

Record of Attendance

Number of Shares Held by Stockholders:

Present in Person and Represented by Proxy	-	741,999
Total Number of Shares Outstanding	-	742,400
Percentage of the Total Shares Present in Person and Represented by Proxy	-	99.95%

Incumbent Directors Present:

Oliver Winston Chua	Independent Director and Member of the Audit Committee
Rica Rivera-Lumibao	Independent Director and Member of the Audit Committee
George V. Duque	Independent Director and Chairman of the Audit Committee
Corazon A. dela Rosa	Independent Director and Chairman of the Remuneration Committee
Ernesto Co	Independent Director and Member of the Nomination Committee
Andrew Dee Co	Executive Director, President/Compliance Officer, Chairman of the Executive Committee, Chairman of the Nomination Committee and Member of the Remuneration Committee
Soldedad Te Gue	Executive Director, EVP & Treasurer, Member of the Remuneration Committee and Vice Chairperson of the Executive Committee

Also Present:

Nanette Quin-Sia	VP Corporate Affairs and Corporate Secretary
Amelia Filipina A. Veloso	Stockholder/VP Operations
Angelita A. Ayson	AVP Accounting
Mr. Domingo A. Daza	Partner, R.R. Tan & Associates, CPAs
Mr. Chester Nimitz Salvador	Partner, R.R. Tan & Associates, CPAs

I. Call to Order

The President, Mr. Andrew Dee Co, called the meeting to order at 10:25 A.M and presided over the proceedings. He welcomed the stockholders and acknowledged the presence of the members of the Board of Directors, Corporate Secretary and representatives of the External Auditing Firm, R.R. Tan & Associates, CPAs.

The Corporate Secretary, Mrs. Nanette Quin-Sia, recorded the minutes of the proceedings.

II. Proof of Proper Notice of Meeting and Determination of Existence of Quorum

The Corporate Secretary, Ms. Nanette Quin-Sia, certified that written notices of the annual stockholders' meeting, together with the agenda, explanation of agenda items, proxy, nomination form and minutes of the previous annual meeting of the stockholders, were sent out to all stockholders on June 1, 2020.

As of the record date of June 15, 2020, the company has 742,400 issued and outstanding common shares. Based on the record of attendance, present for the meeting were stockholders, in person or represented by proxy, holding a total of 742,000 shares, equivalent to 99.95% of the total issued and outstanding shares. The Corporate Secretary therefore certified that there was a quorum for the transaction of business.

III. Voting and Vote Tabulation Procedure

Ms. Sia announced that voting on all resolutions needing stockholders' approval will be by poll balloting. Except for the cumulative voting to be exercised on the election for members of the Board, each stockholder shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the company. Votes will be cast using the Stockholders' Voting Forms which were distributed prior to the start of the meeting. Representatives of the external auditing firm, R.R. Tan & Associates, CPAs, were appointed to count and validate the votes by poll cast by the stockholders at today's meeting.

IV. Reading and Approval of the Minutes of the Previous Meeting

The Chairman of the Meeting proceeded to the next item in the agenda, which was the reading and approval of the minutes of the previous annual stockholders' meeting held on May 23, 2019.

As discussed in the Explanation of Agenda Items distributed to all stockholders prior to the meeting, the Minutes of the Annual Stockholders' Meeting held on May 23, 2019 contain, among others, the (a) Annual Report of the President, (b) Ratification of all the Acts and Resolutions of the Executive Committee and of the Board of Directors, (c) Approval of the 2018 Financial Statements, and (d) Election of the Board of Directors and External Auditors.

The Chairman solicited questions from the stockholders in attendance. There being no questions, and upon motion duly made and seconded, the stockholders approved the minutes of the annual meeting of the stockholders held on May 23, 2019 and the following resolution was passed and adopted:

"RESOLVED, as it is hereby resolved, that the stockholders of Reliance Surety & Insurance Co., Inc. approve, as they hereby approve, the Minutes of the Annual Stockholders' Meeting held on May 23, 2019."

Based on the tabulation of votes of shares present and represented, stockholders owning 742,000 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

V. Report of the Management

The President delivered the following report:

Dear fellow shareholders:

The global economy in the year 2019 was very much impacted by the protracted trade conflict between China and the United States. Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally.

With the economic environment becoming more uncertain, firms turned cautious on long-range spending and global purchases of machinery and equipment decelerated. Household demand for durable goods also weakened. This was particularly evident with automobiles, where regulatory changes, new emission standards, and possibly the shift to ride-shares weighed on sales in several countries.

