

30 May 2025

HON. REYNALDO AVERILLA REGALADO

Insurance Commissioner
1071 United Nations Avenue
Ermita, Manila

Attention : **RECORDS SECTION**

Subject : **CHINABANK INSURANCE BROKERS INC.(CIBI)**
Submission of Annual Corporate Governance Report For the Calendar Year 2024

Dear Sir,

In compliance with I.C. Advisory No.RS-2025-010, we hereby submit our Annual Corporate Governance Report for the calendar year 2024.

The report includes the following :

1. Covering Letter
2. ACGR

For your information.

Thank you.

Very truly yours,


FRANKIE G. PANIS
CIBI PRESIDENT

Date : May 27, 2025
To : CIBI Board
From : CIBI Compliance Dept.
Subject : Submission of ACGR for the Calendar Year 2024

This is to seek the Board's approval and sign-off on CIBI's Annual Corporate Governance Report for the calendar year 2024 for submission to Insurance Commission on or before May 30 2025.

The attached Annual Corporate Governance Report is an annual requirement of the IC for all Insurance Commission Covered Entities.

The ACGR is a framework used to gather data on all IC-regulated entities (ICRE) and to establish an index in terms of these entities' individual adherence to the fundamental principles of Corporate Governance. The index can then be used to benchmark the compliance level of a company in terms of its governance practices.


This year, we are updating the same report to provide current status of CIBI's compliance to its approved Code of Corporate Governance.

Of the 136 items that comprise the ACGR which are relevant to achieving proper governance, there still remain 7 items as "non-compliant". These non-compliant items revolve around the following (see also ANNEX A for the list):

1. Annual Assessment (of Board Chairperson, Board Members, Board Committees)
2. Assessment by an external facilitator

The Self-Assessment form of the Board Chairperson, Board Members, Board Committees is presently being finalized and will be implemented by Q4 of 2025. As to the requirement on the assessment by an external facilitator, once the Self-Assessment of the Board Chairperson, Board Members, Board Committee/s is completed CIBI can already engage an external facilitator three years after the accomplishment Self-Assess form.

For approval.


Edgardo C. Rosal
Technical and Compliance Officer

ANNEX A

Recommendation 6.1		
1. The Board conducts an annual assessment of its performance as a whole	NON-COMPLIANT	<p>Under the Corp Gov manual of CIBI, the Board, its members and chairman will be subjected to an annual assessment to make sure that their performance as Board remains to be collaborative and strategic. The draft of the Self-Assessment Form is presently being finalized and being reviewed thoroughly to ensure that the Self Assessment form covers the fulfillment of the Committee's and Individual Committee members duties and responsibilities. The finalized Self-Assessment Form will be implemented within Q4 of 2025.</p>
2. The performance of the Chairman is assessed annually by the Board.	NON-COMPLIANT	
3. The performance of the individual member of the Board is assessed annually by the Board.	NON-COMPLIANT	
4. The performance of each committee is assessed annually by the Board.	NON-COMPLIANT	
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	
Recommendation 6.2		
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	NON-COMPLIANT	<p>The CIBI CorGov Manual includes the requirement to make periodic assessment of the Board, its members, and its chairman based on their performance and the need to make the assessment known to the parent bank, as CIBI is a wholly-owned subsidiary. It will require the members of the Board and the committees to fill-up self-assessment forms. The finalized Self-Assessment Form will be implemented within Q4 of 2025.</p>
2. The system allows for feedback mechanism from the shareholders.	NON-COMPLIANT	

-Nothing follows-

ANNUAL CORPORATE GOVERNANCE REPORT

CHINABANK INSURANCE BROKERS INC.

(NAME OF COMPANY)

