

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

DATE : August 12, 2016
TIME : 11:00 a.m.
PLACE : Conference Room 1
RCBC Plaza, 47th Floor
6819 Ayala Avenue,
Makati City, Metro Manila

STOCKHOLDERS PRESENT

STOCKHOLDINGS

Alfonso T. Yuchengco	134
Yvonne S. Yuchengco	1
Annabelle S. Yuchengco	1
Antonio M. Rubin	1
Edmundo L. Bunyi	1
Alma P. Peñalosa	1
Antonio G. Puyat	1

	140

**STOCKHOLDERS REPRESENTED BY
PROXIES**

STOCKHOLDINGS

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

	2,499,849

**TOTAL SHARES PRESENT AND
REPRESENTED BY PROXIES**

2,499,989
=====

I. CALL TO ORDER

The President, Mr. Antonio M. Rubin, called the meeting to order and presided thereon. Atty. Samuel V. Torres, 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 140 shares were personally present and the owners of 2,499,849 shares were represented by proxies. Therefore, the owners of a total of 2,499,989 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 07, 2015

The Minutes of the Annual Stockholders' Meeting held on August 07, 2015 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, 2015 vis-a-vis the year ending December 31, 2014, as follows:

GROSS PREMIUMS WRITTEN / NET PREMIUMS RETAINED

Gross premiums written amounted to P179M in 2015. There was an increase of P [REDACTED] or [REDACTED]% compared to P [REDACTED] in 2014. The breakdown of the Company's GPW is as follows: Motorcar increased by [REDACTED]%, Fire increased by [REDACTED]%, and Personal Accident line increased by [REDACTED]%.

Likewise, net retained premiums increased by P [REDACTED]M or [REDACTED]% from P [REDACTED]M in 2014 to P [REDACTED]M in 2015.

PREMIUMS EARNED

Premiums Earned in 2015 resulted in a decrease of P [REDACTED]M or [REDACTED]% from P [REDACTED]M in 2014 to P [REDACTED]M in 2015. This is mainly due to the additional premium reserve of P [REDACTED]M for 2015 versus release of premium reserve of P [REDACTED]M in 2014 (for a total negative effect of P [REDACTED]M in 2015).

CLAIMS and LOSSES

In 2015, claims and losses amounted to P [REDACTED]M, improving by P [REDACTED]M or ([REDACTED]%) compared to P [REDACTED]M in 2014. The decrease was mainly due to fewer catastrophic losses in 2015.

The Company's loss ratio improved from [REDACTED]% in 2014 to [REDACTED]% in 2015.

NET UNDERWRITING INCOME

Net underwriting income in 2015 increased by P [REDACTED]M or by [REDACTED]% from P [REDACTED]M in 2014 to P [REDACTED]M in 2015. This was mainly due to the increase in the Company's premium production.

FINANCIAL & OTHER INCOME

Financial and other income decreased by P■■■M or by ■% from P■■■M in 2014 to P■■■M in 2015. The decrease was mainly due to lower income earned from strategic investments.

GENERAL EXPENSES

General Expenses increased slightly by P■■■K in 2015 versus 2014.

NET INCOME

The resulting NET INCOME for 2015 amounted to P■■■M, an increase of P■■■K or ■% compared to 2014's net income of P■■■M.

COMBINED RATIO

The Company's combined ratio increased slightly by ■% in 2015 versus 2014. Although in absolute amounts, general expenses remained almost flat, while expense ratio increased from ■% in 2014 to ■% in 2015 because of the increase in the Company's 2015 premium reserves by P■■■M.

The Company's combined ratio is ■% compared to ■% in 2014.

BALANCE SHEET

Insurance receivables & reinsurance increased by ■■M or ■% because of the increase in our premiums receivable due to increase in our premium production.

For our liabilities, insurance payables and other liabilities increased by ■■M or ■% mainly due to additional premium reserves in 2015.

Accounts payables and other liabilities increased from P███M in 2014 to P███M in 2015 due to various accrual of inter-company and other company expenses.

The dividend payable of P███M in 2014 reflects the 2013 declaration of cash dividends that was accrued in 2014 and paid by 2015.

Stockholders' equity decreased by █% from P███M in 2014 to P███M in 2015 mainly due to the decline in the market value of the Company's investments.

Nominal return of equity increased by one tenth of █% (██%) from █% in 2014 to █% in 2015. While effective/comprehensive return of equity decreased by █% due to the decline in the market value of the Company's investments.

Thereafter, the stockholders were further 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 2015 AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements of the Corporation for the year ended December 31, 2015 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, 2015.

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 2016-2017. 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 2016- 2017:

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 2016 – 2017.

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 were no corporate acts which were disapproved by the stockholders.

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

(Sgd.) **ATTY. SAMUEL V. TORRES**
Corporate Secretary

ANNEX:

DIRECTORS PRESENT

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

TABULATION:

IV. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD ON AUGUST 07, 2015

Voting Results

Total Outstanding Shares	Total Votes Cast	Votes in Favor	Votes Against	Abstentions
2,500,000	2,499,989	2,499,989	0	0

V. APPROVAL OF THE 2015 AUDITED FINANCIAL STATEMENTS

Voting Results

Total Outstanding Shares	Total Votes Cast	Votes in Favor	Votes Against	Abstentions
2,500,000	2,499,989	2,499,989	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	2,499,989	2,499,989	0	0
Antonio M. Rubin	2,500,000	2,499,989	2,499,989	0	0
Annabelle S. Yuchengco	2,500,000	2,499,989	2,499,989	0	0
Antonio g. Puyat	2,500,000	2,499,989	2,499,989	0	0
Edmundo L. Bunyi	2,500,000	2,499,989	2,499,989	0	0
Alma P. Peñalosa	2,500,000	2,499,989	2,499,989	0	0
Total Votes:					2,499,989

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 2016-2017.”

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 Assurance 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:

(Sgd.) **YVONNE S. YUCHENGCO**
Chairperson

(Sgd.) **ANTONIO M. RUBIN**
President

(Sgd.) **ANNABELLE S. YUCHENGCO**
Director

(Sgd.) **ANTONIO G. PUYAT**
Independent Director

(Sgd.) **EDMUNDO L. BUNYI**
Independent Director

(Sgd.) **ALMA P. PEÑALOSA**
Director