MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS OF

PHILIPPINES FIRST INSURANCE CO., INC.

14 January 2025
Held at the 7th Floor Boardroom, STI Holdings Center,
6764 Ayala Avenue, Makati City

DIRECTORS PRESENT:

EUSEBIO H. TANCO
JOSEPH AUGUSTIN L. TANCO
WILLIAM H. TANCO
ESTER T. GABALDON
REGINA T. GONZALES
MARTIN K. TANCO
MONICO V. JACOB
JOSE F. BUENAVENTURA
ALFREDO L. CHUA
JANE L. SY

ALSO PRESENT:

JOSEPHINE RASDAS
CHARLOTTE REYES
ARIELLA MAE M. JUMAMIL
ARSENIO C. CABRERA, JR.
SAMANTHA ROSE K. MORALES

DIRECTOR ABSENT:

VIRGILIO G. FARCON, JR.

I. CALL TO ORDER

The Chairman, Mr. Eusebio H. Tanco, 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.

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 PREVIOUS MINUTES OF MEETING

Upon motion made and duly seconded, the Minutes of the Board Meeting held on 14 November 2024 were unanimously approved.

IV. ELECTION OF NEW DIRECTOR

The Corporate Secretary, Atty. Arsenio C. Cabrera, Jr., informed the Board that the office of the Corporate Secretary received the resignation letter of Mr. Ronald K. Tanco citing other business commitments as reason for his resignation.

The Chairman, Mr. Eusebio H. Tanco, introduced Mr. Alfredo L. Chua, who has decades-worth of banking experience. The Chairman believes that the inclusion of Mr. Chua as a member of the Board will be beneficial to the Company.

Upon motion made and duly seconded, the Board of Directors unanimously approved the election of Mr. Chua as the Company's new director and shall serve for the unexpired term of Mr. Ronald K. Tanco.

V. FINANCIAL REPORTS

Ms. Josephine Rasdas presented the financial reports of the Company as of 30 November 2024. The Financial Performance as of November 2024 is attached herein as Annex "**A**".

Ms. Rasdas explained that the Gross Underwriting Income of the Company increased by 32.49% from Php297.87Million in November 2023 to Php329Million in November 2024.

In reply to Atty. Monico V. Jacob's query, Ms. Rasdas stated that the Company does not have an approved budget for 2024. Hence, the current performance of the Company is being compared with the Company's performance for the same period in 2023.

Ms. Rasdas continued with her presentation explaining that the Premium Ceded decreased by 5.04% from Php139.75Million in 2023 to Php134.71Million in 2024. Net Premium Retained increased by 37.53% from Php183.40Million in 2023 to Php220.93Million in 2024.

Premiums Earned, which is composed of Treaty and Facultative Commissions, increased by 14.98% From Php188.46Million to Php203.44 Million. However, the Commissions Earned, composed of Direct and Assumed Commissions, decreased by 2.80% from Php24.01Million to Php21.22Million. The Total Underwriting Income of the Company increased by 12.19% from Php212.27Million in 2023 to Php224.65Million in 2024.

Ms. Rasdas highlighted that the Losses Incurred by the Company in 2024 is significantly lower than 2023 by 80.71%. Ms. Rasdas explained that this is due to the typhoon Odette which struck the Philippines in 2023. The total underwriting expense of the Company in 2024 is Php144.18Million which is lower by 91.12% compared to Php235.30% in 2023.

The Net Underwriting Income of the Company as of November 2024 is Php80.47Million which is 103.30% higher than the Php22.83Million Net Underwriting Loss of the Company in 2023. The Operating Expenses increased by

4.19% from Php89.46Million in 2023 to Php93.64Million in 2024. Based on the figures presented, the Company's Operating Loss in 2024 is Php13.17Million which is significantly lower by 99.12% compared to an operating loss of Php112.29Million in 2023.

