

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**

**OF**

**THE FIRST NATIONWIDE ASSURANCE CORPORATION**

DATE : August 07, 2015  
TIME : 11:00 a.m.  
PLACE : Conference Room 1  
RCBC Plaza, 47<sup>th</sup> Floor  
6819 Ayala Avenue,  
Makati City, Metro Manila

**STOCKHOLDERS PRESENT**

**STOCKHOLDINGS**

Yvonne S. Yuchengco	1
Michele Marie Y. Dee	1
Annabelle S. Yuchengco	1
Antonio M. Rubin	1
Edmundo L. Bunyi	1
Alma P. Peñalosa	1
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	6

**STOCKHOLDERS REPRESENTED  
BY PROXIES**

**STOCKHOLDINGS**

Mico Equities, Inc.	1,131,730
Malayan Insurance Co., Inc.	1,368,118
Alfonso T. Yuchengco	134
Alfonso S. Yuchengco, Jr.	1
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	2,499,983

**TOTAL SHARES PRESENT AND  
REPRESENTED BY PROXIES**

**2,499,989**

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**I. CALL TO ORDER**

The Chairperson, Ms. Yvonne S. Yuchengco, called and presided over the meeting. Atty. Samuel V. Torres, Corporate Secretary, recorded the minutes of the meeting.

## **II. DETERMINATION OF QUORUM**

The Chairperson, Ms. Yvonne S. Yuchengco, 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 Chairperson. A roll call was made to determine the presence of a quorum.

The Corporate Secretary reported that the owners of 6 shares were personally present and the owners of 2,499,983 shares were represented by proxies. Therefore, the owners of a total of 2,499,989 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 Chairperson called the meeting to order and proceeded with the Agenda.

## **III. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING**

The Minutes of the Annual Stockholders' Meeting held last August 01, 2014 was submitted to the stockholders for approval, and 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, 2014 as compared to the previous year ending December 31, 2013, as follows:

## GROSS PREMIUMS WRITTEN / NET PREMIUMS RETAINED

Gross Premiums Written amounted to P M in 2014. There is a decrease of P M or % compared to P M in 2013.

Independent Director, Mr. Edmundo L. Bunyi requested Mr. Prats to explain the decrease in Gross Premiums Written. Mr. Prats explained that the decrease was due to the transfer to Malayan for renewal of the P M worth of Motorcar accounts mortgaged with RCBC and RCBC Savings Bank. This was in compliance with the delineation of accounts with Malayan Insurance where FNAC will handle non-mortgaged accounts.

2014 production is composed of Motor Car in the amount of P M; Fire in the amount of P M; and P M for Personal Accident (PA). Net Retained Premiums decreased by P M or % from P M in 2013 to P M in 2014.

## PREMIUMS EARNED

Premiums Earned in 2014 resulted in an increase of P M or % from P M in 2013 to P M in 2014. This is primarily due to the release of the Corporation's Premium Reserves of P M in 2014 vs. additional premium reserves of P M in 2013.

## CLAIMS and LOSSES

In 2014, Claims and Losses amounted to P M, improving by P M or ( %) compared to P M in 2013. The decrease was mainly due to additional Claims Reserve from the Corporation's National Steel Bonds amounting to P M taken up in 2013.

The Corporation's Loss Ratio improved from % in 2013 to % in 2014.

## NET UNDERWRITING INCOME

Net Underwriting Income in 2014 increased by P M or by % from P M in 2013 to P M in 2014 due to release of premium reserves in 2014.

## FINANCIAL & OTHER INCOME

Financial & Other Income decreased by P M or % from P M in 2013 to P M in 2014.

Atty. Alma P. Peñalosa requested Mr. Prats to explain the reason for the decrease of Financial & Other Income. Mr. Prats explained that the decrease was primarily due to lower foreign exchange gain of the Corporation's foreign investments brought about by lower Peso to Dollar exchange rate in 2014.

## GENERAL EXPENSES

General Expenses of P M in 2014 was P M or % higher than P M in 2013. The increase was mainly due to computer-related expenses and the timing difference in the booking of intercompany expenses. Without the timing difference, the increase in the Corporation's General Expenses would be %.

## NET INCOME

The resulting Net Income for 2014 amounted to P M, an increase of P M or % compared to 2013 of P M. Combined Ratios on Premiums Earned improved from % in 2013 to % in 2014.

The increase in Net Income is primarily due to the release of Premium Reserves of P M in 2014.

