

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF
THE FIRST NATIONWIDE ASSURANCE CORPORATION**

DATE : August 11, 2017
TIME : 11:00 a.m.
PLACE : Conference Room 1
RCBC Plaza, 47th Floor
6819 Ayala Avenue,
Makati City, Metro Manila

STOCKHOLDERS PRESENT

STOCKHOLDINGS

Yvonne S. Yuchengco	1
Antonio M. Rubin	1
Antonio G. Puyat	1
Michele Marie Y. Dee	1
Anabelle S. Yuchengco	1
Edmundo L. Bunyi	1
Alma P. Peñalosa	1

	7

STOCKHOLDERS REPRESENTED BY PROXIES

STOCKHOLDINGS

Mico Equities, Inc.	1,131,730
Malayan Insurance Co., Inc.	1,368,118
Estate of Alfonso T. Yuchengco	134
Alfonso S. Yuchengco, Jr.	1

	2,499,983

**TOTAL SHARES PRESENT AND
REPRESENTED BY PROXIES**

2,499,990

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I. CALL TO ORDER

The President, Mr. Antonio M. Rubin, called the meeting to order and presided thereon. Atty. Samuel V. Torres, the Corporate Secretary, recorded the minutes of the meeting.

II. DETERMINATION OF A QUORUM

The President, Mr. Antonio M. Rubin, requested the Corporate Secretary to show proof of notices of the meeting. Atty. Samuel V. Torres exhibited the proof of notices as well as the acknowledgement receipts to the stockholders.

There being no objection to the proof of notices, the same was accepted by the President. A roll call was made to determine the presence of a quorum.

The Corporate Secretary reported that the owners of seven (7) shares were personally present and the owners of 2,499,983 shares were represented by proxies. Therefore, the owners of a total of 2,499,990 shares outstanding and entitled to vote were either present or represented by proxies, thus a quorum was found present for purposes of the meeting.

Whereupon, the President called the meeting to order and proceeded with the Agenda.

III. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD ON AUGUST 12, 2016

The Minutes of the Annual Stockholders' Meeting held on August 12, 2016 was submitted to the stockholders for approval. On motion made and duly seconded, said Minutes was unanimously approved to be correct.

IV. ANNUAL REPORT

Management, through Mr. Jose Mari Prats, presented to the stockholders the highlights of the business operations of the Corporation for the year ended December 31, 2016 vis-a-vis the year ending December 31, 2015, as follows:

GROSS PREMIUMS WRITTEN / NET PREMIUMS RETAINED

Gross Premiums Written (GPW) amounted to Php in 2016, an increase of Php or % compared to Php M in 2015.

The breakdown of the Company's GPW is as follows: Motorcar increased by %, Fire increased by %, and the Personal Accident line increased by %.

Likewise, Net Retained Premiums increased by Php M or % from Php M in 2015 to Php M in 2016. The Retention Ratio increased from % in 2015 to % in 2016.

PREMIUMS EARNED

Premiums Earned in 2016 resulted in an increase of Php M or % from Php M in 2015 to Php M in 2016. The increase mainly came from the increase in the Company's premium production and release of premium reserves.

CLAIMS AND LOSSES

In 2016, Claims and Losses amounted to Php , a significant decrease of Php or % compared to Php in 2015. The decrease was mainly due to the reversal of the National Steel Corporation (NSC) Bond claim reserves amounting to Php M. Without the NSC Bond claim reversal, the Company's 2016 Claims would have been at the same level as 2015 of Php .

The Company's loss ratio significantly improved from % in 2015 to % in 2016. Without the NSC claim reserves reversal, the Company's claims ratio would have been % in 2016.

NET UNDERWRITING INCOME

Net Underwriting Income in 2016 increased by Php M or by % from Php in 2015 to Php in 2016, mainly due to the increase in the Company's premium production, release of premium reserves and improved claims and losses.

