legal processes in any action or other legal proceeding against the Corporation, for and on behalf of the Corporation (the "Special Power of Attorney");

"RESOLVED, FINALLY, That the Corporation hereby designates the President and CEO, Mr. Joseph Augustin L. Tanco, as its authorized representative to execute the Special Power of Attorney."

C. Closure of Panabo, Davao Del Norte Satellite Office

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the closure and the retirement of the business permit of the Corporation's satellite office in Panabo City, Davao Del Norte:

RESOLUTION NO. 2023-BD-14

"RESOLVED, That the Corporation hereby approves the closure and the retirement of the business permit of its satellite office located at SSB Com. Building, Poblacion, Public Market, Panabo, Davao Del Norte (the "Satellite Office");

"RESOLVED FURTHER, That the Corporation hereby appoints the Satellite Office Manager, Ms. Nenita Padillo, as its authorized representative for the closure and the retirement of the business permit of the Satellite Office (the "Authorized Representative");

"RESOLVED FURTHER, that the Corporation hereby approves the execution of a Special Power of Attorney in favor of the Authorized Representative for the purpose of authorizing the Authorized Representative to (a) liaise and deal with the City of Panabo and the concerned government agencies, in connection with the closure and the retirement of the business permit of the Satellite Office; (b) deliver, on behalf of the Corporation, all documents and instruments needed to give effect to the foregoing resolutions; and (c) perform all acts necessary to give

effect to the foregoing resolutions (the "Special Power of Attorney");

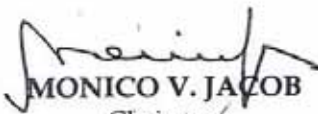
"RESOLVED, FINALLY, That the Corporation hereby designates the President and CEO, Mr. Joseph Augustin L. Tanco, as its authorized representative to execute the Special Power of Attorney."

VII. ADJOURNMENT

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.

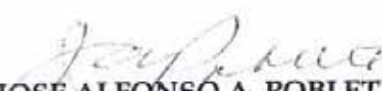

ARSENIO C. CABRERA, JR.
Corporate Secretary


ATTEST:


MONICO V. JACOB
Chairman



JOSEPH AUGUSTIN L. TANCO
Director

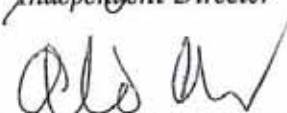

PAOLO MARTIN O. BAUTISTA
Director


JOSE ALFONSO A. POBLETE
Independent Director


EUSEBIO K. TANCO
Director


MARTIN K. TANCO
Director


JESLI A. LAPUS
Independent Director


ARMANDO L. SURATOS
Independent Director

Annex "A"



STATEMENT OF FINANCIAL POSITION

| | December 31 | |
|---|----------------------|----------------------|
| | 2022 | 2021 |
| ASSETS | | |
| Cash and cash equivalents (Note 4) | 98,988,808 | 850,477,847 |
| Insurance receivables (Note 5) | 98,101,697 | 67,188,603 |
| Financial assets (Note 6) | | |
| Financial assets at fair value through other comprehensive income | 1,763,136,000 | 1,077,941,017 |
| Loans and receivables - net | 1,001,868,806 | 1,126,261,628 |
| Segregated fund assets (Note 7) | 411,464 | 337,822 |
| Investment in subsidiaries (Note 8) | 17,173,997 | 17,173,997 |
| Property and equipment - net (Note 9) | 262,808,791 | 32,030,381 |
| Right-of-use asset (Note 10) | 14,369,183 | 23,675,372 |
| Investment properties (Note 11) | 100,266,468 | 74,405,468 |
| Deferred tax assets - net (Note 26) | 23,617,390 | 39,780,118 |
| Other assets (Notes 12 and 25) | 38,200,323 | 49,470,118 |
| | 3,399,749,863 | 3,173,012,500 |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Insurance contract liabilities (Note 13) | 1,380,354,419 | 1,424,818,163 |
| Premium deposit fund (Note 14) | 12,817,101 | 13,937,479 |
| Segregated fund liabilities (Note 7) | 431,167 | 557,822 |
| Accounts payable and other liabilities (Note 15) | 280,828,878 | 183,631,641 |
| Lease liabilities (Note 16) | 17,183,620 | 26,551,003 |
| Income tax payable (Note 26) | 43,110,450 | - |
| Due to related parties (Note 29) | 748,638 | 273,791,340 |
| Provision liability - net (Note 24) | 44,862,469 | 44,364,600 |
| Total Liabilities | 1,799,336,948 | 1,967,682,338 |
| Equity | | |
| Capital stock (Note 16) | 379,168,789 | 279,142,296 |
| Contributed surplus (Note 16) | 118,891,840 | 118,772,715 |
| Reserve for future subscriptions (Note 16) | 218,688,000 | 100,000,000 |
| Retained earnings (Note 16) | 878,114,965 | 741,614,281 |
| Revaluation reserve on financial assets at fair value through other comprehensive income (Note 6) | 12,802,379 | 21,240,247 |
| Revaluation reserve on life insurance reserves (Note 13) | 40,231,080 | 58,391,313 |
| Revaluation reserve on defined benefit plan (Note 24) | 6,123,296 | 5,951,030 |
| Total Equity | 1,600,412,915 | 1,205,330,162 |
| | 3,399,749,863 | 3,173,012,500 |



STATEMENT OF INCOME

| | Years Ended December 31 | |
|---|-------------------------|--------------------|
| | 2022 | 2021 |
| REVENUE | | |
| Gross premiums on insurance contracts | 618,643,778 | 533,401,108 |
| Reinsurers' share of premiums on insurance contracts | - 17,797,341 | - 14,793,333 |
| Net insurance premiums (Note 17) | 600,846,437 | 518,607,775 |
| Interest income (Note 18) | 308,428,024 | 160,586,447 |
| Service fees | 207,491,129 | 117,039,780 |
| Gain on sale of financial assets at fair value through other comprehensive income (Note 6) | 148,815,169 | 50,878,490 |
| Fair value gain on investment properties (Note 11) | 38,770,000 | 9,100,000 |
| Other income (Note 19) | 2,615,847 | 6,753,897 |
| Other revenue | 863,120,169 | 344,558,614 |
| Total revenue | 1,163,966,606 | 863,166,389 |
| BENEFITS, CLAIMS AND OPERATING EXPENSES | | |
| Benefits and claims incurred on insurance contracts (Note 20) | 302,000,069 | 345,334,917 |
| Gross charges in long policy reserves (Note 13) | 64,931,864 | 114,061,582 |
| Reinsurers' share of charges in long policy reserves (Note 13) | - 1,990,731 | 2,558,593 |
| Net insurance benefits and claims | 364,922,192 | 462,975,092 |
| Commission and other underwriting expenses (Note 21) | 257,407,033 | 163,042,084 |
| General and administrative expenses (Note 22) | 157,867,121 | 126,422,359 |
| Service fee expense | 97,036,504 | 71,772,245 |
| Fund, insurance and fees (Note 31) | 86,735,928 | 16,007,946 |
| Interest expense (Notes 10, 14, 24 and 29) | 27,047,529 | 14,757,783 |
| Operating expenses | 696,784,112 | 393,902,417 |
| Total benefits and expenses | 960,966,304 | 856,777,509 |
| INCOME BEFORE INCOME TAX | 203,260,302 | 6,388,880 |
| INCOME TAX EXPENSE (Note 26) | 66,759,622 | 4,793,929 |
| NET INCOME | 136,500,680 | 1,594,951 |

**MINUTES OF THE MEETING
OF THE RELATED PARTY TRANSACTIONS COMMITTEE
PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION**

5 July 2023

Conducted via Remote Communication

MEMBERS PRESENT:

ARMANDO L. SURATOS
JESLI A. LAPUS
JOSE ALFONSO A. POBLETE

ALSO PRESENT:

MONICO V. JACOB
YOLANDA M. BAUTISTA
MICHELLE L. AMBAGAN
VICTOR C. TAN
ARSENIO C. CABRERA, JR.
ANNA CARMINA S. HERRERA

I. CALL TO ORDER

Mr. Armando L. Suratos, the Chairman of the Related Party Transactions Committee, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that the notices of the meeting were sent to all members of the Related Party Transactions Committee. Thereafter, the Corporate Secretary conducted a roll call of the members present.

