

ANNUAL REPORT

20
24



About Company

Our History

Country Bankers Insurance Corporation (CBIC) traces its roots from the prestigious group of Rural Bankers hailing from all regions of the Philippines. CBIC in part remains closely identified with the rural banking system, having been founded on October 17, 1960 by the late Don Jose E. Desiderio, Sr., and Don Alfredo L. Montelibano Sr., both well-known rural bankers.

Founded as an enterprise that will effectively handle the insurance needs and requirements of rural bankers and country folks as well, Country Bankers Insurance Corporation (formerly known as Country Bankers Insurance & Surety Co., Inc.) concentrated its main thrust in the countryside servicing small business entrepreneurs, industrialists and the numerous agribusiness ventures all over the country. CBIC, with its unique set-up, continues to enjoy steady growth remarkably maintaining its competitive edge in the industry through active yet prudent corporate programs enabling us to secure the continued support of well-known London Reinsurers.

Having gained a strong foothold in the rural areas, CBIC in 1978, initiated massive penetration drive to open-up new fronts by expanding its operations to the urban commercial centers and various corporate accounts. This pivotal move proved to be a great success so-much-so that CBIC's distribution networks are now operating in most key-cities, provincial capitals and economic centers of the country.

Country Bankers Insurance Corporation continues its total commitment to provide for the insurance needs of what we consider to be the cornerstone of our country's economy . . . You!



Mission

To be in the forefront of educating Filipinos on the value of general insurance by promoting insurance consciousness to a broader market and by providing relevant training opportunities to marketers who are committed to advance insurance advocacy.

Vision

To maintain our position as the primary provider of general insurance products and services to clients being served by our niche market – the rural banks and other financial institutions in the countryside.

Philosophy

To remain relevant with the times as a dynamic company that helps advance economic progress by reliably extending our insurance services to promote the interest of the country and its people.

Corporate Sustainability



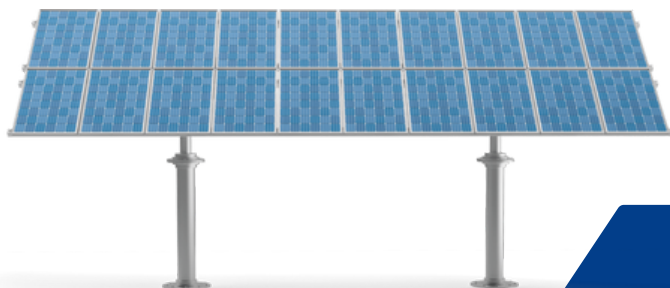


Introduction

In today's business landscape, ESG reporting is an essential activity, not only because industry regulatory bodies require it, but also because it ensures that a company's principles and practices align with environmental, social, and governance principles worldwide.

Country Bankers Insurance Corporation

is a non-life Insurance company committed to promoting responsible and sustainable business practices. Our goal is to provide financial protection to our clients while ensuring that our operations contribute positively to our employees, stakeholders, and the environment.



www.nonlife.countrybankers.com

ESG Areas



Guided by the principles of Environmental, Social, and Governance (ESG) responsibility, the Company strives to balance business growth with positive environmental and social impact

Environmental Strategies

- Issuing e-policies instead of printed ones
- Participating in disaster resilience and climate risk awareness
- Supporting Environmental Programs (e.g., tree planting, disaster preparedness)

Social Strategies

- Providing employee wellness programs
- Ensuring fair claims handling and customer protection
- Supporting disaster relief efforts for policyholders and affected areas

Governance Strategies

- Having an independent audit committee
- Maintaining strict compliance with Insurance Commission regulations
- Enforcing anti-money laundering and data privacy policies





Environmental Responsibility

Although our business has a relatively low environmental footprint, we recognize our responsibility to help protect the planet

Our environmental initiatives include:

- Reducing paper consumption by promoting electronic policy issuance and e- statements
- Implementing energy-saving practices in offices (LED lighting, air-conditioning efficiency, reduced printing).
- Encouraging employees to adopt sustainable habits within and outside the workplace



Social Responsibility

We are committed to the well-being of our employees, clients, and communities.

Our key social initiatives include:

- maintaining a safe and healthy work environment through compliance with occupational safety standards.
- Conducting training and development programs enhance employee competence and professional growth.
- Participating in community outreach programs such as disaster relief assistance and financial literacy seminars.
- Ensuring fair and inclusive employment practices and providing equal opportunities regardless of gender or background.



Governance and Ethical Business Practices

The Company upholds the highest standards of corporate governance in compliance with the Insurance Commission's regulations and the Revised Code of Corporate Governance

- The Board of Directors ensures that sustainability principles are integrated into business decisions.
- Policies on anti-corruption, whistleblowing, and data privacy are implemented and regularly reviewed.
- The company maintains transparent relationships with stakeholders through timely disclosure of material information



Economic Sustainability

- The Company continues to maintain a strong capital position and a sound underwriting framework.
- We invest prudently in low-risk, sustainable assets and ensure compliance with regulatory investment limits
- Our operations create employment and contribute to economic activity through payment of taxes, suupleer engagement, and claim settlements.
- Efforts are made to enhance operational efficiency thorough digitalization and paperless trasactions where feasible.