1. For the fiscal year ended December 31, 2024

2. Certificate Authority Number IB-10-2025-R

3. Makati City, Philippines

Province Country or jurisdiction of incorporation or organization

4. 2nd FLOOR, VGP CENTER, AYALA AVENUE, MAKATI CITY, 1226

Address of principal office

Postal Code

5. 00 63 (2) 8885-5760

Company's telephone number, including area code

6. www.chinabank.ph

Company's official website

7. 8th floor VGP Center, 6772 Ayala Aavenue, Makati City

Former name, former address and former fiscal year, if changed

ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities		
Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent		
Recommendation 1.1		
1. Board is composed of directors and collective working knowledge, experience and expertise that is relevant to the company's industry/sector.	COMPLIANT	The CIBI Board is composed of members with collective working knowledge and experience relevant to insurance broking business. CIBI Board of Directors are comprised of the following officers: 1. Patrick D Cheng-Chairman; 2. Frankie G. Panis; 3. Philip S.L. Tsai; 4. Margarita L. San Juan; 5. Aloysius C. Alday Jr.
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	Curriculum Viate of Board/Directors - Available upon request
Recommendation 1.2		
1. Board is composed of a majority of a non- executive directors.	COMPLIANT	CIBI has 5 Board members and 4 are non-executive directors and only 1 is an Executive Director which is the CIBI President. Please refer to the General Information Sheet for the CIBI Board composition - https://www.chinabank.ph/library/cibi-gis-2023
Recommendation 1.3		
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	CIBI is now implementing its own Corporate Governance (CG) policies and guidelines, which is Board-approved. CIBI CG manual covers policies, activities and practices including trainings for directors and officers as required. https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023
2. Company provides in its Board Charter or Manual on Corporate Governance - an orientation program for first time directors.	COMPLIANT	CIBI is now implementing its own Corporate Governance (CG) policies and guidelines, which is Board-approved. CIBI CG manual covers policies on training of first time directors. https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023
3. Company has relevant annual continuing training for all directors.	COMPLIANT	CIBI Directors participate in its parent bank's Annual Corporate Governance trainings. A sample certificate on Corp. Gov. training can be viewed at the ff link below. https://www.chinabank.ph/library/director-philip-s-l-tsai-cg-certificate https://www.chinabank.ph/library/director-margarita-l-san-juan-cg-certificate
Recommendation 1.4		
1. Board has a policy on board diversity.	COMPLIANT	CIBI observes diversity in the composition of its Board and has ensured that there is an appropriate mix of competence and expertise among its members.; educational background, experience and skills, knowledge, culture and skills are considered. CIBI adopts the same mindset and maintains a mix of male and female directors from varying background and different set of skills. CIBI Board is comprised of the following directors : 1. Patrick D Cheng (NED); Frankie G Panis (ED); 3. Philip S.L. Tsai (ID); 4. Margarita L San Juan (ID); 5. Aloysius C. Alday Jr (ID)
Recommendation 1.5		

1. Board is assisted in its duties by Corporate Secretary.	COMPLIANT	CIBI has a Corporate Secretary (in the person of Atty. Iris Katrine M. Exchaure) and another person as Compliance Officer (in the person of Edgardo C. Rosal) who are not part of the Board of Directors. The GENERAL INFORMATION SHEET will show that the Corp. Secretary is not a member of the CIBI Board. Please visit link @ https://www.chinabank.ph/library/chinabank-insurance-brokers-gis-2025	-
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		-
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		-
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	The CIBI Corporate Secretary attended internal trainings covering Corporate Governance via online conducted by Chinabank Corporation HR	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	The Board has appointed Edgardo C. Rosal as its Compliance Officer and Risk Officer with a rank of Sr. Manager. Please see Board Resolution appointing Mr. Rosal for the Compliance positions of CIBI @ https://www.chinabank.ph/pdf/Annex-C-CIBI-Compliance-Officer.pdf	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	The Compliance Officer is part of the Senior Management team with a rank of Asst. Vice President. This should provide sufficient stature and authority needed to fulfill the requirements of the role. Please refer to CIBI Board Resolution for profile of the Compliance Officer @ chrome-extension://efaidnbmnncnqkcpajcgcjclefindmkaj/ https://www.chinabank.ph/library/2023-br-35-appointment-of-edgardo-c-rosal-as-technical-and-compliance-officer-effective-october-16-2023	
3. Compliance officer is not member of the board.	COMPLIANT	CIBI has appointed Edgardo C. Rosal as its Compliance Officer (CO) is currently not part of its Board. Please see copy of GENERAL INFORMATION SHEET @ https://www.chinabank.ph/library/chinabank-insurance-brokers-gis-2025	
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	The Compliance Officer of CIBI has so far managed to attend Corp Gov Trainings provided by the Institute of Corporate Directors (ICD) dated 07 August 2024. Please see copy of certificate @ https://www.chinabank.ph/library/edgardo-c-rosal-e-certificate	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal			
Recommendation 2.1			
1. Directors act on fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	CIBI directors are guided by the company's CG policies and guidelines, meet regularly to tackle operational, compliance and risk issues as reported by the CEO and its Risk and Compliance Officer. There are the two key elements of the fiduciary duty of the Board: duty of care and loyalty. The duty of care requires members of the Board to act on a fully informed basis, in good faith, with due diligence and care while the duty of loyalty is where the board members should act in the best interest of CIBI and all its stakeholder. The duties and responsibilities of the Board/Directors can be seen in the micro website of CIBI per link below https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT		-
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	COMPLIANT	CIBI BOD has oversight on development and implementation of company's business objectives and strategy as defined in its Manual of Corporate Governance. Pls visit the link @ https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 . Please see page 49 under 10.1.ii and 10.2.c	-
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	CIBI Chairperson is Patrick D Cheng who is concurrently the CFO of Chinabank and also serves as director for CBS, Manulife Chinabank Life Assurance, Manila Overseas Commercial and SR Holdings. Pls visit link @ https://www.chinabank.ph/china-bank-board-and-management	