The meeting was conducted through remote communication pursuant to Section 52 of the Revised Corporation Code of the Philippines which authorizes directors who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate.

All members of the Related Party Transactions Committee attended the meeting through remote communication via Zoom. They confirmed that they could completely and clearly hear each other. They likewise confirmed receipt of the agenda and all of the materials for the meeting.

After the roll call and foregoing confirmations, the Corporate Secretary, thereafter, certified as to the existence of quorum for the valid transaction of business.

III. APPROVAL OF THE MINUTES OF THE MEETING

Upon motion made and duly seconded, the Minutes of the Related Party Transactions Committee held on 1 December 2022 were unanimously approved.

IV. RELATED PARTY TRANSACTIONS

A. Sale of Receivables to Classic Finance, Inc.

Mr. Victor C. Tan stated that the Corporation had sold salary loan receivables totaling Php2.7 Billion salary loan receivables at a discount rate ranging between 7% to 8% in 2022. The proceeds from the sale of these receivables amounted to Php2.3 Billion and resulted in a gain of Php97 Million. He noted that Php500 Million salary loan receivables out of the Php2.7 Billion salary loan receivables had been sold to the Bank of Makati.

Mr. Tan stated that the Corporation's estimated excess teacher loans in 2023 will amount to Php2.5 Billion. As of 31 May 2023, the excess teacher loans amounted to Php1.205 Billion and resulted in a net worth deficiency of Php1.071 Billion as of the same period.

Given the net worth deficiency of the Corporation, Mr. Tan explained that the recommendation of Management is an initial sale of excess salary loan receivables amounting to Php300 Million to Classic Finance, Inc. at an 8% discount rate. He noted that the gain on the sale of these receivables would amount to Php11.269 Million while the forfeited income would come out to Php63.844 Million.

Mr. Tan stated that Management has offered to sell receivables to third parties since April 2023. However, only Union Bank of the Philippines has given an indicative rate of 8.1774% per annum.

In response to the query of Mr. Suratos, Ms. Michelle L. Ambagan stated that receivables with shorter durations are sold first and that the sales are done in batches.

In response to the queries of Mr. Jose Alfonso A. Poblete, Mr. Tan explained that the Corporation submits quarterly reports to the Insurance Commission regarding its compliance with the net worth requirement. He stated that the Corporation had complied with the net worth requirement in the first quarter of 2023 and that it was exerting efforts to comply with the minimum net worth requirement throughout the year and before 31 December 2023.

In response to the query of Mr. Suratos, Ms. Ambagan stated that banks take two to three months to approve credit lines. She explained that the Corporation needed funds already.

Mr. Jesli A. Lapus recommended that the Corporation formulate guidelines for the sale of its receivables, including the amount and timing of these transactions.

Based on the foregoing discussion, the Related Party Transactions Committee approved the sale of receivables amounting to Php300 Million to Classic Finance at an 8% discount rate.

B. Bridge Financing

Mr. Tan presented the plan to secure a bridge loan amounting to Php200 Million from PhilhealthCare, Inc. at a loan rate of 6.25% per annum. He stated that this loan would be paid on or before 31 December 2023. He noted that the bridge loan would support the cash flow requirement of the Corporation.

Mr. Tan stated that indicative loan rates from banks ranged from 7.75% to 9.25% as shown below:

| Bank | Loan Rate |
|-----------|-----------|
| Metrobank | 8% to 9% |
| RCBC | 8% |
| BMI | 9.25% |
| UBP | 7.75% |

Mr. Tan confirmed that the bridge loan from PhilhealthCare, Inc. is an arm's length transaction.

The Related Party Transactions Committee approved the proposal of Management to secure a bridge loan amounting to Php200 Million from PhilhealthCare, Inc. based on the terms discussed above.

V. ADJOURNMENT

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.


ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:


ARMANDO L. SURATOS
Chairman


JOSE ALFONSO A. POBLETE
Member


JESLI A. LAPUS
Member

MINUTES OF THE ANNUAL
STOCKHOLDERS' MEETING OF
PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION

3 August 2023
Conducted via Remote Communication

| <u>SHAREHOLDERS</u> | <u>No. of Shares</u> |
|--|----------------------|
| Total No. of Shares Present Or Represented by Proxy | 27,914,154,274 |
| Total No. of Shares Issued And Outstanding | 27,914,229,646 |

I. CALL TO ORDER

The Chairman, Mr. Monico V. Jacob, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that in accordance with Section 5.03 of Article IV of the By-Laws of the Corporation, notices for the meeting were sent to all stockholders of record at least seven (7) days before the date of the meeting.

The Corporate Secretary further certified that the attendance record and the proxies and powers of attorney on hand showed that present in person or by proxy are 27,914,154,274 shares out of 27,914,229,646 shares of the outstanding capital stock of the Corporation or 99.99% thereof.

The meeting was conducted through remote communication pursuant to Section 49 of the Revised Corporation Code of the Philippines^[1] which authorizes that stockholders who cannot physically attend or vote at stockholders meetings can participate and vote through remote communication or stockholders in absenting.

The stockholders attended the meeting through remote communication via Zoom. The stockholders confirmed that they could completely and clearly hear each other. They likewise confirmed receipt of the agenda and all of the materials for the meeting.

After the roll call and foregoing confirmations, the Corporate Secretary, thereafter, certified as to the existence of quorum for the valid transaction of business.

^[1] Republic Act No. 11232. An Act Providing for the Revised Corporation Code of the Philippines.

III. APPROVAL OF PREVIOUS MINUTES

Upon motion made and duly seconded, stockholders owning 99.99% of the Corporation's issued and outstanding capital stock approved the minutes of the Annual Stockholders' Meeting held on 5 July 2022.

IV. APPROVAL OF AUDITED FINANCIAL STATEMENTS

Ms. Michelle L. Ambagan presented the following snapshot of the results of operations of the Corporation for 2022:

| | 2022 | 2021 |
|---|--|--|
| Branches & Satellite Offices | <ul style="list-style-type: none"> ▪ 31 Satellite Offices ▪ 24 Branches | <ul style="list-style-type: none"> ▪ 29 Satellite Offices ▪ 24 Branches |
| Gross Premiums (in Php Millions) | <ul style="list-style-type: none"> ▪ New Business: Php44.91 ▪ Renewal Business: Php573.73 | <ul style="list-style-type: none"> ▪ New Business: Php26.89 ▪ Renewal Business: Php506.52 |
| Principal Loan Released (in Php Millions) | <ul style="list-style-type: none"> ▪ Php3,687.85 | <ul style="list-style-type: none"> ▪ Php2,171.86 |
| Total Loan Portfolio (in Php Millions) | <ul style="list-style-type: none"> ▪ Outstanding Receivables: Php4,588.86 ▪ Outstanding Principal: Php3,793.41 | <ul style="list-style-type: none"> ▪ Outstanding Receivables: Php2,898.26 ▪ Outstanding Principal: Php2,564.83 |

Ms. Ambagan noted that the increase in gross premiums for new business can be partly attributed to the clients of Overseas Filipino Bank, a subsidiary of Land Bank of the Philippines.