The Company's Investments and Other Incomes increased by 20.12% from Php92.07Million in 2023 to Php112.19Million in 2024. The Investment Expenses increased by 0.72% from Php4.09Million to Php4.82Million. Net Investment Income and Other Income increased by 19.40% from Php87.98Million to Php107.37Million.

The Company's Net Income Before Tax amounting to Php94.20Million increased by 118.51% compared to 2023 and the Company's Income as of November 2024 is Php85.53Million which is a notable improvement from the Company's Loss of Php30.90Million in 2023.

In response to Mr. Joseph Augustin Eusebio L. Tanco's query, Ms. Rasdas explained that for December 2024, she projects that there will not be any significant increase in the operating expenses of the Company and will most likely maintain the reported net income as of November 2024.

After the presentation of the Company's Financial Performance as of November 2024, the Chairman opined that throughout the years the Company has been making money from its investments. However, the Company has not declared any dividends and its earnings have been plowed back to the Company operations.

VI. RE-ORGANIZATION OF THE OFFICERS AND SENIOR MANAGEMENT

The Chairman explained that the financial reports clearly shows that the insurance business of the Company suffers net losses, and the Company derives its income from its investments. This begs the question on the Company's purpose and whether it should still continue to operate as an insurance company.

The Chairman shared a brief background on the Company which was incorporated in 1906 and was the first insurance company ever established in the Philippines.

The Board in response to the Chairman's query, unanimously agreed that the Company should still continue pursuing its primary purpose as an insurance company. The Chairman opined that the Company can still continue operating its insurance business by adopting to the new business environment and cater to the new needs of the younger generation.

The Chairman analyzed that the losses incurred by its insurance business is most likely due to the low underwriting volume which cannot cover the high costs related to underwriting. The Chairman stated that Management should increase its insurance volume/sales and decrease its operating expenses. The Chairman concluded that a re-organization of the Officers and Senior Management is called for to enable the Company to operate more efficiently.

The Chairman explained that as part of the re-organization of the Company's corporate structure, he has decided to stepdown as the Company's President and nominated Mr. Joseph Augustin Eusebio L. Tanco as the Company's new President.

The Chairman stated that Mr. Joseph Tanco has been running PhilCare and PhilLife and was able to turnaround the business operations of these two insurance companies. The Chairman shared his experiences on the amount of attention Mr. Tanco allots in running the two companies. PhilCare and PhilLife have regular meetings. The Board is up-to-date with PhilCare and PhilLife's respective performances, as well as matters which require Board approval.

Upon motion duly made and seconded, the Board accepted the resignation of Mr. Eusebio H. Tanco as President and the appointment of Mr. Joseph Augustin Eusebio L. Tanco as the President of the Company.

The Chairman explained that currently, the Company needs a President who can provide it with the same amount of attention and who has expertise in running an insurance business. Furthermore, the Chairman requested that he be authorized to re-organize the Senior Management of the Company.

Upon motion made and duly seconded, the Board unanimously approved, passed, and adopted the following resolutions:

RESOLUTION NO. 2025-BD-01

*"**RESOLVED,** That the Board of Directors authorizes the implementation of corporate restructuring to streamline the leadership structure and improve the efficiency of the Corporation's operations;*

*"**RESOLVED FINALLY,** That the Board of Directors hereby delegates to the Chairman, Mr. Eusebio H. Tanco, full power and authority to: (i) re-organize the job positions in the Corporation; (ii) to identify, hire, engage, appoint, and/or transfer the person(s), who he has determined to be credible and suitable for the respective positions; and (iii) to perform such acts as may be necessary to give effect to the foregoing resolution."*

VII. RE-LAUNCHING

The Chairman explained that Management is preparing the re-launch of the Company's brand to be held on 22 January 2025 at the Manila Polo Club. Ms. Charlotte Reyes of Comm&Sense Inc. was asked to present the idea behind the relaunching of the Company's brand.

