

FOR STOCKHOLDERS' APPROVAL

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF FIRST ABACUS FINANCIAL HOLDINGS CORPORATION

Held on 27 September 2018 at 8:00 a.m.
At the La Colina Function Room, The Valle Verde Country Club
Capt. Henry P. Javier, Bo. Oranbo, Pasig City

TOTAL NUMBER OF SHARES OUTSTANDING	1,193,200,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	825,592,000

CALL TO ORDER

The Chairman, Mr. Paulino S. Soo, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Anna Francesca C. Respicio, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

Upon the request of the Chairman, the Secretary certified that notices of the meeting were sent to all stockholders of record as of 31 August 2018 in accordance with the provisions of the By-Laws. The Chairman instructed the Secretary to append the certificate of mailing of notices to the original minutes of the meeting.

The Secretary certified that, based on the register of attendees and proxies as tabulated by the Stock Transfer Agent, out of the One Billion One Hundred Ninety-Three Million Two Hundred Thousand (1,193,200,000) shares of the total outstanding capital stock of the Corporation, there were present in person or by proxy Eight Hundred Twenty-Five Million Five Hundred Ninety-Two Thousand (825,592,000) shares, representing an attendance of 69.19% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING OF STOCKHOLDERS

Upon motion duly made and seconded, the reading of the minutes of the Annual Stockholders' Meeting held on 21 September 2017 was dispensed with as the same had been previously distributed to the shareholders. The Chairman opened the floor for questions about the Minutes of the 2017 Annual Stockholders' Meeting but none was raised.

The Minutes of the last stockholders' meeting was thereafter approved as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	825,592,000	0	0

The following resolution was likewise approved:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of **FIRST ABACUS FINANCIAL HOLDINGS CORPORATION** held on 21 September 2017 be approved.”

APPROVAL OF 2017 AUDITED FINANCIAL STATEMENTS

The Chairman directed the stockholders to the Annual Report which contains a summary of the operations and the audited financial statements of the Corporation as of 31 December 2017. The Chairman then presented the performance of the Corporation's operations for Year 2017 and reported as follows:

The Company's performance for the year mirrored conditions in the larger business environment. Improvements were noted in a number of areas although overall results were lower than expected mainly due to investments in the long-term sustainability of the Company. The Company's finance income for 2017 reached Php285 million, representing an increase of Php55 million from the Php230 million it made in 2016. This was brought about by additional gain realized on the sale of group's investments in financial assets amounting to Php284 million. There was a decrease of Php10 million in management fees recorded year-on-year from Php40 million to Php30 million. In addition, the Company's brokerage business reported an increase in total commissions during the year from Php146 million to Php156 million. All considered, consolidated revenues for the year stood at Php474 million, an increase of Php58 million from last year's Php416 million.

However, total costs and expenses for the year was noted at Php453 million, representing an increase in Php48 million from last year's Php405 million. The increase in total costs and expenses was brought about by increased debt servicing during the year amounting to Php241 million, up by Php24 million from last year's Php217 million. Debt servicing continued to comprise a large chunk of the Company's operating expenses in keeping with our commitment to honor obligations. Since the Company is managing for the long term, additional costs and expenses were made towards strengthening the online stock trading system platform which was launched in 2017. The Company is very optimistic that the cost and effort it has put into expanding its online trading platform will yield rewards in a very near term, in addition to ensuring its long-term sustainability.

In summary, the company is reporting a consolidated net loss of Php19.4 million for the year, representing a decline from the Php3.5 million noted in the previous year.

There was a slight increase in total assets noted for the year amounting to Php28 million, from Php6,056 million in December 2016 to Php6,084 million in December 2017. The slight increase of Php28 million in total assets was brought about by the increase in the group's accounts receivable amounting to Php599 million from last year's Php2,277 million to this year's Php2,876 million, partially offset by the decrease in Financial Assets at Fair Value Through Profit and Loss and Available For Sale Financial Assets amounting to Php582 million. The increase in accounts receivable was brought about by the uncollected trade of clients currently due at our cut-off date while the decrease in value of Financial Assets at Fair Value Through Profit and Loss and Available For Sale Financial Assets was brought about by the temporary decline in value due to the sluggish closing at year end.