Ms. Ambagan noted that the increase in gross premiums for renewal business can be attributed to the business provided by ARDCI and AMSLAI.

In response to the query of Mr. Eusebio H. Tanco, Ms. Ambagan stated that there had been an increase of 1,000 borrowers in 2022.

In response to the query of Mr. Armando L. Suratos, Ms. Ambagan stated that there had also been an increase in the amount of loans because of the 5-year term loans.

In response to the query of Mr. Eusebio H. Tanco, Ms. Ambagan stated that the YTD loan portfolio of the Corporation amounted to Php2.6 Billion versus the year-end target of Php4 Billion.

In response to the query of Mr. Eusebio H. Tanco, Mr. Joseph Augustin L. Tanco stated that the Corporation could set a higher target for its total loan portfolio in 2024.

Mr. Eusebio H. Tanco noted that the Corporation would need to source its own funds if it intends to grow its loan business. He recommended that management conduct a cost benefit analysis.

Mr. Victor C. Tan presented the financial highlights of the Corporation for the year 2022 as follows. He noted that SGV, the external auditor of the Corporation, expects to issue an unqualified opinion:

Statement of Financial Position for 2022

Mr. Tan noted that:

- (1) Total assets increased from Php3,173,012,500.00 in 2021 to PHp3,400,372,636.00 in 2022.
- (2) Total liabilities decreased from Php1,967,682,338.00 in 2021 to Php1,746,584,103.00 in 2022. Insurance contract liabilities decreased from Php1,424,818,163.00 in 2021 to Php1,350,354,419.00 in 2022.
- (3) The equity of the Corporation is at Php1,653,788,533.00 in 2022 versus Php1,205,330,162.00 in 2021.

Statement of Income for 2022

Mr. Tan stated that the Corporation had a net income of Php140,247,529.00 in 2022.

Mr. Tan stated that the Corporation's total comprehensive income for 2022 amounts to Php232,925,083.00 versus Php49,893,541.00 in 2021.

Net Worth as of 30 June 2023

Mr. Tan presented the following summary of the Corporation's net worth as of 30 June 2023:

| | | |
|--|---------------|----------------------|
| Net worth as of 30 June 2023 | | 1,695,351,218 |
| Less: Non-Admitted Assets | | |
| Salary loans – DepEd | 1,529,576,548 | |
| Salary Loans – SLI | 32,259,989 | |
| Unlisted shares of stocks – Riviera | 36,600,000 | |
| Investment Property- Marulas | 130,467 | |
| Net Due and Uncollected Premiums-Group | 42,998,940 | |
| Other receivables | 13,114,074 | |
| Non-IT fixed assets | 8,572,138 | |
| Deposit & prepayments | 28,043,270 | |
| Due from reinsurer | 32,010,719 | |
| Investment in AAMI | 4,674,002 | |
| Excess on Real Property Infusion | 31,230,807 | |
| Deferred Tax | 32,780,113 | |
| | | 1,791,991,068 |
| Net Worth, net of non-admitted assets | | (96,639,850) |
| Minimum Net Worth requirement 2023 | | 1,300,000,000 |
| To cover up the deficiencies | | |
| Sale of excess receivables | | 1,529,576,548 |
| Estimated Net Worth Surplus 2023 | | 132,936,698 |

After discussion and upon motion duly made and seconded, stockholders owning 99.99% of the Corporation's issued and outstanding capital stock noted and approved the Audited Financial Statements of the Corporation as at and for the year ended 31 December 2022.

V. APPROVAL, RATIFICATION AND CONFIRMATION OF CORPORATE ACTS

The Corporate Secretary stated that the corporate acts of the Board of Directors and of management since the 5 July 2022 Annual Stockholders' Meeting up to today's meeting include the execution of contracts, bank transactions, opening and closing of satellite and branch offices, renewal of business permits, appointment of officers, approval of the 31 December 2022 Audited Financial Statements and other matters carried out in the ordinary course of business of the Corporation.

There was a motion for the approval, ratification and confirmation of all corporate acts of the Board of Directors and of Management since the 5 July 2022 Annual Stockholders' Meeting up to the present date.

After discussion and upon motion duly made and seconded, the following resolution was approved by stockholders owning 99.99% of the issued and outstanding capital stock of the Corporation:

"RESOLVED, That all legal acts, proceedings and resolutions of the Board of Directors and of Management since the 5 July 2022 Annual Stockholders' Meeting up to today's meeting be, as they are hereby, approved, confirmed and ratified."

VI. ELECTION OF DIRECTORS

The Corporate Secretary stated that the Articles of Incorporation and By-Laws of the Corporation provide for nine (9) directors. Under the Corporation's By-Laws and Manual on Corporate Governance, the nomination of the Corporation's directors shall be conducted by the Corporate Governance Committee prior to the annual stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Corporate Governance Committee and the Corporate Secretary.

The Corporate Governance Committee has pre-screened the qualifications and prepared a Final List of Candidates for directors. Only nominees whose names appear on the Final List of Candidates are eligible for election as directors.

Pursuant to the Corporation's By-Laws and Manual of Corporate Governance, the Corporate Governance Committee received eight (8) nominations to the position of Directors of the Corporation for the ensuing year.

Pursuant to the Corporation's By-Laws and Manual of Corporate Governance, the Corporate Secretary stated that the Corporate Governance Committee received seven (7) nominations to the position of Directors of the Corporation for the ensuing year. The nominees are:

Eusebio H. Tanco
Monico V. Jacob
Joseph Augustin L. Tanco
Paolo Martin O. Bautista

Independent Directors

Jesli A. Lapus
Armando L. Suratos
Jose Alfonso A. Poblete

The Corporate Secretary noted that the Board has also approved the list of nominees to the Board of Directors.

Upon nomination made and duly seconded, stockholders owning 99.90% of the Corporation's issued and outstanding stock elected the following as Directors to serve as such for the ensuing year and until the election and qualification of their successors:

Eusebio H. Tanco
Monico V. Jacob
Joseph Augustin L. Tanco
Paolo Martin O. Bautista

Independent Directors

Jesli A. Lapus
Armando L. Suratos
Jose Alfonso A. Poblete

VII. AMENDMENT OF ARTICLES OF INCORPORATION

The Chairman explained the need to amend Article III of the Articles of Incorporation to reflect the change of the principal office address of the Corporation to 11th Floor, STI Holdings Center, 6764 Ayala Avenue, Barangay San Lorenzo, Makati City, 1226. He noted that the Corporate Governance Committee had recommended the approval of this amendment.

After discussion and upon motion duly made and seconded, the following resolution was approved by stockholders owning 99.99% of the issued and outstanding capital stock of the Corporation:

"RESOLVED, That the stockholders approve, as they hereby approve, the amendment of Article III of the Articles of Incorporation to reflect the change of the principal office address of

the Corporation to 11th Floor, STI Holdings Center, 6764 Ayala Avenue, Barangay San Lorenzo, Makati City, 1226;

"RESOLVED FURTHER, That the Articles of Incorporation of the Corporation, more particularly Article III thereof be, as it is hereby, amended accordingly;

"RESOLVED FINALLY, That the officers of the Corporation be duly authorized to submit all documents and perform all actions as may be necessary to implement the foregoing resolutions."

VIII. DELEGATION OF POWER TO AMEND BY-LAWS TO THE BOARD OF DIRECTORS

The Corporate Secretary informed the stockholders about the need to amend certain provisions in the By-Laws of the Corporation to make the By-Laws compliant with the Revised Corporation Code and the Revised Code of Corporate Governance for Insurance Commission Regulated Companies.