CORPORATE GOVERNANCE

STATEMENT OF THE COMPANY'S COMMITMENT TO COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRACTICES

The Board of Directors, Management, Officers and Employees of Country Bankers Insurance Corporation (CBIC), commit themselves to the principles and sound best practices of Corporate Governance and dedicate themselves to a continuing effort towards ensuring awareness of, and compliance with, Corporate Governance principles and best practices at all levels of the corporate organization, recognizing that the objective of Corporate Governance is to maximize the organization's long-term success, creating sustainable value for its shareholders, stakeholders, and the nation.



THE BOARD OF DIRECTORS GOVERNANCE RESPONSIBILITIES

A. ESTABLISHING A COMPETENT BOARD OF DIRECTORS

CBIC shall be headed by a competent, working Board to foster the long-term success of the Company and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long term best interests of its shareholders and stakeholders. The Board of Directors exercises the corporate powers of the Company, conducts all business, and holds and controls all properties of the Corporation. In the exercise of such authority, the Board shall use its best judgment and at all times act in a manner consistent with the Revised Corporation Code, the Insurance Code, the Articles of Incorporation and By-Laws of the Company, and this Corporate Governance Manual.

BOARD COMPOSITION

A. The Board shall be composed of fifteen (15) Directors or such number of Directors as may be provided in the event of any amendment to the Company's Articles of Incorporation. The Board shall have three (3) Independent Directors. B. The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company's business. The Board shall ensure that it has an appropriate mix of competence and expertise and that its members are and shall remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the corporate organization based on the evolving business environment and strategic direction. C. The Board shall be composed of a majority of Non-executive Directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs, and to substantiate proper checks and balances.

POLICY ON TRAINING FOR DIRECTORS INCLUDING ORIENTATION FOR NEW DIRECTORS AND CONTINUING ANNUAL TRAINING FOR ALL DIRECTORS

To promote effective Board performance and continuing qualification of the Directors in carrying-out their duties and responsibilities, there shall be a training program for Directors which shall include an orientation program for first-time Directors and relevant annual continuing training for all Directors. There shall be an orientation program for first-time Directors which shall cover IC-mandated and/ or SEC-mandated topics on corporate governance, an introduction to the Company's business, Articles of Incorporation, and Code of Conduct, and shall meet the specific needs of the Company and of the individual Director to aid the new Director in effectively performing his or her functions. The duration of such orientation and training shall be at least eight (8) hours or such reasonable period of time as shall enable the new Director to be appropriately apprised of the business of the Company and of their duties and responsibilities before beginning their directorships. All Directors shall undergo an annual continuing training program to make certain that Directors are continuously informed of the developments in the business and the regulatory environment, including emerging risks relevant to the Company. The Company shall assess its training and development needs in

determining the coverage of the continuing training program.

The duration of such orientation and training shall be at least eight (8) hours or such reasonable period of time as shall enable the new Director to be appropriately apprised of the business of the Company and of their duties and responsibilities before beginning their directorships.

All Directors shall undergo an annual continuing training program to make certain that Directors are continuously informed of the developments in the business and the regulatory environment, including emerging risks relevant to the Company. The Company shall assess its training and development needs in determining the coverage of the continuing training program.

The continuing annual training program for Directors shall cover at the minimum the IC mandated topics on corporate governance as follows:

Code of Corporate Governance for IC Regulated Companies; ACGS and IC Annual Corporate Governance Report; Board Responsibilities; Illegal activities of corporations/directors/officers; Protection of minority shareholders; Liabilities of directors; Confidentialities; Conflict of interest; Related Party Transactions; Enterprise Risk Management; Case studies and Financial Reporting and Audit.

CORPORATE SECRETARY

The Board shall be assisted in its duties by a Corporate Secretary, who shall be a separate person from the Compliance Officer and shall not be a member of the Board of Directors.

The Corporate Secretary shall annually attend training on corporate governance.

The Corporate Secretary shall be primarily responsible to the Company and its shareholders, and shall work with the Chairman, the President and the Board to whom the Corporate Secretary shall also be responsible. The Corporate Secretary shall have, among others, the following duties and responsibilities:

A. Assist the Board and the Board Committees in the conduct of their meetings, including preparing an annual schedule of Board and Committee meetings and the annual Board calendar, and assisting the chairs of the Board and its Committees to set agendas for those meetings; B. Prepare, safe keep, and preserve the integrity of, the minutes of the meetings of the Board and its Committees, as well as other official records of the Corporation; C. Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advise the Board and the Chairman on all relevant issues as they arise; D. Work fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its Committees, and the Board and its shareholders and as appropriate its stakeholders. E. Advise on the establishment of Board Committees and their terms of reference; F. Inform members of the Board, in accordance with the By-laws, of the agenda of their meetings as practicable at

least five (5) working days in advance, and shall ensure that the members have accurate information that will enable them to arrive at intelligent decisions on matters that require their approval; G. Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent attendance; H. Perform required administrative functions; 8 I. Oversee the drafting of the By-laws and ensures that they conform with regulatory requirements; and J. Perform such other duties and responsibilities as may be provided by the IC and other appropriate regulatory authorities.