FINANCIAL & OTHER INCOME

Financial and Other Income decreased by Php or by % from Php in 2015 to Php in 2016. The decrease was mainly due to lower dividend income earned from Company investments.

GENERAL EXPENSES

General Expenses increased by Php or % in 2016. The increase in the General Expenses was mainly due to Human Resources-

related expenses brought about by the increase in the sales and support staff in the middle of 2015.

Further, business development expenses increased due to the timing difference in the booking of 2015 travel incentive expenses taking up in 2016.

Finally, the information and communication expenses increased due to the increase in the delivery cost of renewal notices sent to clients, as well as charges for the Company's new computer system.

NET INCOME

The resulting Net Income after Tax for 2016 amounted to Php _____ an increase of Php _____ or _____ % compared to 2015's net income of Php _____. Without the NSC claim reserves reversal, the Company's Net Income would have been at Php _____ or a _____ % increase.

COMBINED RATIO

The Company's Combined Ratio as of December 2016 is at _____ % which is a considerable improvement compared to the combined ratio of _____ % for the same period in 2015. Without the NSC claim reserves reversal, the Company's combined ratio would have been at _____ %.

BALANCE SHEET

Insurance Receivables & Reinsurance Assets decreased by Php _____ or _____ % due to the decrease in the reinsurance recovery on paid and unpaid losses, mainly due to the reversal of the NSC Bond reserves in 2016.

For the Liabilities, Insurance Payables and Other Liabilities decreased by Php _____ or _____ mainly due to decrease in the premium reserves for the NSC Bond claims.

Accounts Payables and Other Liabilities increased from _____ Php in 2015 to Php _____ in 2016, mainly due to various accrual of inter-company expenses caused by computer systems development and policy renewal expenses.

Retained Earnings increased by _____ % or Php _____ representing the Net Income from operations for 2016.

Nominal Return of Equity increased from % in 2015 to % in 2016.

Thereafter, the stockholders were further given the opportunity to ask questions regarding the Report.

After some discussion, and on motion made and duly seconded, the stockholders noted the Report.

V. APPROVAL OF THE 2016 AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements of the Corporation for the year ended December 31, 2016 as prepared by its external auditor, SYCIP, GORRES, VELAYO & COMPANY, were presented to the stockholders for examination and approval.

After study and discussion, the Chairman of the Audit Committee, Mr. Edmundo L. Bunyi moved for the approval of the Audited Financial Statements. Mr. Antonio Rubin seconded the motion. Thereafter, the stockholders unanimously approved the Audited Financial Statements of the Corporation as of December 31, 2016.

VI. ELECTION OF DIRECTORS

Before the start of the election of Directors, the Corporate Secretary, informed the stockholders of the voting procedure as follows:

- a. Cumulative voting is allowed;
- b. Voting may be done in person or by proxy based on the number of votes standing in the name of stockholder in the books of the corporation;
- c. Voting shall be done by raising of hands and the Corporate Secretary shall count the votes cast;
- d. The need to elect a non-executive director who holds no other position than as director to ensure impartial and fair judgment in the Board's decision-making process;
- e. Only the seven (7) nominees garnering the greatest number of votes shall be declared as elected.

Thereafter, the President declared open the nomination for Members of the Board of Directors for the year 2017-2018. The Chairman of the Remuneration and Nomination Committee nominated all incumbent Members of the Board, noting the integrity, qualification, experience and performance of each nominee.

Messrs. Edmundo L. Bunyi and Antonio G. Puyat were nominated as independent directors. No other names were submitted for nomination. On motion made and duly seconded, the nomination was closed and voting commenced.