The Corporate Secretary stated that Section 15.01 of Article XV of the By-Laws of the Corporation provides that the owners of two-thirds (2/3) of the subscribed capital stock may delegate the power to amend the By-Laws to the Board of Directors.

After discussion and upon motion duly made and seconded, the following resolution was approved by stockholders owning 99.99% of the issued and outstanding capital stock of the Corporation:

"RESOLVED, That the stockholders approve, as they hereby approve, the delegation of the power to amend the By-Laws of the Corporation to the Board of Directors for the purpose of making these By-Laws compliant with the Revised Corporation Code and the Revised Code of Corporate Governance for Insurance Commission Regulated Companies pursuant to Section 15.01 of Article XV of the Corporation's By-Laws."

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman stated that the present external auditor of the Corporation is SyCip Gorres Velayo & Co.

Upon motion made and duly seconded, the following resolution was approved by stockholders owning 99.90% of the Corporation's issued and outstanding capital stock:

"RESOLVED, That the auditing firm of SyCip Gorres Velayo & Co. be, as it is hereby appointed to be the Corporation's external auditor for 2023."

X. ADJOURNMENT

There being no other business to transact, the meeting was adjourned upon motion duly made and seconded.

ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:

MONICO V. JACOB
Chairman

**MINUTES OF THE ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS OF
PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION**

3 August 2023
Conducted via Remote Communication

DIRECTORS PRESENT:

MONICO V. JACOB
JOSEPH AUGUSTIN L. TANCO
EUSEBIO H. TANCO
MARTIN K. TANCO
PAOLO MARTIN O. BAUTISTA
JOSE ALFONSO A. POBLETE
ARMANDO L. SURATOS

ALSO PRESENT:

YOLANDA M. BAUTISTA
MICHELLE L. AMBAGAN
VICTOR C. TAN
ARSENIO C. CABRERA, JR.
ANNA CARMINA S. HERRERA

DIRECTOR ABSENT:

JESLI A. LAPUS

I. CALL TO ORDER

The Chairman, Mr. Monico V. Jacob, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that at the immediately preceding Annual Stockholders' Meeting, the following were elected as Directors to serve as such for the ensuing year and until the election and qualification of their successors:

Eusebio H. Tanco
Monico V. Jacob
Joseph Augustin L. Tanco
Paolo Martin O. Bautista

Independent Directors

Jesli A. Lapus
Armando L. Suratos
Jose Alfonso A. Poblete

The Corporate Secretary stated that the meeting is being conducted through remote communication pursuant to Section 52 of the Revised

Corporation Code of the Philippines¹ which provides that directors who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate.

The Corporate Secretary certified that the notices of the meeting were sent to all directors.

The Corporate Secretary thereafter conducted a roll call of the directors present. All directors attended the meeting through remote communication via Zoom. The directors specified their location and the device being used. The directors confirmed that they could completely and clearly hear and/or see each other. They likewise confirmed receipt of the agenda and all of the materials for the meeting.

After the roll call and foregoing confirmations, the Corporate Secretary, thereafter, certified as to the existence of quorum for the valid transaction of business.

III. APPROVAL OF THE MINUTES OF THE MEETING

Upon motion made and duly seconded, the Minutes of the Board Meeting held on 5 July 2023 were unanimously approved.

IV. ELECTION OF OFFICERS

Upon motion made and duly seconded, the following were elected Officers to the positions set forth opposite their respective names to serve as such for the ensuing year until the election and qualifications of their successors:

| Name | | Position |
|---------------------------|---|---|
| Monico V. Jacob | : | Chairman |
| Joseph Augustin L. Tanco | : | President and CEO |
| Yolanda M. Bautista | : | Group CFO |
| Michelle L. Ambagan | : | SVP and COO |
| Jesli A. Lapus | : | Lead Independent Director |
| Andrew Patrick A. Fornier | : | FVP- Legal and Compliance/ Compliance Officer/Data Protection Officer |
| Flora T. Tayo | : | FVP-Salary Savings Division |
| Ferdinand A. Recio | : | FVP - Operations & Corporate Planning |
| Rommel B. Taningco | : | VP - Loan Management Group |
| Victor C. Tan | : | VP and CFO/Treasurer |

¹ Republic Act No. 11232. An Act Providing for the Revised Corporation Code of the Philippines.

| | | |
|----------------------------|---|--|
| Charles Alexis S.D. Aquino | : | Group IT Head |
| Gertrude P. Umali | : | Group Internal Audit Head |
| Jerome V. Landrito | : | Group Head for Human Resources |
| Marvin M. Catapang | : | VP for Group Marketing |
| Efigenia F. Hufana | : | AVP for IT |
| Ronald Y. Tabalada | : | AVP-Actuarial/OIC-InsurTech & Product Development |
| Dahlia H. Estrada | : | AVP- Cash |
| Elaine V. Dela Cruz | : | AVP - Loan Management Group |
| Carl Joseph N. Rivera | : | Deputy Compliance Officer |
| Arsenio C. Cabrera, Jr. | : | Corporate Secretary |
| Anna Carmina S. Herrera | : | Assistant Corporate Secretary |

V. ELECTION OF COMMITTEE HEADS AND MEMBERS

The Corporate Secretary stated that the Corporation has the following committees: (a) Audit and Risk Committee; (b) Corporate Governance Committee; (c) Executive Committee; (d) Related Party Transactions Committee; and (e) Retirement Committee.

Upon motion made and duly seconded, the following were elected as Chairpersons and Members of the following Committees of the Corporation:

A. Audit and Risk Committee

| | | |
|----------|---|-------------------------|
| Chairman | - | Jesli A. Lapus |
| Member | - | Armando L. Suratos |
| Member | - | Jose Alfonso A. Poblete |

B. Corporate Governance Committee

| | | |
|----------|---|--------------------------|
| Chairman | - | Armando L. Suratos |
| Member | - | Monico V. Jacob |
| Member | - | Joseph Augustin L. Tanco |
| Member | - | Jose Alfonso A. Poblete |
| Member | - | Jesli A. Lapus |

C. Executive Committee

| | | |
|----------|---|--------------------------|
| Chairman | - | Eusebio H. Tanco |
| Member | - | Monico V. Jacob |
| Member | - | Joseph Augustin L. Tanco |

D. Related Party Transactions Committee

| | | |
|----------|---|-------------------------|
| Chairman | - | Armando L. Suratos |
| Member | - | Jesli A. Lapus |
| Member | - | Jose Alfonso A. Poblete |

E. Retirement Committee

| | | |
|----------|---|--------------------------|
| Chairman | - | Monico V. Jacob |
| Member | - | Joseph Augustin L. Tanco |
| Member | - | Michelle L. Ambagan |

VI. AMENDMENT OF ARTICLES OF INCORPORATION

The Chairman explained the need to amend Article III of the Articles of Incorporation to reflect the change of the principal office address of the Corporation to 11th Floor, STI Holdings Center, 6764 Ayala Avenue, Barangay San Lorenzo, Makati City, 1226. He noted that the Corporate Governance Committee had recommended the approval of this amendment.

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the amendment of Article III of the Articles of Incorporation:

RESOLUTION NO. 2023-BD-16

"RESOLVED, That the Board of Directors approve, as it hereby approves, the amendment of Article III of the Articles of Incorporation to reflect the change of the principal office address of the Corporation to 11th Floor, STI Holdings Center, 6764 Ayala Avenue, Barangay San Lorenzo, Makati City, 1226;

"RESOLVED FURTHER, That the Articles of Incorporation of the Corporation, more particularly Article III thereof be, as it is hereby, amended accordingly;

"RESOLVED FINALLY, That the officers of the Corporation be duly authorized to submit all documents and perform all actions as may be necessary to implement the foregoing resolutions."