CHIEF COMPLIANCE OFFICER

The Board shall appoint a Chief Compliance Officer to assist it in its duties. The Chief Compliance Officer shall have the rank of Vice President with adequate stature and authority based on the Company's table of organization and shall not be a member of the Board of Directors. The Chief Compliance Officer shall annually attend training on corporate governance.

The Chief Compliance Officer shall be a member of the Company's management team in charge of the compliance function. The Chief Compliance Officer is primarily liable to the Company and its shareholders, and shall work with the Chairman or President of the Company, to whom he shall also be responsible. The Compliance Officer shall have, among others, the following duties and responsibilities:

A. Ensure proper orientation of new Directors as provided in this Manual; B. Monitor, review, evaluate, and ensure the compliance by the Company, its Officers and Directors, with the relevant laws, rules and regulations, this Corporate Governance Manual, and all governance issuances of appropriate regulatory agencies; C. Report to the Board if violations are found and recommend the imposition of appropriate disciplinary action; D. Ensure the integrity and accuracy of all documentary submissions to regulators; E. Appear before the IC when summoned in relation to compliance with the Revised Code. F. Appear before the appropriate regulatory bodies when summoned in relation compliance with matters within the functions of the Chief Compliance Officer; to G. Collaborate with other departments to properly address compliance issues, which may be subject to investigation; H. Identify possible areas of compliance issues and work towards the resolution of the same; I. Ensure the attendance of Board members and key officers to relevant trainings; and J. Perform such other duties and responsibilities as may be provided by the IC and other appropriate regulatory authorities.

THE CHAIRPERSON

The Board shall be headed by a competent and qualified Chairperson, whose roles and responsibilities shall include, among others: 1. Ensure that the meeting agenda focuses on strategic matters, including enterprise risks, considering the developments in the business and regulatory environments, key governance concerns, and important issues that could significantly affect operations; 2. Ensure that the Board receives accurate, timely, relevant, concise and clear information to enable it to make sound decisions; 3. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors; 4. Encourage the Board

to inquire on reports submitted and representations made by Management; 5. Assure the availability of proper orientation for first-time Directors and continuing training opportunities for all Directors; and 10 6. Ensure that performance of the Board is evaluated at least once a year and action is taken as appropriate on such evaluations.

RELATED PARTY TRANSACTION

The Board shall have the overall responsibility in ensuring that there is a group wide policy and system governing RPTs and other unusual or infrequently occurring transactions, particularly those which pass thresholds of materiality. The Company shall adopt a policy on related party transactions, which shall:

1. Include the appropriate review and approval of matcrial or significant RPTs, which guarantee fairness and transparency of the transactions;
2. Encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations; and
3. Include the definition of A. related parties; B. the coverage of the RPT policy; C. guidelines in ensuring arm's-length terms; D. identification and prevention or management of potential or actual conflicts interest which arise; of E. adoption of materiality thresholds; internal limits for individual and aggregate exposures; F. whistle-blowing mechanisms; and G. restitution of losses and other remedies for abusive RPTs.

The Policy and System Governing Related Party Transactions is attached to this Corporate Governance Manual as Annex "B" and is an integral part of this Manual. The Board shall have the authority to amend or modify this Policy or to adopt an entirely new Policy consistent with laws, regulations and corporate governance best practices.

ESTABLISHING BOARD COMMITTEES

The Board shall establish Board Committees to support the effective performance of the Board's functions, to allow for specialization in issues and to lead to a better management of the Board's workload. Such Committees shall include Audit, Risk Management, Related Party Transactions, Corporate Governance, other key corporate governance concerns, such as Nominations and Remuneration, and such other Committees as the Board may deem appropriate. The composition, functions and responsibilities of all Board Committees shall be contained in the respective Charters of the Committees, which shall be made publicly available.

THE AUDIT AND RISK OVERSIGHT COMMITTEE

The Board shall establish an Audit and Risk Oversight Committee to enhance its oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

The Audit and Risk Oversight Committee shall be responsible for overseeing the Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework. It shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and

internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

1. The Audit Committee shall be composed of at least three (3) appropriately qualified Non Executive Directors, the majority of whom, including the Chairman, shall be Independent Directors. 2. All of the members of the Audit Committee shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the Chairman of the Board or of any other Committees. 3. The Audit Committee shall have the following duties and responsibilities, among others:

