



Fulfilling our purpose,
partnering for a bright
and sustainable future

2021 COMBINED ANNUAL FINANCIAL
AND SUSTAINABILITY REPORT



NAT Rē

NATIONAL
REINSURANCE
CORPORATION
OF THE PHILIPPINES

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ABOUT OUR THEME

Going beyond mere execution, we believe in a bright and better tomorrow built on fruitful collaboration and mutual understanding. Driven by our time-honored principles, vast know-how, and strong ties with insurance industry stakeholders, we are prepared to help you sustain gains and manage risks under a new and better normal.



The National Reinsurance Corporation of the Philippines (“the Company” or “the Corporation”), doing business under the names and styles of Nat Re and Philippine National Reinsurance Company (PhilNaRe), recognizes that the actions of its directors, officers, and employees during its regular course of business may have profound impacts on the economy, environment, and society. The Company has come to understand that its responsibilities go beyond the expected services from a reinsurer, which is to provide reinsurance support and advisory services.

As such, Nat Re has conducted an assessment of the wider economic, environmental, and social impacts of its business, focusing on what it has already done and what it can do to encourage positive change and lessen negative outcomes. This 2021 Combined Annual Financial and Sustainability Report, with the theme **Fulfilling our purpose, partnering for a bright and sustainable future** presents the results of this assessment.

The National Reinsurance Corporation of the Philippines or Nat Re provides life and non-life reinsurance capacity, and, in relation to this, offers consultancy, technical, and advisory services to direct insurers. These services allow Nat Re’s clients to better manage their retentions and capital, to maximize their net premiums given their risk appetites, and to execute their roadmaps to competitiveness.

Nat Re also stimulates know-how transfer in the industry by helping build its clients’ capabilities in underwriting, claims management, product development, pricing, retention setting, and reinsurance program analysis. It continuously derives insights from experience and shares with its partners its knowledge of the Philippine insurance market, and curated global best practices in reinsurance.

Nat Re’s shares are listed on the Philippine Stock Exchange and are traded under the stock symbol NRCP.

COMPANY PROFILE

Vision

We strive to be the champion of insurers in the Philippines and a recognized partner in other emerging markets in Asia.

Mission

- Promote and develop a strong national insurance industry and to provide for its integration in the country’s economic and social development
- Achieve a higher and sound national risk retention by developing a well-coordinated and efficient machinery in reinsurance
- Help maximize regional risk retention by participating in regional and international cooperation in insurance and reinsurance
- Help our cedants manage their retentions and capital by providing reinsurance capacity, consulting and capacity-building services as well as by sharing curated global best practices
- Help our employees become leaders and mentors in reinsurance and insurance
- Help our government to realize sustainable financial inclusion through reinsurance and insurance public-private partnerships
- Generate a fair return to our shareholders

Core Values



DEPENDABILITY

You can rely on us to deliver on our promises and take responsibility for our actions and results. We are here for you for the long term.



INTEGRITY

We hold ourselves to the highest standards of ethics, professionalism, trustworthiness, and honor. We are committed to protect you and safeguard the privacy of your information.



SERVICE EXCELLENCE

We are fast, responsive, reliable, and empathetic in meeting your needs. We aspire for the best quality in all that we do.



COLLABORATION

We believe in the synergy in working with other stakeholders to achieve our goals.



EMPIRICISM

We make sound decisions and recommendations based on credible data or empirical evidence. We continuously derive knowledge and insights from experience.



SUSTAINABILITY

In all that we do, we consider not only the long-term impact on our business and the domestic insurance industry, but also our shared responsibility to the larger society, national economy, and global environment.



CHAIRMAN'S AND CEO'S MESSAGE TO SHAREHOLDERS

Dear Shareholders,

The year 2021 finally put the Philippines back on the road to recovery, with the economy growing by 5.7%, slightly higher than the government's revised target. After dealing with a deep economic contraction and two COVID-19 surges in 2021, the country's economy rebounded to a fourth quarter 7.8% growth on fewer mobility and health restrictions. Household consumption, government expenditures, and public construction drove the fourth-quarter growth, with the entire economy expected to return to pre-pandemic levels in 2022.