VII. AMENDMENT OF BY-LAWS

The Chairman explained the need to amend Section 1.02 of Article I of the By-Laws to reflect the change in the Corporation's principal office address to the 11th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226.

The Chairman also informed the Board about the need to amend certain provisions in the By-Laws of the Corporation to make the By-Laws compliant with the Revised Corporation Code and the Revised Code of Corporate Governance for Insurance Commission Regulated Companies.

The Chairman stated that the Corporate Governance Committee had recommended the approval of the foregoing amendments.

The Chairman noted that, pursuant to Section 15.01 of Article XV of the By-Laws of the Corporation, stockholders owning two-thirds (2/3) of the Corporation's subscribed capital stock had delegated the power to amend the By-Laws to the Board of Directors during the Annual Stockholders Meeting.

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with:

- (a) the amendment of Section 1.02 of Article I of the By-Laws to reflect the change in the Corporation's principal office address to the 11th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226; and
- (b) the amendment of certain provisions in the By-Laws of the Corporation to make the By-Laws compliant with the Revised Corporation Code and the Revised Code of Corporate Governance for Insurance Commission Regulated Companies.

RESOLUTION NO. 2023-BD-17

"RESOLVED, That the Board of Directors approve, as it hereby approves, the amendment of Section 1.02 of Article I of the By-Laws to reflect the change in the Corporation's principal office address to the 11th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City 1226;

"RESOLVED FURTHER, That the Board of Directors approve, as it hereby approves, the amendment of the following provisions in the By-Laws to make the By-Laws compliant with the Revised Corporation Code and the Revised Code of Corporate Governance for Insurance Commission Regulated Companies:

- (a) the amendment of Section 3.03 of Article III to provide that the stock and transfer book be closed for at least twenty (20) days for regular meetings and seven (7) days for special meetings before the scheduled date of the meetings;*
- (b) the amendment of Section 5.01 of Article V to state that annual stockholders' meetings shall be held either at the Head Office of the Corporation or via remote communication, such as by teleconferencing, videoconferencing, computer conferencing or audio conferencing, subject to such guidelines as may be promulgated by the Securities and Exchange Commission;*

- (c) *the amendment of Section 5.02 of Article V to state that special stockholders' meetings shall be held either at the Head Office of the Corporation or via remote communication, such as by teleconferencing, videoconferencing, computer conferencing or audio conferencing, subject to such guidelines as may be promulgated by the Securities and Exchange Commission;*
- (d) *the amendment of Section 5.03 of Article V to provide that: (i) notices for regular stockholders' meetings should be sent to stockholders of record at least twenty-one (21) days before the date of the scheduled meetings; and (i) stockholders may opt for the sending of notices through electronic mail by registering their preferred email addresses with the Corporate Secretary;*
- (e) *the amendment of Section 5.04 of Article V to provide that a majority of the outstanding capital stock must be physically present, represented by proxy or participating in the meeting via remote communication in order to constitute a quorum;*
- (f) *the amendment of Section 5.07 of Article V to provide that a stockholder may vote in person, by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact, or via remote communication or in absentia, electronically or otherwise, as may be provided for by the Board of Directors, in all stockholders' meetings;*
- (g) *the amendment of Section 6.06 of Article VI to provide for the sending of notices of Board meetings through electronic mail;*
- (h) *the amendment of Section 6.08 of Article VI to provide that a director who participates through remote communication shall be deemed present for the purpose of attaining quorum;*
- (i) *the amendment of Section 6.09 of Article VI to provide that a director may participate in meetings through remote communication;*
- (j) *the inclusion of a new Section 6.18 in Article VI on: (i) the election of independent directors; and (ii) the election of a Lead Independent Director if the Chairman of the Board of Directors is not an independent director;*
- (k) *the inclusion of a new Section 6.19 in Article VI on the election and composition of an Audit and Risk Committee;*
- (l) *the inclusion of a new Section 6.20 in Article VI on the election and composition of a Corporate Governance Committee;*

- (m) the inclusion of a new Section 6.21 in Article VI on the election and composition of a Related Party Transactions Committee;*
- (n) the amendment of Section 7.01 of Article VII to provide for: (i) the deletion of the position of Comptroller; and (ii) the inclusion of the position of a Compliance Officer;*
- (o) the deletion of Section 8.08 of Article VIII regarding the duties and responsibilities of the Comptroller; and*
- (p) the inclusion of a new Section 8.08 of Article VIII to provide for the rank, duties and responsibilities of the Compliance Officer.*

"RESOLVED FURTHER, That the By-Laws of the Corporation as set out above, be, as it is hereby, amended accordingly;

"RESOLVED FINALLY, That the officers of the Corporation be duly authorized to submit all documents and perform all actions as may be necessary to implement the foregoing resolutions.

VIII. NET WORTH OF THE CORPORATION

A. Action Plan to Address Net Worth Deficiency Based on the First Quarter 2023 Financial Report

Based on the First Quarter 2023 Financial Report submitted by the Corporation to the Insurance Commission (*the "First Quarter Report"), the Corporation's net worth amounted to Php897,167,384,384.92 which is below the minimum net worth requirement of Php1.3 Billion.

Based on the First Quarter Report, the deficiency of Php402,832,615.08 in the Corporation's Net Worth was mainly due to disallowed assets including loans and receivables totaling Php535 Million ("the "Disallowed Assets");

Of the Disallowed Assets, the Corporation sold receivables amounting to Php290 Million in July 2023 and invested the proceeds of the sale of these receivables in government securities.

The Board discussed the following action plan to enable the Corporation to comply with the minimum net worth requirement of Php1.3 Billion (the "Action Plan"): (a) the sale of all excess salary loan receivables starting September 2023 to December 2023 (the "Receivables"); (b) the conversion of the Receivables to admissible assets; and (c) entering into negotiations with funders, including

various banks, to purchase the Receivables under such terms and conditions as may be approved by the Board of Directors.

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the Corporation's Action Plan to comply with the minimum net worth requirement:

RESOLUTION NO. 2023-BD-18

"WHEREAS, pursuant to Circular Letter No. 2015-02A, the Insurance Commission has required insurance companies to comply with a minimum net worth requirement amounting to Php1.3 Billion (the "Minimum Net Worth Requirement");

"WHEREAS, based on the First Quarter 2023 Financial Report submitted by the Corporation to the Insurance Commission (the "First Quarter Report"), the Corporation's Net Worth amounted to Php897,167,384,384.92 which is below the Minimum Net Worth Requirement;

"WHEREAS, based on the First Quarter Report, the deficiency of Php402,832,615.08 in the Corporation's Net Worth was mainly due to disallowed assets including loans and receivables totaling Php535 Million (the "Disallowed Assets");

"WHEREAS, of the Disallowed Assets, the Corporation sold receivables amounting to Php290 Million in July 2023 and invested the proceeds of the sale of these receivables in government securities;

"WHEREAS, during the 3 August 2023 Organizational Board Meeting, the Board of Directors discussed measures to address the deficiency in the Net Worth of the Corporation;

"NOW THEREFORE, BE IT RESOLVED, That the Board of Directors unanimously approves the following plans to enable the Corporation to comply with the Minimum Net Worth Requirement: (a) the sale of all excess salary loan receivables starting September 2023 to December 2023 (the "Receivables"); (b) the conversion of the Receivables to admissible assets; and (c) entering into negotiations with funders, including various banks, to purchase the Receivables (the "Plan of Action") under such terms and conditions which the Board of Directors may approve;

"RESOLVED FINALLY, That the officers of the Corporation are hereby authorized to perform all acts as may be necessary to implement the Plan of Action and the foregoing resolutions."