Internal Audit

A. Recommend approval of the Internal Audit Charter (IA Charter), which shall formally define the role of Internal Audit and the audit plan, as well as oversee the implementation of the IA Charter; 14 B. Through the Internal Audit (IA) Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. The Committee shall ensure that well-designed internal control procedures and processes that will provide a system of checks and balances are in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Company's financial data, and (d) ensure compliance with applicable laws and regulations; C. Oversee the Internal Audit Department, and recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee shall approve the outsourcing internal audit services if such is necessary and shall approve the terms and conditions thereof; D. Establish and identify the reporting line of the Chief Audit Executive to enable him to properly fulfill his duties and responsibilities. For this purpose, the Chief Audit Executive should directly report to the Audit Committee; E. Review and monitor Management's responsiveness to the findings and recommendations of Internal Audit;

Audit by Independent External Auditor

F. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; G. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The Committee should disallow any non-audit work that will conflict with duties as an External Auditor or may pose a threat to the External Auditor's independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report; H. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters: Any change/s in accounting policies and practices, Areas where a significant amount of judgment has been exercised, Significant adjustments resulting from the audit Going concern assumptions, Compliance with accounting

standards, Compliance with tax, legal and regulatory requirements. I. Review the disposition of the recommendations in the External Auditor's management letter.

Further, the Audit Committee shall:

J. Perform oversight functions over the Company' Internal and External Auditors. It shall ensure the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all pertinent and relevant records, properties and personnel to enable them to perform their respective audit functions; K. Coordinate, monitor and facilitate compliance with laws, rules and regulations; and L. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, who must be duly accredited by the SEC, who shall undertake an independent audit of the Company and provide an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders. M. The Audit Committee shall meet with the Board as deemed necessary or appropriate without the presence of the CEO or other Management team members, and shall periodically meet with the head of the Internal Audit.

THE CORPORATE GOVERNANCE COMMITTEE (FUNCTIONS AS THE REMUNERATION COMMITTEE AND NOMINATIONS COMMITTEE)

The Board shall establish a Corporate Governance Committee that shall be tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the Compensation or Remuneration Committee.

1. The Corporate Governance Committee shall be composed of at least three (3) members, two (2) of whom shall be Non-executive Directors and one (1) shall be an Independent Director. 2. The Corporate Governance Committee (CG Committee) shall be tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It shall have the following duties and functions, among others:

Corporate Governance Framework A. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of any material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments; **Performance Evaluation** B. Oversee the periodic performance evaluation of the Board and its Committees as well as executive management, and conducts an annual self-evaluation of its performance; C. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement; **Training for Directors and Officers** D. Recommend continuing education/training programs for Directors consistent with or supplemental to the Training Program for Directors as contained in this Manual; assignment of tasks/projects to Board Committees, succession plan for the Board members and Senior Officers, and remuneration packages for corporate and individual performance; E. Propose and plan relevant training programs for the members of the Board; **Corporate Governance**

Policies F. Recommend corporate governance policies for approval by the Board of Directors and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;

Functions as Remuneration or Compensation Committee

G. Establish a formal and transparent procedure to develop a policy for determining the remuneration of Directors and Officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates. H. To review and recommend, with delegated responsibility, the remuneration packages of Directors and Officers, keeping in mind the Board's corporate goals, objectives and strategies. This shall include, without limitation, basic salaries, deferred compensation, stock options and any benefits in kind, pension rights, incentive payments and any other compensation payments; I. To ensure that no Director is involved in determining his own remuneration, recommendations of the Committee increasing the remuneration of the Board, if eventually approved, shall not take effect until after the expiration of the term of the Board; J. To administer and oversee the Company's stock option plan and policy, if any, in accordance with the terms and conditions of the stock option policy, including the granting of stock 17 options to the Company's Directors and Officers and the exercise of options by them thereunder (including, but not limited to, number of options, exercise price, option period, minimum period which must be held before the options can be exercised and performance targets which must be met before the options can be exercised), and/or to administer and oversee any other share incentive policy or other equity-based compensation in place from time to time;

THE BOARD RISK OVERSIGHT COMMITTEE

Enterprise risk management is integral to an effective corporate governance process and the achievement of a company's value creation objectives. The Board shall establish a separate Board Risk Oversight Committee (BROC) that will be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. 1. The BROC shall be composed of at least three (3) members, the majority of whom shall be Independent Directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other Committee. 2. At least one (1) member of the Committee must have relevant thorough knowledge and experience on risk and risk management. 3. The BROC shall have the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place to enable the Board and top management to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities. The BROC shall have the following duties and responsibilities, among others: A. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures; B. Oversee the implementation of the enterprise risk management plan through a management

risk oversight committee. The BROC shall conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing these risks; C. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss; D. Advise the Board on its risk appetite levels and risk tolerance limits; E. Review at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company;

DATA PRIVACY POLICY

CBIC respects and values data privacy rights, and makes sure that all personal data collected from its clients, agents, employees and other individuals are processed in adherence to the general principles of transparency, legitimate purpose, and proportionality.