The Philippine insurance industry—comprising life and non-life insurance companies and mutual benefit associations—grew by 8.4% in terms of assets, to Php2.1 billion in 2021. Premiums grew by 21.6% to Php 374.7 billion. Insurance density, the amount of premium per capita, grew by 20.3%, while insurance penetration, the premium volume as a share of gross domestic product, stood at 1.93% from the previous year's 1.71%.

Globally, the insurance industry registered growth in premiums, especially in countries where COVID-19 vaccine rollouts have been consistent and widespread.

Premium growth has rebounded at an estimated 5.5% in 2021 versus 1.2% in 2020. However, 2021 was another active catastrophe year, with the USD100 billion loss threshold breached for only the fourth time on record.

With an economy in recovery, we, in Nat Re, continued to champion and support our stakeholders to ride this recovery wave. We also continued to engrain a sustainability mindset within the Company, keeping in mind our shared responsibility to society, the national economy, and the global environment.

ECONOMIC Promoting the growth of the country's insurance industry

Our reinsurance support to our cedants generated gross written premiums of Php4.2 billion in 2021, which is 6% lower compared to 2020, as a result of repositioning our foreign underwriting portfolio. Paid claims of Php1.4 billion in 2021 represent a decrease of 8% over 2020. In addition, we had to put up gross claim reserves for Super Typhoon Odette of about Php800 million. Despite losses from the typhoon and an active catastrophe year globally, our net income increased by 18% to Php142 million in 2021.

Our total investments reached Php8.696 billion, 58% of which was invested in government securities, providing funding support for government infrastructure projects and social services. We also supported private sector growth by placing the rest of our investments in corporate bonds, equities, and short-term deposits. In line with our sustainability efforts, we devoted a third of our total investments in ASEAN Sustainability and Green bonds.

Recognizing the immense economic and social value of (re)insurance, much of our efforts were geared toward promoting the healthy growth of the domestic insurance industry and supporting our cedants' expansion goals, stability, and capacity-building.

We assisted cedants in developing group and travel products that address the need for financial assistance in the case of hospital confinement, vaccination, or death due to COVID-19. We facilitated seminars on Directors & Officers (D&O) Insurance and Terrorism Insurance to promote these two product lines, as well as webinars on financial underwriting and life reinsurance.

Through the Philippine Catastrophe Insurance Facility (PCIF) initiative with the Philippine Insurers and Reinsurers Association (PIRA) and the Insurance Commission (IC), we initiated a review of the minimum tariffs for earthquake and typhoon risks, which have not been updated for more than a decade. The new schedule of minimum tariffs which were set to improve the sustainability of catastrophe insurance would soon be implemented in 2022.

SOCIAL Engagement is key

In 2021, we expanded our stakeholder engagement despite the limitations going into the second year of the pandemic.

We were active in several organizations such as in PIRA, which was chaired by Nat Re's CEO until 2021. We collaborated with Digital Pilipinas in creating the InsurTech and HealthTech Association of the Philippines with the goal of promoting digitalization and innovation. Nat Re Independent Director Roberto G. Manabat and Nat Re CEO Allan R. Santos served as founding members of the association. We also donated about Php8 million to PIRA and the Insurance Institute for Asia and the Pacific (IIAP) from the surplus funds raised from the 29th East Asian Insurance Congress (EAIC).

EAIC is a biennial conference aimed at fostering mutual understanding and friendship and discussing subjects of mutual interest related to insurance with application to East Asian economic conditions. In 2021, Nat Re's CEO was appointed President of EAIC.

Faced with the limitations of the ongoing pandemic, our employees continued to work from home to minimize their exposure to the virus. We implemented mental health and general well-being programs for them as well as enhanced their health benefits. They were kept engaged through regular virtual interaction activities.