A corresponding increase in total liabilities amounting to Php832 million was also noted during the period under review bringing total liabilities from Php3,808 million to Php4,640 million due to increases in short term borrowings and due to customers on trading transactions.

The decrease in our investment in Available For Sale Financial Assets amounting to Php568 million had a direct effect on the group's stockholders equity at the end of the period, but we consider the decline as temporary in nature.

The possibilities of an upside for the local equities market remains very high on account of the solid economic fundamentals of the Philippines and the continuing positive sentiments about the country. Given the Company's strong potentials and the expanded market reach brought about by its reinforced online presence, better financial performance is anticipated moving forward. Operationally, the Company shall continue to be lean without sacrificing ability to provide the best value to customers. As it has continued to do so in the last

four years, the Company will keep an eye on outstanding loans, and subsequently, interest cost and expenses. And as in the past, the Company shall draw strength and inspiration from the support and commitment of its various stakeholders.

Thereafter, the Chairman opened the floor for questions to be raised on the report on the Corporation’s operations.

No questions having been raised, the Audited Financial Statements for the Fiscal Year ended December 31, 2017, together with the 2017 Annual Report, upon motion duly made and seconded, was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of the 2017 Audited Financial Statements and the 2017 Annual Report	825,592,000	0	0

The following resolution was likewise approved:

“RESOLVED, that the Audited Financial Statements for the year ended December 31, 2017 together with the Annual Report of the Operations and Results for 2017 of **FIRST ABACUS FINANCIAL HOLDINGS CORPORATION** be approved.”

RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND OFFICERS

The next item in the agenda was the ratification of the corporate acts.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last meeting up to date of the present meeting was duly made and seconded, the Chairman opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised about the corporate acts. Accordingly, the motion was then approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts	825,592,000	0	0

The following resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Officers of **FIRST ABACUS FINANCIAL HOLDINGS CORPORATION** from the date of the last meeting of the shareholders on 21 September 2017 up to the date of this meeting, are hereby confirmed, ratified and approved.”

ELECTION OF DIRECTORS

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year. He noted that the profiles of those nominated for election as members of the Board were included in the Corporation’s Information Statement, as well as in the Annual Report. The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly-listed companies.

After their nominations were duly made and seconded from the floor, the following stockholders receiving the votes indicated opposite their names were elected as directors for the year 2018-2019, to serve as such until their successors shall have been duly elected and qualified

NOMINEE	NO. OF VOTES RECEIVED
PAULINO S. SOO	825,592,000
JACK T. HUANG	825,592,000
VICENTE CO CHIEN, JR.	825,592,000
JIMMY S. SOO	825,592,000
MA. CRISTINA B. ENCARNACION	825,592,000
MA. THERESE G. SANTOS	825,592,000
JIMMY CHUA ALABANZA	825,592,000

Ms. Santos and Mr. Alabanza were elected to serve as the Corporation's Independent Directors.

APPOINTMENT OF EXTERNAL AUDITOR

As recommended by the Corporation's Audit Committee and approved by the Board of Directors, and upon motion duly made and seconded, the auditing firm of Punongbayan and Araullo was re-appointed as the Corporation's external auditor for the year 2018-2019, with the voting thereon resulting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Punongbayan and Araullo as External Auditor for 2018-2019	825,592,000	0	0

The following resolution was likewise approved:

“RESOLVED, that the auditing firm of Punongbayan and Araullo, be appointed as **FIRST ABACUS FINANCIAL HOLDINGS CORPORATION**'s external auditor for the year 2018-2019.”

OTHER MATTERS

There were no other matters taken up during the meeting.

ADJOURNMENT

There being no other matter to be discussed, the meeting was, upon motion, duly made and seconded, adjourned.

Attested by:

PAULINO S. SOO
Chairman

ANNA FRANCESCA C. RESPICIO
Corporate Secretary