The privacy manual covers the following:

-Reasonable and appropriate measures to protect personal data against natural dangers such as accidental loss or destruction, and human dangers such as unlawful access, fraudulent misuse, unlawful destruction, alteration and contamination, thereby upholding an individual's data privacy rights;-It also summarize the privacy and data protection protocols that need to be observed and carried out within the organization for specific circumstances (e.g., from collection to destruction), directed toward the fulfillment and realization of rights of data subjects. ·Data protection and security measures, which may serve as a guide in exercising data subject rights under the DPA of 2012.

ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING

Country Bankers Insurance Corporation (Company) duly licensed to engage in non-life insurance business in the Philippines and an Insurance Commission Regulated Entity (ICRE) establish, implement and maintain a Money Laundering and Terrorist Financing Prevention Program (MLTFPP). This is in line with the Insurance Commission (IC) requirement to establish new/updated and BOD approved MLTFPP embodying the principles and provisions stated in the guidelines per IC Circular Letter Nos. 2018-48 and 2018-60.

The guideline aims to comply with the 2016 Revised Implementing Rules and Regulations (RIRR) of RA No. 9160 also known as the Anti-Money Laundering Act of 2001 (AMLA), as amended and to the Implementing Rules and Regulations (IRR) of RA No. 10168, otherwise known as The Terrorism Financing Prevention and Suppression Act.

AML/CFT Compliance Program include relevant policies, procedures, processes and controls designed to prevent and detect potential money laundering and terrorism financing (ML/TF) activities in the conduct of insurance business operations.

Profiles of the Directors

NESTOR D. ALAMPAY, JR.

Nestor D. Alampay, Jr. is a lawyer by profession. He is a graduate of Bachelor of Laws at the University of the Philippines in 1982 and presently the Managing Partner of Alampay Tamase Law Office. He has been serving as Director of the Country Bankers Insurance Group since the year 2016;

PATERNO C. BACANI, JR.

Paterno C. Bacani, Jr. is a retired banker. Among of his capabilities is on credit risk management of a commercial or universal bank, management of a credit and marketing division of a commercial or universal bank, etc. He was Executive Vice President of Philtrust Bank from 1994 to 2015, Vice-Chairman and President of Associated Bank from 1989 to 1994 (later on became Westmont Bank after its privatization). Appointed in 1990 to 1992 by President Corazon C. Aquino as Associate Executive Trustee of the National Government's Asset Privatization Trust and held various positions at Bank of America including foreign assignment in its regional office in Hong Kong from 1983 to 1987. He is a holder of a degree in Bachelor of Science in Business Administration from De La Salle University, Manila. At present, he is an Independent Director of Country Bankers Insurance Group (CBIG) and RTG & Co., Inc., a stock brokerage registered with the Philippine Stock Exchange. He has been serving as Director of the Country Bankers Insurance Group since the year 2018;

ALFREDO ALEX S. CRUZ III

Alfredo Alex S. Cruz III is a graduate of the University of the Philippines, Quezon City in 1987 and holds degrees on Bachelor of Arts in Economics and Bachelor of Laws. He is the Founding Partner of Cruz Reyes Law Offices. At present, he is a director and the Corporate Secretary of both Country Bankers Life Insurance Corporation and Country Bankers Insurance Corporation. The Treasurer of La Fuerza Lending Corp. He has been serving as Director of the Country Bankers Insurance Group since the year 2007;

AGNES S. DESIDERIO

Agnes S. Desiderio is a Director of Country Bankers Life Insurance Corp. and Country Bankers Insurance Corp. She graduated with a degree of Bachelor of Science in Commerce major in Management at the Centro Escolar University in 1994. She has been serving as Director of the Country Bankers Insurance Group since the year 2007;

GERALDINE D. GARCIA

Geraldine D. Garcia has educational attainment in Office Administration (in Canada) and Management and Advance Insurance Management (Asian Institute of Management). She is the incumbent Senior Vice President & General Manager of Country Bankers Insurance Group and likewise holds position of President of La Fuerza Lending Corporation. She has been serving as Director of the Country Bankers Insurance Group since the year 2008;

ERNESTINE CARMEN JO D. VILLAREAL-FERNANDO

Ernestine Carmen Jo Desiderio Villareal-Fernando is a graduate of the University UP of the of Bar Philippines College of Law. She was awarded the Dean's Medal at the UP School Economics. She is on the Faculty of the UP College of Law and has lectured for the National Convention of the Integrated Bar of the Philippines, the UP Law Center and the School of Economics, among others. She is President of the Philippine Association, the oldest and largest (approximately 3,000 members) voluntary lawyers association of the Philippines. She is only its Sixth Female President in its 132 years of existence. She also cooperates with a number of NGOs and diplomatic offices in the Philippines and overseas such as HCCH in the Netherlands and Unidroit in Rome. She is a member of a number of Boards including the Philippine Bar Association, Fuego y Hielo Publishers, Country Bankers Insurance, Country Bankers Life Insurance, RCBC Securities, RCBC Foreign Exchange Corporation, Seafront Resources, PR Land, and in capacity of Independent Director in some. She is likewise published in CCH, Singapore. She is a Fellow of the Institute of Corporate Directors. She was likewise the first Female Partner of the oldest law firm in the Philippines, Siguión Reyna Montecillo & Ongsiako. She is former President and Grand Archon of the UP Delta Lambda Sigma Sorority. She is an Independent Director of the listed Seafront Resources Corp. She is also Independent Director of various international corporations including GHIL Systems Philippines, Inc., GHIL Philippines Financing Services, Inc. and GHIL Electronic Payments, Inc. She has been serving as Director of the Country Bankers Insurance Group since the year 2006;