## BALANCE SHEET

Investment Assets of the Corporation in 2014 increased by %. This is a result of the increase in market value of the Corporation's investment in stocks.

Insurance Receivables & Reinsurance likewise increased by % because of the increase in receivables from the Corporation's RI recoveries.

Liabilities, Accounts Payables and Other Liabilities, increased from P M in 2013 to P M in 2014, due to intercompany and other company expenses.

Dividend Payable of P M in 2014 in connection with the 2013 Declaration of Cash

Stockholders' Equity increased by % in 2014 from P M in 2013 to P M in 2014 mainly due to the increase in Revaluation Reserve on Available-for-sale financial assets.

Nominal Return of Equity increased by % from % in 2013 to % in 2014. While, Effective/Comprehensive Return of Equity increased by % from negative % in 2013 to % in 2014.

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 2014 AUDITED FINANCIAL STATEMENTS**

The Audited Financial Statements of the Corporation prepared by its external auditor, SYCIP, GORRES, VELAYO & COMPANY, for the year ended December 31, 2014, 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, 2014.

## **VI. ELECTION OF DIRECTORS**

Before the start of the Election of Directors, the Corporate Secretary, in behalf of the Board, informed the stockholders of the following:

- 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 Chairperson declared open the nomination for Members of the Board of Directors for the year 2015-2016. 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 2015- 2016:

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 had previously reviewed and evaluated the experience and qualifications of the external auditor, and these were presented to the stockholders for deliberation.

Upon motion made and duly seconded, as recommended by the Audit Committee, the stockholders re-appointed the auditing firm SYCIP, GORRES, VELAYO & COMPANY as external auditor of the Corporation for the year 2015 – 2016.

**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 this meeting.

Upon motion made and duly seconded, all the previous acts, proceedings and resolutions adopted by the Board of Directors and Management up to the date of this meeting 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.

**ATTY. SAMUEL V. TORRES**  
Corporate Secretary

**ANNEX:**

List of Board Members who attended the most recent AGM

Yvonne S. Yuchengco	Chairperson
Antonio M. Rubin	President, Member of Remuneration and Nomination Committee
Edmundo L. Bunyi	Independent Director, Member of Audit Committee, Member of Remuneration and Nomination Committee, Member of Risk Management Committee
Antonio G. Puyat	Independent Director, Member of Audit Committee, Member of Risk Management Committee
Michele Marie Y. Dee	Director, Member of Remuneration and Nomination Committee
Alma P. Peñalosa	Director
Annabelle S. Yuchengco	Director

**FIRST NATIONWIDE ASSURANCE CORPORATION****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
2,499,989	2,499,989	2,499,989	0	0

**V. APPROVAL OF THE 2014 AUDITED FINANCIAL STATEMENTS**

Voting Results

Total Outstanding Shares	Total Votes Cast	Votes in favor	Votes against	Abstentions
2,499,989	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	2,499,989	2,499,989	2,499,989	0	0
Antonio M. Rubin	2,499,989	2,499,989	2,499,989	0	0
Michele Marie Y. Dee	2,499,989	2,499,989	2,499,989	0	0
Annabelle S. Yuchengco	2,499,989	2,499,989	2,499,989	0	0
Alma P. Peñalosa	2,499,989	2,499,989	2,499,989	0	0
Edmundo L. Bunyi	2,499,989	2,499,989	2,499,989	0	0
Total Votes:					2,499,989

## **VII. APPOINTMENT OF EXTERNAL AUDITOR**

The resolution adopted reads:

“RESOLVED, that the Company appoint the auditing firm of SYCIP, GORRES, VELAYO & COMPANY as the external auditor of the Company for the year 2015-2016.”

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

The resolution adopted reads:

“RESOLVED, that the stockholders of The First Nationwide Assurance Corporation approve, ratify, and confirm all the acts, resolutions, 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.)  
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YVONNE S. YUCHENGCO  
Chairperson

(Sgd.)  
\_\_\_\_\_  
ANTONIO M. RUBIN  
President

(Sgd.)  
\_\_\_\_\_  
MICHELE MARIE Y. DEE  
Director

(Sgd.)  
\_\_\_\_\_  
ANNABELLE S. YUCHENGCO  
Director

(Sgd.)  
\_\_\_\_\_  
EDMUNDO L. BUNYI  
Director

(Sgd.)  
\_\_\_\_\_  
ALMA P. PEÑALOSA  
Director