On motion made and duly seconded, the following stockholders were unanimously elected Directors of the Corporation for the year 2017- 2018:

Ms. Yvonne S. Yuchengco
Mr. Antonio M. Rubin
Mr. Antonio G. Puyat*
Ms. Michele Marie Y. Dee
Ms. Annabelle S. Yuchengco
Mr. Edmundo L. Bunyi*
Ms. Alma P. Peñalosa

(*elected as independent director)

The Corporate Secretary informed the stockholders that all the duly elected directors are non-executive directors of the Company except for Mr. Antonio M. Rubin, who is an executive director (President) of the Corporation.

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Audit Committee's review and evaluation of the experience and qualifications of the external auditor was presented to the stockholders for deliberation.

Upon motion made and duly seconded, and as recommended by the Audit Committee, the stockholders re-appointed SYCIP, GORRES, VELAYO & COMPANY as external auditor of the Corporation for the year 2017 – 2018.

VIII. APPROVAL OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT DURING THE PRECEDING YEAR

The Corporate Secretary presented to the stockholders all the acts, proceedings and resolutions adopted by the Board of Directors and Management up to the date of the meeting.

Upon motion made and duly seconded, all the acts, proceedings and resolutions adopted by the Board of Directors and Management were unanimously approved by the stockholders.

There being no further business to discuss, the meeting was adjourned.

Original signed

ATTY. SAMUEL V. TORRES

Corporate Secretary

ANNEX:

DIRECTORS PRESENT

Yvonne S. Yuchengco	Chairperson, Board of Directors
Antonio M. Rubin	President/Board Member
Antonio G. Puyat	Independent Board Member, Chairman of Audit Committee
Edmundo L. Bunyi	Independent Board Member
Michele Marie Y. Dee	Board Member
Anabelle S. Yuchengco	Board Member
Alma P. Peñalosa	Board Member

TABULATION:

III. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD THE PREVIOUS YEAR

Voting Results

Total Outstanding Shares	Total Votes Cast	Votes in Favor	Votes Against	Abstentions
2,500,00	2,499,990	2,499,990	0	0

V. APPROVAL OF THE 2016 AUDITED FINANCIAL STATEMENTS

Voting Results

Total Outstanding Shares	Total Votes Cast	Votes in Favor	Votes Against	Abstentions
2,500,000	2,499,990	2,499,990	0	0

VI. ELECTION OF DIRECTORS

Voting Results

Name	Total Outstanding Shares	Total Votes Cast	Votes in Favor	Votes Against	Abstentions
Yvonne S. Yuchengco	2,500,000	2,499,990	2,499,990	0	0
Antonio M. Rubin	2,500,000	2,499,990	2,499,990	0	0
Antonio G. Puyat	2,500,000	2,499,990	2,499,990	0	0
Edmundo L. Bunyi	2,500,000	2,499,990	2,499,990	0	0
Michele Marie Y. Dee	2,500,000	2,499,990	2,499,990	0	0
Anabelle S. Yuchengco	2,500,000	2,499,990	2,499,990	0	0
Total Votes:					2,499,990

VII. APPOINTMENT OF EXTERNAL AUDITOR

“RESOLVED, that the stockholders of The First Nationwide Assurance Corporation (the “Company”) approve, ratify and confirm the appointment of the auditing firm of SYCIP, GORRES, VELAYO & COMPANY as the external auditor of the Company for the year 2017-2018.”

VIII. APPROVAL OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT DURING THE PRECEDING YEAR

“RESOLVED, that the stockholders of The First Nationwide Corporation (the “Company”) approve, ratify and confirm all the acts and proceedings of the Board of Directors and Management during the preceding year up to the date of this meeting as these are recorded in the books and records of the Company.”

READ AND APPROVED BY:

Original signed

YVONNE S. YUCHENGCO
Chairperson

Original signed

ANTONIO M. RUBIN
President

Original signed

ANNABELLE S. YUCHENGCO
Director

Original signed

ANTONIO G. PUYAT
Independent Director

Original signed

EDMUNDO L. BUNYI
Independent Director

Original signed

ALMA P. PEÑALOSA
Director

MICHELE MARIE Y. DEE

Director