Ms. Charlotte proposed that the Company adopts a Branded House Architecture which means that the Company's logo will look similar to the logos of the other insurance companies under the Maestro Holdings. The proposed logo is attached herein as Annex "**B**".

Ms. Charlotte explained that the Branded House approach is used by most brands, which have few customer segments, have commonality with the other brands of the Group, and have low advertisement spending.

VIII. OTHER MATTERS

After discussions and upon motion made and duly seconded, the Board of Directors approved, adopted, and passed the following resolutions:

A. Renovation of the Head Office

RESOLUTION NO. 2025-BD-02

*"**RESOLVED,** That the Board of Directors approves the renovation of the Corporation's office located at 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City which will serve as the Head Office of the Corporation;*

*"**RESOLVED FINALLY,** That the Board of Directors names, designates, and appoints the Director, Mr. William H. Tanco, or such person(s) he may designate as the Corporation's authorized representative with full power and authority to: (i) transact with the appropriate government offices and private contractors, sign, execute, deliver, receive, for and on behalf of the Corporation, any documents or instruments necessary for the renovation of the Corporation's office; and (ii) perform such other acts as may be necessary to give effect to the foregoing resolution."*

B. Regulatory Permits

i. Business Permit

RESOLUTION NO. 2025-BD-03

*"**RESOLVED,** that the Corporation be, as it hereby authorized, to renew the business permit of its branch office in Manila City;*

*"**RESOLVED FINALLY,** that the Corporation's representative, Mr. Muvien B. Amponin, be, as he is hereby authorized to: (a) sign, execute, deliver, and receive, for and on behalf of the Corporation, any documents or instruments as may be necessary to renew the business permit of its branch office in Manila City; (b) pay the necessary fees; and (c) perform such other acts as may be necessary to give effect to the foregoing resolution."*

ii. Building Permit and Occupancy Permit

RESOLUTION NO. 2025-BD-03-A

*"**RESOLVED,** That the Corporation be, as it is hereby, authorized to apply for: building permit, occupancy permit, and other regulatory permit(s) necessary for the use of its head office located at 7th Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City and its branches in Manila City; San Fernando, Pampanga; Bacolod City; Cebu City; Davao City; Cagayan de Oro City; and Iloilo City;*

*"**RESOLVED FINALLY,** That **Mr. Lawrence A. Lumanog**, be, as he is hereby, designated as the authorized representative of the Corporation with authority to: (a) sign, execute, deliver, and receive, for and on behalf of the Corporation, any documents or instruments as may be necessary to apply for the regulatory permit(s) necessary for the use of the Corporation's head office and branches; (b) pay the necessary fees; and (c) perform such other acts as may be necessary to give effect to the foregoing resolution."*

C. Authorized Signatories

i. Bank of Commerce

RESOLUTION NO. 2025-BD-04

*"**RESOLVED,** That **PHILIPPINES FIRST INSURANCE COMPANY, INC.** ("the Corporation") be authorized, as it hereby authorized the signatories, to transact with **Bank of Commerce – Ayala Branch**, its trust and treasury department, any of its branches, its subsidiaries and affiliates (singularly or collectively referred to as "the Bank") in relation with **CASA No.** [redacted] (the "Deposit Account");*

*"**RESOLVED, FURTHER**, That the following, in their respective capacities as the duly designated representatives of the Corporation, be authorized, subject to the limits and procedures hereunder set forth, (i) to sign, execute and/or deliver any and all documents in connection with the maintenance of the Deposit Account; (ii) to withdraw or transfer the funds/monies of the Corporation by checks, receipts, drafts, bills of exchange, withdrawal slips, orders for payment or otherwise, and (iii) to sign, endorse, draw, accept, make, execute and/or deliver, for negotiation, payment, deposit or collection, checks, receipts, drafts, bills of exchange, orders for payment and/or other similar instruments in connection with the Corporation's Deposit Account:*