B. Net Worth Computation as of 30 June 2023

Mr. Victor C. Tan presented the net worth computation of the Corporation as of 30 June 2023:

| | |
|--|------------------------|
| Net worth per Company | 1,695,351,218 |
| Less: Non-Admitted Assets | |
| Salary loans – DepEd | 1,529,576,548 |
| Salary Loans – SLI | 32,259,989 |
| Unlisted shares of stocks – Riviera | 36,600,000 |
| Investment Property – Marulas | 130,467 |
| Net Due and Uncollected Premiums-Group | 42,998,940 |
| Other receivables | 13,114,074 |
| Non-IT fixed assets | 8,572,138 |
| Deposit & prepayments | 28,043,270 |
| Due from reinsurer | 32,010,719 |
| Investment in AAMI | 4,674,002 |
| Excess on Real Property Infusion | 31,230,807 |
| Deferred Tax | 32,780,113 |
| Total Non-Admitted Assets | 1,791,991,068 |
| Net Worth, net of non-admitted assets | (96,639,850) |
| Minimum Net Worth requirement | 1,300,000,000 |
| Estimated Net Worth Surplus (Deficiency) 2023 | (1,396,639,850) |
| To cover up the deficiencies: | |
| Sale of excess receivables | 1,529,576,548 |
| Net Worth Surplus | 132,936,698 |

In response to the query of Mr. Paolo Martin O. Bautista, Mr. Tan stated that the Corporation submits financial reports to the Insurance Commission on a quarterly basis.

Mr. Tan explained that the Corporation plans to sell excess salary loan receivables totaling Php1,529,576,548.00 to meet the minimum net worth requirement before 31 December 2023. If these excess salary loan receivables are sold, the Corporation will have an estimated net worth surplus of Php132,936,698.00 on or before 31 December 2023.

IX. OTHER MATTERS

A. Change of Nominee for Riviera Golf Club Membership Share

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the change of nominee for Riviera Golf Club:

RESOLUTION NO. 2023-BD-19

"WHEREAS, the Corporation owns one Class "A" membership share in The Riviera Golf Club ("The Riviera Golf Club Share") whose benefit was being extended to Mr. Roman A. Doydora, Jr., an officer and nominee of Etiqa Life and General Assurance Philippines (formerly AsianLife and General Assurance Corporation) ("Etiqa Philippines");

"WHEREAS, following the retirement of Mr. Doydora and pursuant to the regulations of The Riviera Golf Club, Etiqa Philippines has requested the Corporation to authorize the change of its nominee and transfer the playing/membership rights attached to the Riviera Golf Club Share to Mr. Howard B. Laurente, the current Senior Vice-President and Chief Financial Officer of Etiqa Philippines;

"NOW THEREFORE BE IT RESOLVED, That, the Corporation hereby grants the request of Etiqa Philippines and authorizes the transfer and assignment of playing/membership rights attached to The Riviera Golf Club Share from Mr. Doydora to Mr. Howard B. Laurente, subject to the condition that the Corporation may terminate the foregoing assignment of playing rights at any time after it gives Etiqa Philippines written notice of such termination thirty (30) days prior to the termination date;

"RESOLVED FINALLY, That the officers of the Corporation are hereby authorized to perform all acts as may be necessary to implement the foregoing resolutions."

B. Authority to Print

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the application for an Authority to Print with the Bureau of Internal Revenue:

RESOLUTION NO. 2023-BD-20

"RESOLVED, that the Corporation be, as it is hereby, authorized to apply for an Authority to Print ("ATP") with the Bureau of Internal Revenue ("BIR");

"RESOLVED FINALLY, that Mr. Jerico Catacutan, Liaison Officer of Good Samaritan Printers Services with business address at #48 Champaca St., Marikina Heights, Concepcion, Marikina City, be authorized to sign execute, deliver and process the ATP

application with the BIR for and in behalf of the Corporation and to do all acts as may be necessary and appropriate to fully implement the foregoing resolution."

C. Potential Purchase of a Bank

Mr. Eusebio H. Tanco informed the Board that the Corporation may explore the opportunity of purchasing a bank. He noted the growth of the Corporation's salary loans business and explained that sale of salary loan receivables to a bank would be a way to help control the cost of funding.

Mr. Armando L. Suratos stated that the Corporation should conduct due diligence and ensure that any target bank is in a good financial position. He added that the Corporation should examine the profile of the target bank's depositors and the loan portfolio.

D. BIR Online Registration and Update System

Upon motion made and duly seconded, the Board approved the following resolutions authorizing the Corporation's Sr. Supervisor-HR, Ms. Apple Gabrielle B. Pelejo, to certify, transact and sign documents in all business transactions with the Bureau of Internal Revenue ("BIR") in connection with the BIR Revenue Online Registration and Update System.

RESOLUTION NO. 2023-BD-21

"RESOLVED, That the Board of Directors hereby appoints the Sr. Supervisor-HR, Ms. Apple Gabrielle B. Pelejo, as the Corporation's duly authorized signatory for the Bureau of Internal Revenue Online Registration and Update System ("BIR ORUS");

"RESOLVED FURTHER, That Corporation hereby authorizes Ms. Apple Gabrielle B. Pelejo to sign, execute and/or deliver any and all applications, contracts, forms and other documents as may be necessary or proper in connection with the BIR ORUS;

"RESOLVED FINALLY, That the foregoing resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation."

X. **ADJOURNMENT**

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.



ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:



MONICO V. JACOB
Chairman



EUSEBIO H. TANCO
Director



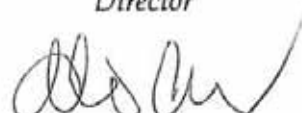
JOSEPH AUGUSTIN L. TANCO
Director



MARTIN K. TANCO
Director



PAOLO MARTIN O. BAUTISTA
Director



ARMANDO L. SURATOS
Independent Director



JOSE ALFONSO A. POBLETE
Independent Director

**MINUTES OF THE MEETING
OF THE RELATED PARTY TRANSACTIONS COMMITTEE
PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION**

28 September 2023

Conducted via Remote Communication

MEMBERS PRESENT:

ARMANDO L. SURATOS
JESLI A. LAPUS
JOSE ALFONSO A. POBLETE

ALSO PRESENT:

MONICO V. JACOB
YOLANDA M. BAUTISTA
MICHELLE L. AMBAGAN
VICTOR C. TAN
ARSENIO C. CABRERA, JR.
ANNA CARMINA S. HERRERA

I. CALL TO ORDER

Mr. Armando L. Suratos, the Chairman of the Related Party Transactions Committee, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that the notices of the meeting were sent to all members of the Related Party Transactions Committee. Thereafter, the Corporate Secretary conducted a roll call of the members present.

The meeting was conducted through remote communication pursuant to Section 52 of the Revised Corporation Code of the Philippines which authorizes directors who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate.

All members of the Related Party Transactions Committee attended the meeting through remote communication via Zoom. They confirmed that they could completely and clearly hear each other. They likewise confirmed receipt of the agenda and all of the materials for the meeting.

After the roll call and foregoing confirmations, the Corporate Secretary, thereafter, certified as to the existence of quorum for the valid transaction of business.

III. APPROVAL OF THE MINUTES OF THE MEETING

Upon motion made and duly seconded, the Minutes of the Related Party Transactions Committee held on 5 July 2023 were unanimously approved.

IV. RELATED PARTY TRANSACTIONS

A. Sale of Receivables to Classic Finance, Inc.

Mr. Victor C. Tan stated that the Corporation had sold salary loan receivables totaling Php2.7 Billion salary loan receivables at a discount rate ranging between 7% to 8% in 2022. The proceeds from the sale of these receivables amounted to Php2.3 Billion and resulted in a gain of Php97 Million. He noted that Php500 Million salary loan receivables out of the Php2.7 Billion salary loan receivables had been sold to a third party.