MA. VICTORIA G. GUINGONA

Ma. Victoria G. Guingona is a lawyer by profession. She graduated from the University of the Philippines. Studied at the Ateneo Law School and passed the bar in 1986. She is married to Sen. Teofisto L. Guingona III. She holds directorships in Country Bankers Insurance Group, JED & Co., Inc. and serves as President of T & M Capital Resources, Inc. She has been serving as Director of the Country Bankers Insurance Group since the year 2003;

DENNIS H. LOCSIN

Dennis H. Locsin graduated in 1966 with Bachelors of Science degree from Ateneo de Manila. He migrated to Canada in 1973. Has employed with different companies Ontario/Toronto, Canada and returned to the Philippines in 1992 and since then had been in business for self in banking, real estate, crop farming, livestock, among others. He has been serving as Director of the Country Bankers Insurance Group since the year 2002;

MANUEL Y. PETINES

Manuel Y. Petines presently is the Building Administrator of R. A. Petines, Inc, and the Proprietor of MYP Resources & Transport. He worked for other companies, e.g. Meycauayan Shell Service Station, etc. during the 1990's. He has graduate studies on Agricultural Business Management from UP and a degree holder of Bachelor of Science in Business Management at the Ateneo de Manila University. He has been serving as Director of the Country Bankers Insurance Group since the year 2005;

ROBERTO L. MONTELIBANO

Roberto L. Montelibano~ "Bobby" to many of his colleagues is a businessman and has positions currently held in many companies in Negros Occidental and Bacolod City like Metro Bacolod Chamber of Commerce & Industry, RM Carrier Corporation, New World Steel Industries, GF Food Industries, Rural Bank of Bacolod, among others. Also, he became a Congressman at the 2nd District of Negros Occidental and an Assemblyman likewise at Negros Occidental. He has been serving as Director of the Country Bankers Insurance Group since the year 1990;

ANTOLIN T. NAGUIAT

Antolin T. Naguiat is currently the Treasurer and a Director of Country Bankers Life Insurance Corp. and Country Bankers Insurance Corp. He is a graduate of the Ateneo de Manila University with a degree in Bachelor of Science in Business Administration class 1965. He also studied at College of Insurance in Surbiton Surrey, London England in 1967. He is also a Phil. Air Force Reservist with the rank of Lt. Colonel. He has been serving as Director of the Country Bankers Insurance Group since the year 2002;

ANGELO RAYMUNDO Q. VALENCIA

Angelo Raymundo Q. Valencia - Integrated Bar of the Philippines - Presidential Adviser on Food Security, Education, Indigenous People's Right and Environmental Stewardship and IBP PAMPANGA Chapter Head of Environmental Stewardship. He is the Independent Director of Nickel Asia Corporation, Chairman of its Board Risk Oversight Committee, members of its SUSTAINABILITY, AUDIT, Related Party Transactions and Nominations Committees. He is likewise an Independent Director of GR Bank, Inc. sitting as Chairman of its Corporate Governance Committee, MEMBER of its AUDIT COMMITTEE. HE is a Senior Fellow at the Development Academy of the Philippines and Lecturer, AFP Command Staff Graduate Course. He also serves as Senior Advisor to the NOLCOM Heroes Foundation, Philippine Marine Corps. The Philippine Air Force and AFP Leadership Development Center. He was also a Senior Corporate and Tax Counsel of the Lucio Tan Group and Chief Operating Officer of Mindanao Grains Processing Co., Inc. He obtained his Juris Doctor from the Ateneo School of Law in 1998. He has been a member of the Philippine Bar since 1999. He has been serving as Director of the Country Bankers Insurance Group since the year 2019;

MARK R. BOCOBO

Mark R. Bocobo is a lawyer who graduated from the University of the Philippines College of Law and took the Bar in 1984. Prior to that, he graduated from the UP School of Economics with a Bachelor of Science in Business Economics. He has experience in litigation of civil and criminal cases in various fields of law including corporate law and insurance. He is also a professor at the UP College on Insurance Law. He has been serving as Director of the Country Bankers Insurance Group since the year 2020;

ROMEO G. VELASQUEZ

Romeo G. Velasquez is the incumbent President of Country Bankers Life Insurance Corp. and Country Bankers Insurance Corp. He has been with the companies since 1977 where he held different executive positions. Also, he is the Corporate Secretary and a Director of Rural Bank of Caloocan, Inc. and La Fuerza Lending Corporation. He is a graduate of the Far Eastern University with a degree in Bachelor of Laws. He has been serving as Director of the Country Bankers Insurance Group since the year 2003;



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Country Bankers Insurance Corporation is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors or Trustees is responsible for overseeing the Company's financial reporting process.