NAME	*DESIGNATION*	*SIGNATURE*
GROUP A		
	President	____________

Joseph Agustin Eusebio L. Tanco		
Ester T. Gabaldon	*Senior Vice President*	______________
Regina T. Gonzales	*SVP & Treasurer*	______________
Victor C. Tan	*Chief Financial Officer*	______________

GROUP B

Amado A. Mauleon	*Vice President*	______________
Lourdes C. Ranot	*Assistant Treasurer*	______________

LIMITS OF AUTHORITY

₱200,000.00 and below	*Any one (1) from Group A and any one (1) from Group B;*
Any amount	*Any two (2) from Group A;*

shall be authorized as they are hereby authorized to transact, represent, execute, sign, deliver and/or perform any and all contracts, instruments, documents, instructions or writings with or to the Bank that may be necessary for the implementation of the foregoing transactions;

*"**RESOLVED, FURTHER,** that the Corporation ratify and confirm, as it hereby ratifies and confirms, all that the above-named individuals may lawfully do or cause to be done by virtue of these authority given to them;*

*"**RESOLVED, FINALLY,** that the foregoing Resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation and duly served on the Bank."*

ii. Philippine Savings Bank

RESOLUTION NO. 2025-BD-04A

*"**RESOLVED,** that **PHILIPPINE SAVINGS BANK** (hereinafter called "PSBANK") be and hereby is designated a depository of the funds/monies of the Corporation, and that the Corporation be, and hereby, authorized to open Savings, Time Deposit, Current, Escrow and/or avail of other Trust Account Products and Services in its name with Philippine Savings Bank, Head Office and/or any of its branches;*

*"**RESOLVED, FURTHER,** that **ANY TWO (2)** of the following be authorized (i) to sign, execute and/or deliver any and all*

documents in connection with the opening of the account(s) (ii) to withdraw the funds/monies of the Corporation by Checks, Receipts, Drafts, Bills of Exchange, Withdrawal Slips, Orders for Payment or otherwise, and (iii) to sign, endorse, draw, accept, make, execute, and/or deliver, for negotiation, payment deposit or collection, checks, Receipts, Drafts, Bills of Exchange, Orders for Payment and/or similar instruments in connection with the account(s):

Name	*Position*	*Signature*
JOSEPH AUGUSTIN EUSEBIO L. TANCO	President	______________________
ESTER T. GABALDON	SVP	______________________
REGINA T. GONZALES	SVP/Treasurer	______________________

*"**RESOLVED, FINALLY,** that the foregoing Resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation and duly served on the Bank."*

iii. Philippine Insurers and Reinsurers Association

RESOLUTION NO. 2025-BD-05

*"**RESOLVED,** That the Board of Directors hereby authorizes the following officers as the Corporation's Philippine Insurers and Reinsurers Association ("PIRA") authorized representatives effective 28 January 2025:*

NAME	***POSITION***	***DESIGNATION***
Amado A. Mauleon	*VP-Underwriting*	*PIRA Registered Representative*
Luis C. Cebrero,Jr.	*AVP-Sales and Marketing*	*PIRA Alternate Representative*

*"**RESOLVED, FURTHER,** That the authorized representatives and accredited alternates are authorized and empowered to bind the Corporation on any matter that may be taken up during the meetings of the association that they will attend or participate in;*

*"**RESOLVED, FINALLY,** That the foregoing resolutions constitute the valid and subsisting resolutions unless otherwise revoked or amended in writing by the Corporation and supersedes all other/s with respect to this authority"*

D. Bureau of Internal Revenue

i. Filing of Books of Accounts

RESOLUTION NO. 2025-BD-06

*"**RESOLVED,** That the Corporation be, as it is hereby, authorized to file Form Nos. 1905, 1702/1702RT and Books of Accounts with the Bureau of Internal Revenue ("BIR");*