In response to the weaker activity, several central banks in the East Asian Region have lowered interest rates, including the Philippines, which was able to post a full year Gross Domestic Product (GDP) growth of 5.9 percent. The government cited the mild El Niño phenomenon, the spread of African swine fever in Luzon, as well as the slowdown due to the trade war between the United States and China as drags for growth.

Amidst this macroeconomic background, our company posted Gross premiums earned of P210.40 Million, a growth of 4.10% over 2018.

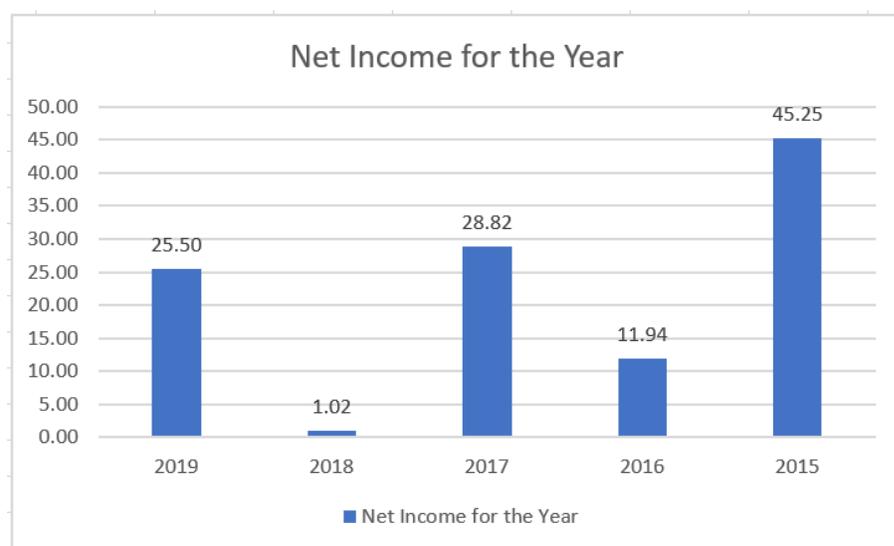
The Net Premiums Retained increased by 3.16% from P123.64 Million to P127.55 Million due to better underwriting selection and distribution of risks. We were able to retain 60.62% of gross premiums earned for the year.

In 2019, our Loss Ratio decreased by P20.82 Million to P51.65 Million from P72.48 Million in 2018.

Our general administrative expense decreased slightly from P54.11 Million to P52.80 Million in 2018.

The investment portfolio performed better than last year. Total income generated from investment activities reached P37.67 Million, a rise of 11% against the P33.91 Million of 2018.

The increase in gross premiums earned, reduction in loss ratio and increase in investment income generated a Net Income after Tax of P25.50 Million compared to P1.02 Million last year.



On the other hand, Assets rose to P1,311 Million against P1,113 Million in 2018. Total liabilities, meanwhile, saw an increase of 20% over 2018. The Share Capital was boosted by the addition of a payment of P267.40 Million by a stockholder.

Total Equity at the end of the year amounted to P1,020 Million, a substantial increase from P871 Million generated last year.

We strive to keep profitable operations as we focus on building up our net worth. We aim to be able to reach P1.3 Billion in net worth ahead of December 31, 2022. The continued building of trust as a reliable insurance company is our paramount objective.

The performance of the company is the result of the hard work, commitment, and the deep sense of belonging shared by our more than 60 officers and employees. It is in this light that I thank our Board of Directors, executive committee, management team, and staff for their shared vision and commitment, as well as our many partners and stakeholders for their continued trust and support to Reliance. We thank you all for sharing with us the joy of assuring a safer tomorrow with Reliance Insurance.

After the President's Report, the floor was opened for questions from the stockholders.

A stockholder inquired about the performance of the subsidiary company, AA Guaranty Assurance Co., Inc. (AAGA). Mr. Co explained that AAGA has stopped issuing new policies beginning the 4th quarter of 2019. It has shelved its plans for a listing at the Philippine Stock Exchange.

There being no other questions and upon motion duly made and seconded, the following resolution was passed and adopted:

“RESOLVED, as it is hereby resolved, that the stockholders of Reliance Surety & Insurance Co., Inc. approve, as they hereby approve, the President’s Report on the operations of the Company for the underwriting year 2019.”