The Board of Directors or Trustees reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders or members.

Banaria, Banaria and Company, CPAs, the independent auditor appointed by the stockholders for the periods December 31, 2024 and 2023, respectively, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders or members, has expressed their opinion on the fairness of presentation upon completion of such audit.

Signature 
Printed Name of the Chairman of the Board : Ma. Victoria G. Guingona

Signature 
Printed Name of Chief Executive Officer : Geraldine Desiderio-Garcia 

Signature 
Printed Name of Chief Financial Officer : Antolin D. Naguiat

Signed this ____ day of _____

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
COUNTRY BANKERS INSURANCE CORPORATION
3rd Floor, Country Bankers Centre, T.M. Kalaw Ave.
Ermita, Manila

Opinion

We have audited the financial statements of **COUNTRY BANKERS INSURANCE CORPORATION** ("the Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in stockholders' equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Philippine Ethics Standards Board for Accountants (PESBA Code) together with the ethical requirements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits.

Report on Legal and Other Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 33 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BANARIA, BANARIA AND COMPANY, CPAs

By: 
 GRACIA SEVEÑA A. BANARIA-ESPIRITU
 Partner
 CPA Certificate No. 27621
 Tax Identification No. 131-938-548
 PTR No. 6991848, January 8, 2025, Quezon City
 CTC No. 19817090, January 8, 2025, Quezon City
 BOA Accreditation No. 0030, valid until August 20, 2027 (Firm)
 BOA Accreditation No. 002, valid until August 20, 2027 (Partner)
 BIR Accreditation No. 07-000089-004-2023, valid until July 14, 2026 (Firm)
 BIR Accreditation No. 07-000088-004-2023, valid until July 14, 2026 (Partner)
 IC Accreditation No. 27621-IC, valid until October 27, 2027 (Partner)
 IC Accreditation No. 0030-IC, valid until October 27, 2027 (Firm)

April 15, 2025

COUNTRY BANKERS INSURANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION
 As of December 31, 2024 and 2023
 (All Amounts in Philippine Peso)
 (Centavo Omitted)

			2024	As restated 2023
<u>ASSETS</u>				
	Note			
CURRENT ASSETS				
Cash and cash equivalents	7	P	210,013,548	P 188,498,538
Insurance balances receivable				
Premium receivable	8		98,646,961	90,225,031
Due from ceding companies and reinsurers	9		53,929,190	52,575,124
Reinsurance recoverable on paid losses	10		21,476,608	23,845,030
Funds held by ceding companies	6		515,729	515,729
Accounts and other receivables	12		24,805,271	24,144,231
Deferred acquisition cost	13		35,769,827	29,820,240
Deferred reinsurance premiums	14		5,661,413	6,096,216
Other current assets	16		3,772,851	2,968,731
Total			454,591,398	418,688,870
NON-CURRENT ASSETS				
Held-to-maturity (HTM) financial assets	15		1,184,065,229	1,184,130,219
Available-for-sale (AFS) financial assets	17		3,391,000	2,357,395
Property and equipment, net	18		4,148,271	3,902,062
Investment property	19		43,548,074	35,977,674
Deferred tax assets	21		827,971	827,971
Deferred MCIT	32		1,775,867	-
Total			1,237,756,412	1,227,195,321
TOTAL ASSETS		P	1,692,347,810	P 1,645,884,191
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>				
CURRENT LIABILITIES				
Due to reinsurers and ceding companies	11	P	47,571,513	P 42,119,753
Reserve for unearned premiums	11		143,895,556	124,935,307
Claims payable	22		32,719,863	45,796,378
Commissions payable	23		7,545,582	4,174,542
Accounts and other payables	24		12,588,312	8,034,458
Other liabilities	25		6,754,506	6,754,506
TOTAL LIABILITIES			251,075,332	231,814,944
TOTAL STOCKHOLDERS' EQUITY (Exhibit C)			1,441,272,478	1,414,069,247
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		P	1,692,347,810	P 1,645,884,191

(See accompanying notes to the financial statements)

EXHIBIT A

COUNTRY BANKERS INSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(All Amounts in Philippine Peso)
(Centavo Omitted)