*"**RESOLVED FINALLY,** That Mr. Diego Maravilla be appointed and designated as the Corporation's authorized representative with authority to transact with the BIR, execute, submit, and receive any and all documents and to perform acts necessary to give effect to the foregoing resolution."*

ii. Tax Certificate/Clearance

RESOLUTION NO. 2025-BD-06A

*"**RESOLVED,** that the Corporation authorizes, Ms. Regina T. Gonzales, SVP/Treasurer, to sign, execute and deliver any and all documents, contracts, agreements and forms in connection with the Corporation's account with Bureau of Internal Revenue, including but not limited to filing and or claiming the Tax Certificate for Bidding."*

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:

EUSEBIO H. TANCO
Chairman of the Meeting

JOSEPH AUGUSTIN L. TANCO
Director

WILLIAM H. TANCO
Director

REGINA T. GONZALES
Director

ESTER TANCO GABALDON
Director

MARTIN K. TANCO
Director

MONICO V. JACOB
Director

ALFREDO L. CHUA
Director

JOSE F. BUENAVENTURA
Director

JANE L. SY
Independent Director

ANNEX A

STATEMENT OF INCOME In Millions (Php)	Ratio	November 2024	Ratio	November 2023	2024A vs 2023A
Year-to-date target					
UNDERWRITING INCOME					
Direct Business	93%	329.65	92%	297.87	31.78
Assumed Business	7%	25.99	8%	25.28	0.71
Gross Premiums Written	100%	355.64	100%	323.15	32.49
RI Premium Ceded - Treaty	-2%	(6.59)	-9%	(30.55)	23.97
RI Premium Ceded - Facultative	-36%	(128.13)	-34%	(109.19)	(18.93)
RI Premium Ceded	-38%	(134.71)	-43%	(139.75)	5.04
Net Premium Retained	62%	220.93	57%	183.40	37.53
Reserve for Unearned Premium, PY		89.65		81.69	7.96
Reserve for Unearned Premium, CY		(107.15)		(76.64)	(30.51)
Add(Less): Change in RUP		(17.49)		5.05	(22.55)
Premiums Earned	100%	203.44	100%	188.46	14.98
Commissions Earned - Treaty		4.36		7.63	(3.27)
Commissions Earned - Facultative		16.86		16.38	0.47
Commissions Earned		21.22		24.01	(2.80)
TOTAL UNDERWRITING INCOME		224.65		212.47	12.19
UNDERWRITING EXPENSE					
Cost of Excess of Loss Cover	-20%	(39.97)	-16%	(30.87)	(9.10)
Commission Expense	-19%	(60.49)	-30%	(79.99)	19.51
Losses Incurred	-21%	(43.72)	-66%	(124.44)	80.71
TOTAL UNDERWRITING EXPENSE	-60%	(144.18)	-112%	(235.30)	91.12
NET UNDERWRITING INCOME (LOSS)	40%	80.47	-12%	(22.83)	103.30
Operating Expenses	-46%	(93.64)	-47%	(89.46)	(4.19)
OPERATING INCOME (LOSS)	-6%	(13.17)	-60%	(112.29)	99.12
INVESTMENT AND OTHER INCOME					
Investment income		97.85		79.94	17.91
Rental income		14.34		12.13	2.21
INVESTMENT AND OTHER INCOME		112.19		92.07	20.12
Less: Investment Expenses		(4.82)		(4.09)	(0.72)
NET INVESTMENT AND OTHER INCOME		107.37		87.98	19.40
INCOME (LOSS) BEFORE INCOME TAX		94.20		(24.31)	118.51
PROVISION FOR INCOME TAX		(8.67)		(6.58)	(2.09)
INCOME (LOSS)		85.53		(30.90)	116.43

Annex B

PHILIPPINES FIRST
INSURANCE GROUP

PhilFirst NON-LIFE

PhilLife FINANCIALS

PhilCare

PhilPlans