Mr. Tan stated that the Corporation's estimated excess (non-admitted) teachers' loans will reach Php2.3 Billion in 2023. As of 31 August 2023, the excess (non-admitted) teachers' loans amounted to Php1.868 Billion and resulted in a net worth deficiency of Php1.718 Billion as of the same period.

Mr. Tan noted that the Corporation had already sold Php290 Million worth of teachers' loans to Classic Finance, Inc. at an 8% discount rate as approved by the Related Party Transactions Committee and the Board last July 2023.

Mr. Tan explained that in its letter dated 4 August 2023, the Insurance Commission noted that the Corporation's net worth for the quarter ended 31 March 2023 amounted to Php897,167,384.92 which is below the mandatory net worth requirement of Php1.3 Billion.

Mr. Tan stated that the Corporation had advised the Insurance Commission that it would sell all excess salary loan receivables starting September 2023 to December 2023 and convert the same into admissible assets.

Mr. Tan informed the members of the Related Party Transactions Committee that Management is recommending the sale of excess salary loan receivables amounting to Php500 Million to Classic Finance, Inc. at an 8.5% discount rate. He noted that the estimated outright gain on the sale of these receivables is Php12 Million.

Mr. Tan stated that Management has offered to sell the Corporation's excess salary receivables to third parties. He noted

that only Union Bank of the Philippines ("UBP") has given its intention to buy said receivables at a 7.75 discount rate plus DST.

Mr. Suratos noted that the sale of excess salary receivables to Classic Finance Inc. is an arm's length transaction since the discount rates of Classic Finance, Inc. are comparable to those of UBP.

Mr. Jesli A. Lapus noted that the sale of excess salary receivables to Classic Finance, Inc. is necessary in order to comply with the mandatory net worth requirement and to raise funds.

Based on the foregoing discussion, the Related Party Transactions Committee approved the sale of receivables amounting to Php500 Million to Classic Finance, Inc. at an 8.5% discount rate.

B. Ratification of Sale of Receivables

Mr. Tan informed the Related Party Transactions Committee that the Corporation had sold excess (non-admitted) teachers' loans to the following related parties in September 2023:

| Related Party | Amount of Receivables | Discount Rate |
|---------------|-----------------------|---------------|
| Cement Center | Php75,000,000.00 | 8% |
| First Optima | Php50,000,000.00 | 8% |

Mr. Tan explained that the Management Committee had approved the aforementioned sale of receivables to Cement Center and First Optima since these transactions are non-material related party transactions. Based on the Related Party Transactions Policy of the Corporation, non-material related party transactions are those that fall below the threshold of at least 10% of the Corporation's assets for the immediately preceding year.

The Related Party Transactions Committee ratified the sale of receivables to Cement Center and First Optima as summarized above.

V. ADJOURNMENT

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.

ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:

ARMANDO L. SURATOS
Chairman

JOSE ALFONSO A. POBLETE
Member

JESLI A. LAPUS
Member

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF**

PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION

28 September 2023

Conducted via Remote Communication due to COVID-19 Pandemic

DIRECTORS PRESENT:

MONICO V. JACOB
JOSEPH AUGUSTIN L. TANCO
EUSEBIO H. TANCO
PAOLO MARTIN O. BAUTISTA
JESLI A. LAPUS
JOSE ALFONSO A. POBLETE
ARMANDO L. SURATOS

ALSO PRESENT:

YOLANDA M. BAUTISTA
MICHELLE L. AMBAGAN
VICTOR C. TAN
ARSENIO C. CABRERA, JR.
ANNA CARMINA S. HERRERA

I. CALL TO ORDER

The Chairman, Mr. Monico V. Jacob, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that the notices of the meeting were sent to all directors. Thereafter, the Corporate Secretary conducted a roll call of the directors present.

The meeting was conducted through remote communication pursuant to Section 52 of the Revised Corporation Code of the Philippines which authorizes directors who cannot physically attend or vote at board meetings to participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate.

All directors attended the meeting through remote communication via Zoom. The directors confirmed that they could completely and clearly hear each other. They likewise confirmed receipt of the agenda and all of the materials for the meeting.

After the roll call and foregoing confirmations, the Corporate Secretary, thereafter, certified as to the existence of quorum for the valid transaction of business.

III. APPROVAL OF THE MINUTES OF THE MEETING

Upon motion made and duly seconded, the Minutes of the Organizational Board Meeting held on 3 August 2023 were unanimously approved.

IV. FINANCIAL REPORTS

A. Snapshot of Operations

Mr. Victor C. Tan presented the following snapshot of the results of operations for the period ended 31 August 2023:

Amount in Php "millions"

| PERIOD | August 2023 | August 2022 | INC (DEC) | % |
|--|-------------|-------------|-----------|-------------|
| Income from Insurance Business | | | | |
| Net Written Premium | 473 | 363 | 110 | 30% |
| Underwriting Expenses | 415 | 347 | 68 | 20% |
| Net Margin/(Loss) from Insurance Business | 58 | 16 | 42 | 263% |
| Assumed interest income attributable to reserves | 36 | 38 | (2) | -5% |
| Net Margin/(Loss) from Insurance Business after Interest Income | 94 | 54 | 41 | 76% |
| Income from Loan Business | | | | |
| Revenue on Loan Business | 278 | 251 | 21 | 11% |
| Costs of Loan Business | 107 | 96 | 11 | 12% |
| Net Margin from Loan Business | 171 | 156 | 16 | 10% |
| Gross Margin | 265 | 209 | 56 | 27% |
| Total Operating Expenses | 186 | 160 | 26 | 16% |
| Income (Loss) from Operations | 80 | 50 | 30 | 61% |
| Income from Other Investments | 9 | 5 | 4 | 86% |
| Income Before Tax | 89 | 55 | 34 | 63% |
| Provision for Income Tax | 25 | 16 | 10 | 61% |
| Net Income (Loss) | 64 | 39 | 25 | 64% |
| EBITDA | 125 | 85 | 40 | 47% |

The Board requested management to include the budget or targets in the snapshot of operations.

Ms. Michelle L. Ambagan stated that the results of operations for the group business had improved in 2023.

In response to the query of Mr. Eusebio H. Tanco, Ms. Ambagan stated that the loss ratio (with cost of sales) is at 70.69% while the loss ratio (without cost of sales) is at 38.51%. She noted that this loss ratio would be updated in September.

Mr. Eusebio H. Tanco recommended that management explore ways to encourage agents to sell insurance policies to teachers.

In response to the recommendation of Mr. Eusebio H. Tanco, Mr. Joseph Augustin L. Tanco stated that the Corporation could offer incentives for agents to sell insurance products together with loans to teachers.