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	CIBI adopts Chinabank's group's succession planning policies for key officers and directors as provided under its CG manual. CIBI's BOD is engaged in succession planning for the CEO and other critical positions, as appropriate. Pls visit link @ https://www.chinabank.ph/manual-on-corporate-governance-under 2.3.3.d of CIBI CG Manual	-
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	CIBI observes a group-wide retirement program for its employees/directors. Pls visit link @ https://www.chinabank.ph/pdf/Annex-D-CBC-Insurance-Brokers-Retirement-Plan.pdf	-
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	CIBI adopts Chinabank's Performance Management System and include this in CIBI's CG manual. The CIBI CG Manual provides policies on remuneration to ensure it maintains its competitive advantage in the market. Please see page 50 of the CIBI CG Manual under https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 . Further please see link @ https://www.chinabank.ph/pdf/Annex-E-CBC-Performance-Management-System-Policy.pdf for the Performance Management System.	-
2. Board aligns the remuneration of the key officers and the board members with long-term interest of the company.	COMPLIANT		-
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		-
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	CIBI follows Chinabank's Board Nomination and Election policy as stated in its CG manual. Pls see link @ https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 . Please see page 15 under 1.8 and 1.9	-
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		-
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT		-
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT		-
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director,	COMPLIANT		-
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		-
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	CIBI declares its RPT with bank and affiliates to the CBC-Compliance Department based on the requirement of regulators and follows industry threshold in reporting RPTs. Please see https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 , on page 78 under item J.	-

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	CIBI Board implements strict policies and guidelines on Management Selection embodied in its CG manual and which are based on the application of fit and proper standards. Integrity, technical expertise and experience in the business are considerations in the selection process. Pls see link @ https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 . Please see page 19 and 20 under 2.2.2	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	CIBI Board follows guidelines on Management Performance Assessment embodied in its CG manual, which are based on how successfully goals are achieved and strategies implemented. Pls see link @ https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 . Please see page 20 under 2.3.3.c	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	CIBI's Performance Management System (PMS) is an integrated process that aligns the performance of management with CIBI's strategic direction and business plans to ensure optimum organizational effectiveness. This PMS adopts Chinabank's PMS for consistency and thus can be seen at @ https://www.chinabank.ph/pdf/Annex-E-CBC-Performance-Management-System-Policy.pdf for the Performance Management System.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place	COMPLIANT	CIBI continues to establish and implement various policies and guidelines as part of its internal control. Guidelines on Whistleblowing, Complaints Handling, Code of Ethics are just some of the controls that are being implemented to add to shareholder value. Likewise, CIBI Audit Charter is now in place. Pls see link @ https://www.chinabank.ph/library/cibi-audit-committee-charter	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		
3. Board approves the Internal Audit Charter	COMPLIANT		

Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	CIBI has its own Risk Management Framework as guide to implementing a robust risk management program and continues to work closely with the RM Team of its parent bank. Further, CIBI has a Risk Oversight Committee that oversees the Risk Management Framework. Please see link https://www.chinabank.ph/library/cibi-risk-management-framework	-
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		-
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	CIBI's Corporate Governance Manual serves as the entity's Board Charter wherein the roles, responsibilities and accountabilities of Board/Directors are stated. Pls see link @ https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023	-
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		-
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		-
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	CIBI Board is supported by an Audit Committee and a Corporate Governance Committee to handle specific governance tasks and which help decentralize the functions of the board. The Audit Committee oversees CIBI's policies, practices and procedures that relate to financial reporting and dealing with internal and external auditors and the results of their specific engagement/s while the Corporate Governance Committee is in charge of assisting the Board of Directors in fulfilling its corporate governance responsibilities. Pls see link @ https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 under page 38 of CIBI CG Manual. Also please see link https://www.chinabank.ph/library/cibi-audit-committee-charter for the Audit Committee Charter and https://www.chinabank.ph/library/cibi-corp-gov-committee-charter for Corporate Governance Charter.	=
Recommendation 3.2			
1. Board establishes an Audit 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.	COMPLIANT	The Board works together with an Audit Committee to perform the functions required under its Code of Corporate Governance Manual for CIBI. Pls see link @ https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 . Please see page 38 under 8.1	-
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	CIBI Audit Committee is composed of 3 members with an Independent Director as Chairman and one Non-Executive Director and one Independent Director as members. Please see link https://www.chinabank.ph/library/cibi-code-of-corporate-governance-2023 . Please see page 38 under 8.2	=