	Notes	2 0 2 4	2 0 2 3
REVENUE			
Direct premiums	6,27 P	289,859,158	P 272,956,182
Reinsurance premiums assumed	6,27	8,128,145	2,936,808
GROSS PREMIUMS RETAINED		297,987,303	275,892,990
Reinsurance premiums ceded	6,27 (28,409,194)	(28,741,392)
NET PREMIUMS RETAINED	11,27	269,578,109	247,151,598
Increase (decrease) in net reserve for unearned premiums	(18,960,249)	(1,103,849)
PREMIUMS EARNED		250,617,860	248,255,447
COMMISSION EARNED	27	3,749,139	3,146,983
OTHER UNDERWRITING INCOME	27	3,060,572	4,688,947
GROSS UNDERWRITING INCOME		257,427,571	256,091,377
UNDERWRITING EXPENSES	29 (168,634,204)	(158,892,004)
NET UNDERWRITING INCOME		88,793,367	97,199,373
OTHER INCOME, NET	28	38,872,441	44,116,652
TOTAL UNDERWRITING AND OTHER INCOME		127,665,808	141,316,025
OPERATING EXPENSES	30 (101,496,182)	(91,310,636)
INCOME BEFORE TAX (To Exhibit D)		26,169,626	50,005,389
Provision for income tax	32	-	(3,396,840)
INCOME FOR THE YEAR (To Exhibit C)		26,169,626	46,608,549
OTHER COMPREHENSIVE INCOME	17	1,033,605	653,617
TOTAL COMPREHENSIVE INCOME		P 27,203,231	P 47,262,166
EARNINGS PER SHARE	35 P	5	P 10

(See accompanying notes to the financial statements)

EXHIBIT B

COUNTRY BANKERS INSURANCE CORPORATION
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2024 and 2023
(All Amounts in Philippine Peso)
(Centavo Omitted)

	Note	2 0 2 4	2 0 2 3
CAPITAL STOCK	26		
Authorized – 5,500,000 common stocks at P100 par value per share			
Subscribed and paid-up – 4,845,499 common stocks		P 484,549,900	P 484,549,900
ADDITIONAL PAID-IN CAPITAL	26	5,490,883	5,490,883
CONTRIBUTED SURPLUS	26	579,091,784	579,091,784
RETAINED EARNINGS	26		
Balance – beginning		343,992,486	297,383,937
Income for the year (Exhibit B)		26,169,626	46,608,549
Balance – end		370,162,112	343,992,486
ACCUMULATED OTHER COMPREHENSIVE INCOME			
UNREALIZED GAIN FROM VALUATION OF AFS INVESTMENTS			
Balance – beginning		944,194	290,577
Net change in AFS financial assets, net of deferred income tax effect	17	1,033,605	653,617
Balance – end		1,977,799	944,194
TOTAL STOCKHOLDERS' EQUITY (To Exhibit A)		P 1,441,272,478	P 1,414,069,247
BOOK VALUE PER SHARE	34 P	297	P 292

(See accompanying notes to the financial statements)

EXHIBIT C

COUNTRY BANKERS INSURANCE CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(All Amounts in Philippine Peso)
(Centavo Omitted)

	Notes	2 0 2 4	2 0 2 3
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax (Exhibit B)		P 26,169,626	P 50,005,389
Adjustments for:			
Provision for income tax	32	-	(3,396,840)
Increase (decrease) in reserve for unearned premiums	11	18,960,249	(1,103,849)
Increase in deferred acquisition cost	13	(5,949,587)	(289,368)
Decrease in premiums on held-to-maturity investments	17	(10,455,010)	807,563
Net change in AFS financial assets, net of deferred income tax effect	17	1,033,605	653,617
Change in available-for-sale financial assets	17	(1,033,605)	634,629
Depreciation	18	1,838,210	2,136,822
Adjustment in property and equipment	18	-	(1)
Adjustment in accumulated depreciation	18	2	326
Gain on sale on property and equipment	18,28	(24,487)	(275,788)
Gain on sale on investment property	19	-	(200,000)
Operating income before changes in working capital		30,539,003	48,972,499
Decrease (increase) in:			
Insurance balance receivable	8,9,10	(7,407,574)	(21,692,204)
Accounts and other receivables	12	(661,040)	(8,069,280)
Other current assets	16	(804,120)	3,429,121
Deferred MCIT		(1,775,867)	-
Deferred reinsurance premium	14	434,803	(3,129,777)
Increase (decrease) in:			
Due to reinsurers and ceding companies	11	5,451,760	(403,219)
Claims payable	22	(13,076,515)	(4,673,580)
Commissions payable	23	3,371,040	2,240,128
Accounts and other payables	24	4,553,854	1,706,011
Other liabilities	25	-	3,071,508
Net cash provided by operating activities		20,625,344	21,451,208
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of held-to-maturity financial assets	15	(622,000,000)	(703,320,000)
Disposal of held to maturity financial assets	15	632,520,000	632,000,000
Proceeds from sale of equipment	18	24,497	275,800
Acquisition of property and equipment	18	(2,084,431)	(839,943)
Acquisition of investment property	19	(7,570,400)	-
Proceeds from sale of investment property	19	-	700,000
Net cash provided by (used in) investing activities		889,666	(71,184,143)
NET INCREASE (DECREASE) IN CASH		21,515,010	(49,732,935)
CASH AND CASH EQUIVALENTS, BEGINNING		188,498,538	238,231,473
CASH AND CASH EQUIVALENTS, END		P 210,013,548	P 188,498,538

(See accompanying notes to the financial statements)

EXHIBIT D