B. Net Worth Computation

Mr. Tan presented the net worth computation of the Corporation as of 31 August 2023:

| | |
|--|------------------------|
| Net worth per Company | 1,722,823,334 |
| Less: Non-Admitted Assets | |
| Salary loans – DepEd | 1,868,251,019 |
| Salary Loans – SLI | 35,270,851 |
| Unlisted shares of stocks – Riviera | 36,600,000 |
| Investment Property- Marulas | 130,467 |
| Net Due and Uncollected Premiums Group | 47,732,530 |
| Other receivables | 12,947,537 |
| Non-IT fixed assets | 7,897,796 |
| Deposit & prepayments | 31,613,047 |
| Due from reinsurer | 31,923,800 |
| Investment in AAMI | 4,674,002 |
| Excess on Real Property Infusion | 29,412,262 |
| Deferred Tax | 33,919,394 |
| Total Non-Admitted Assets | 2,140,372,206 |
| Net Worth, net of non-admitted assets | (417,549,372) |
| Minimum Net Worth requirement | 1,300,000,000 |
| Estimated Net Worth Surplus/(Deficiency) 2023 | (1,717,549,372) |
| To cover up the deficiencies: | |
| Sale of excess receivables | 1,868,251,019 |
| Estimated Net Worth Surplus 2023 | 150,701,648 |

C. 2023 Year-End Projections versus 2023 Budget

Mr. Tan presented the year-end projections for 2023 versus the 2023 budget of the Corporation as follows:

| PERIOD | 2022 Actual | 2023 Projections | 2023 Budget |
|--|-------------|------------------|-------------|
| Income from Insurance Business | | | |
| Net Written Premium | 601 | 667 | 1,064 |
| Underwriting Expenses | 538 | 603 | 930 |
| Net Margin/(Loss) from Insurance Business | 63 | 64 | 134 |
| Income from Loan Business | | | |
| Revenue on Loan Business | 497 | 496 | 415 |
| Costs of Loan Business | 130 | 140 | 126 |
| Net Margin from Loan Business | 367 | 356 | 289 |

| PERIOD | 2022 Actual | 2023 Projections | 2023 Budget |
|-------------------------------|-------------|------------------|-------------|
| Gross Margin | 430 | 420 | 423 |
| Total Operating Expenses | 293 | 293 | 305 |
| Income (Loss) from Operations | 137 | 127 | 118 |
| Income from Other Investments | 66 | 60 | 48 |
| Income Before Tax | 203 | 187 | 166 |
| Provision for Income Tax | 63 | 47 | 41 |
| Net Income | 140 | 140 | 125 |
| EBITDA | 257 | 251 | 215 |

V. RELATED PARTY TRANSACTIONS

The Related Party Transactions Committee endorsed and recommended the approval or ratification of the following related party transactions.

A. Sale of Receivables to Classic Finance, Inc.

The Corporation sold salary loan receivables totaling Php2.7 Billion salary loan receivables at a discount rate ranging between 7% to 8% in 2022. The proceeds from the sale of these receivables amounted to Php2.3 Billion and resulted in a gain of Php97 Million. He noted that Php500 Million salary loan receivables out of the Php2.7 Billion salary loan receivables had been sold to a third party.

The Corporation's estimated excess (non-admitted) teachers' loans will reach Php2.3 Billion in 2023. As of 31 August 2023, the excess (non-admitted) teachers' loans amounted to Php1.868 Billion and resulted in a net worth deficiency of Php1.718 Billion as of the same period.

The Corporation has already sold Php290 Million worth of teachers' loans to Classic Finance, Inc. at an 8% discount rate as approved by the Related Party Transactions Committee and the Board last July 2023.

In its letter dated 4 August 2023, the Insurance Commission noted that the Corporation's net worth for the quarter ended 31 March 2023 amounted to Php897,167,384.92 which is below the mandatory net worth requirement of Php1.3 Billion.

The Corporation has advised the Insurance Commission that it would sell all excess salary loan receivables starting September 2023 to December 2023 and convert the same into admissible assets.

Management recommends the sale of excess salary loan receivables amounting to Php500 Million to Classic Finance, Inc. at an 8.5% discount rate. The estimated outright gain on the sale of these receivables is Php12 Million.

Management has offered to sell the Corporation's excess salary receivables to third parties. However, only nly Union Bank of the Philippines ("UBP") has given its intention to buy said receivables at a 7.75 discount rate plus DST.

The sale of excess salary receivables to Classic Finance Inc. is an arm's length transaction since the discount rates of Classic Finance, Inc. are comparable to those of UBP.

The foregoing sale of excess salary receivables to Classic Finance, Inc. is necessary in order to comply with the mandatory net worth requirement and to raise funds.

Upon motion made and duly seconded, the Board of Directors unanimously approved the following resolutions in connection with the sale of receivables amounting to Php500 Million to Classic Finance at an 8.5% discount rate.

RESOLUTION NO. 2023-BD-22

"RESOLVED, That the Board of Directors hereby ratifies and approves the sale of receivables amounting to Five Hundred Million Pesos (Php500,000,000.00) to Classic Finance, Inc. as summarized below:

| | |
|--------------------|------------------------|
| Date of Sale | September 2023 |
| Proceeds from Sale | Php500 Million |
| Receivables | 2023 DepEd Receivables |
| Gain | Php12 Million |
| Discount Rate | 8.5% |

"RESOLVED FINALLY, That the Board of Directors hereby ratifies all actions performed by the officers of the Corporation to implement the aforementioned sale of receivables."

B. Ratification of Sale of Receivables

The Corporation sold excess (non-admitted) teachers' loans to the following related parties in September 2023:

| Related Party | Amount of Receivables | Discount Rate |
|---------------|-----------------------|---------------|
| Cement Center | Php75,000,000.00 | 8% |
| First Optima | Php50,000,000.00 | 8% |

The Management Committee approved the aforementioned sale of receivables to Cement Center and First Optima since these transactions are non-material related party transactions. Based on the Related Party Transactions Policy of the Corporation, non-material related party transactions are those that fall below the threshold of at least 10% of the Corporation's assets for the immediately preceding year.

Upon motion made and duly seconded, the Board of Directors unanimously approved the following resolutions in connection with the ratification of the sale of receivables to Cement Center and First Optima as summarized above:

RESOLUTION NO. 2023-BD-23

"RESOLVED, That the Board of Directors hereby ratifies the sale of receivables to the related parties as summarized in the table below:

| <i>Related Party</i> | <i>Amount of Receivables</i> | <i>Discount Rate</i> |
|----------------------|------------------------------|----------------------|
| <i>Cement Center</i> | <i>Php75,000,000.00</i> | <i>8%</i> |
| <i>First Optima</i> | <i>Php50,000,000.00</i> | <i>8%</i> |

"RESOLVED FINALLY, That the Board of Directors hereby ratifies all actions performed by the officers of the Corporation to implement the aforementioned sale of receivables."

VI. OTHER MATTERS

A. Renewal of Landbank Accreditation

Upon motion made and duly seconded, the Board unanimously approved the following resolutions in connection with the renewal of the Corporation's accreditation with Land Bank of the Philippines:

RESOLUTION NO. 2023-BD-24

"RESOLVED, That the Board of Directors hereby approves the renewal of the Corporation's accreditation with Land Bank of the Philippines (the "Bank");

"RESOLVED FURTHER, That the Board of Directors hereby appoints any two (2) of the following officers of the Corporation to sign, execute and deliver all contracts, forms, and other documents as may be necessary or proper for accreditation purposes with the Bank;

| <i>Name</i> | <i>Position</i> | <i>Specimen Signature</i> |
|---------------------------------|---|-------------------------------|
| <i>Monico V. Jacob</i> | <i>Chairman</i> | _____ |
| <i>Joseph Augustin L. Tanco</i> | <i>President & CEO</i> | _____ |
| <i>Michelle L. Ambagan</i> | <i>Senior Vice- President & COO</i> | _____ |
| <i>Victor C. Tan</i> | <i>VP and CFO/Treasurer</i> | _____ |

"RESOLVED FINALLY, That the foregoing resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation."

VII. ADJOURNMENT

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.

ARSENIO C. CABRERA, JR.
Corporate Secretary

ATTEST:

MONICO V. JACOB
Chairman

EUSEBIO H. TANCO
Director

JOSEPH AUGUSTIN L. TANCO
Director

MARTIN K. TANCO
Director

PAOLO MARTIN O. BAUTISTA
Director

JESLI A. LAPUS
Independent Director

JOSE ALFONSO A. POBLETE
Independent Director

ARMANDO L. SURATOS
Independent Director