Based on the tabulation of votes of shares present and represented, stockholders owning 742,000 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

VI. Ratification of all the Acts and Resolutions of the Executive Committee and of the Board of Directors from the date of the previous Stockholders’ Meeting

The next item in the agenda was the ratification of all acts, transactions and contracts entered into, as well as resolutions made and adopted by the Board of Directors and the Executive Committee from the date of the previous stockholders meeting to the present. The list of all these were presented for the perusal of the stockholders.

Upon motion duly seconded, and there being no objection, the acts and resolutions of the Executive Committee and of the Board of Directors since the last meeting of the stockholders held on May 23, 2019 up to the date of this meeting, as attached, were unanimously approved, ratified and confirmed:

“RESOLVED, as it is hereby resolved, that all the corporate acts and resolutions of the Executive Committee and of the Board of Directors of the Company during the interim period be approved, ratified and confirmed.”

Based on the tabulation of votes of shares present and represented, stockholders owning 742,000 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

VII. Presentation of the Audited Financial Statements for 2019

The AVP – Accounting, Miss Angelita A. Ayson, presented the Statements of Financial Position and Comprehensive Income for the years ended December 31, 2019 and 2018 which are part of the audited financial statements.

Miss Ayson reported that for the year ended December 31, 2019, Total Assets amounted to PHP1,311.54 Million from P1,113.92 Million. Total Liabilities likewise increased to P291.07 Million compared to Php242.42 in 2018.

The company issued additional shares of stocks worth P267.40 Million during the year, bringing total share capital from P475 Million to P742.40 Million as of 2019. Retained earnings rose to P312 Million, bringing Total Shareholders’ Equity at the end of the year to P1,020 Million compared to P871 Million in 2018.

Net profit for the period was recorded at P25.50 Million, up from P1.02 million the previous year.

There being no further questions, the stockholders unanimously passed and adopted the following resolution:

RESOLVED, as it is hereby resolved, that the Audited Financial Statements for the year ended December 31, 2019 be, as the same are hereby, approved.”

Based on the tabulation of votes of shares present and represented, stockholders owning 742,000 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

VIII. Election of Directors

In accordance with the rule on cumulative voting, all stockholders present in person and those represented by proxies cast their votes for the election of Nine (9) directors for the term 2020 – 2021. Only the names of nominees submitted by the Nomination Committee shall be eligible for election as directors. No further nominations were entertained nor allowed on the floor during the meeting.

The following have been nominated and qualified by the Nomination Committee for election to the Board for the year 2020 – 2021:

Amelia Filipina A. Veloso
Jan Kristine T. Co
Cojingyee Dionisio
Andrew Dee Co
Soledad Te Gue
Jason Dee Co
Jonathan Dee Co

Independent Directors

Ernesto Co
George V. Duque
Rica Rivera-Lumibao
Corazon Dela Rosa
Oliver Chua

Ballots were canvassed and tabulated by R.R. Tan & Associates, CPAs. Only Nine (9) among Twelve (12) nominees garnering the Nine (9) highest votes presented by the external auditing firm were selected.

The votes received and cast in favor of the nominees are as follows:

Nominees	No. of Votes
George V. Duque	742,000
Oliver Chua	741,200
Andrew Dee Co	741,000
Jan Kristine Tan Co	741,000
Ernesto Co	740,690
Corazon dela Rosa	740,000
Soledad Te Gue	740,000
Amelia Filipina A Veloso	734,300
Rica Rivera-Lumibao	734,200
Cojingyee Dionisio	1,000
Jason Dee Co	501
Jonathan Dee Co	500
Total No. of Votes Cast	6,656,391

The following resolution was unanimously passed and approved:

“RESOLVED, That the following persons are hereby elected as directors for the period 2020 – 2021 and shall serve as such until their successors shall have been duly elected and qualified:

Amelia Filipina A. Veloso
Jan Kristine T. Co
Andrew Dee Co
Soledad Te Gue

Independent Directors

Oliver Chua
Ernesto Co
George V. Duque
Rica Rivera-Lumibao
Corazon Dela Rosa”

IX. Election of External Auditors

The Audit Committee has endorsed to the stockholders the election of the external auditor, R.R. Tan & Associates, CPAs, for the calendar year 2020.

Upon motion made and seconded, the following resolution was passed and adopted:

“RESOLVED, That the stockholders approve, as they hereby approve, the appointment of R.R. Tan & Associates, CPAs, as the external auditor for the year 2020.”

Based on the tabulation of votes of shares present and represented, stockholders owning 742,000 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

X. Adjournment

There being no other business to discuss, the meeting was adjourned at 1:00 p.m.


NANETTE QUIN-SIA
Corporate Secretary

ATTESTED:



ANDREW DEE CO
President