2021
DIRECT
ECONOMIC
VALUE

₱4.195B
Gross Written
Premiums

₱2.838B
Net Written
Premiums

₱1.431B
Claims Paid

₱142M
Net Income

ENVIRONMENT *Continuous information-sharing and capability-building*

As the world emerges from the global health emergency, we, at Nat Re, persevere to promote disaster resilience through risk financing and insurance solutions. We believe that readiness and capability-building activities and programs are necessary to prepare for and cope with similar events in the future.

We continued to be actively involved in various climate resilience initiatives, namely in the GIZ Climate Risk Insurance National Task Force, engaging the Philippine government in the development of sustainable climate risk insurance solutions for low-income groups, the most-at-risk, and micro, small, and medium enterprises; in the Philippine Catastrophe Insurance Facility project, aimed at providing the public with inclusive access to catastrophe insurance protection while creating more risk appropriate and sustainable premium rates; and in the Philippine crop insurance initiative, helping private insurers get involved and gain experience in crop insurance.

As the local project manager of The Catastrophe and Climate Change Risk Assessment for the Philippines Project (The Oasis Project), we will soon distribute flood model software licenses to Philippine stakeholders and run ad-hoc model analysis services. We will also train stakeholders on catastrophe modelling and software use.

In 2021, our efforts at strengthening the country's insurance industry did not go unnoticed by a number of respected regional publications and award-giving bodies. The Hong Kong-based InsuranceAsia News named Nat Re as the ASEAN Reinsurer of the Year, while the Singapore-based World Outlook Awards named us as the Most Reliable Reinsurer of the Year-ASEAN. We were also named Best Reinsurance Service Provider at the Global Economics Awards, Reinsurer of the Year Asia by the International Business Magazine, and Best Reinsurance Company Asia 2021 by the World Economic Magazine.

In addition, our corporate governance practices were given the stamp of approval by no less than the Institute of Corporate Directors (ICD), which included us among the country's Top 15 companies regulated by the Insurance Commission. ICD gave us two Golden Arrows for corporate governance practices based on the ASEAN Corporate Governance Scorecard. We were also the only Philippine recipient of the Best Corporate Governance (Reinsurance) award at the Global Economics Awards (Insurance category).

These accolades, which we humbly accept and take to heart, move us to work harder to provide best-in-class reinsurance solutions and services, aligned with the imperatives of sustainable economic, social, and environmental initiatives.

As we enter 2022, Nat Re, along with the rest of the insurance industry, is confident of regaining its footing given the improving economic environment, while remaining mindful of persisting natural disaster threats and geo-political risks at home and abroad.

We are hopeful to continue bringing Nat Re to new heights as we count on the constant guidance of our Board of Directors and the genuine leadership of our senior management team. Finally, we thank all Nat Re employees who always give their best in all our endeavors to continually strengthen and support the country's insurance industry and help make the sector and the communities we serve disaster-resilient, financially inclusive, and sustainable.

WILFREDO C. MALDIA
Chairman

ALLAN R. SANTOS
President and CEO

	2021	2020	2019	2018	2017
Gross written premiums	4,195	4,474	4,339	3,683	3,205
Net Written premiums	2,838	3,197	3,274	2,576	2,364
Underwriting income	47	342	136	153	237
Investment & Other Income	404	132	349	389	255
Net Profit	142	120	157	149	83
Total Assets	16,719	15,879	14,982	13,871	14,175
Stockholders' Equity	5,664	5,746	5,360	4,827	5,288
Book Value Per Share (in pesos)	2.67	2.71	2.52	2.27	2.49
Return on Average Equity	2.48%	2.16%	3.08%	3.00%	1.60%
Expense Ratio	9%	8%	8%	14%	15%
Commission Ratio	30%	31%	30%	30%	27%
Loss Ratio	68%	59%	65%	64%	62%
Combined ratio	107%	98%	104%	108%	104%

FINANCIAL HIGHLIGHTS

2019 — 2020 — 2021



TREATIES



BUSINESS PARTNERS GLOBALLY



CAPITAL ADEQUACY RATIO

Well beyond the 100% minimum at 99.5% level of sufficiency set by the regulator.

KEY METRICS

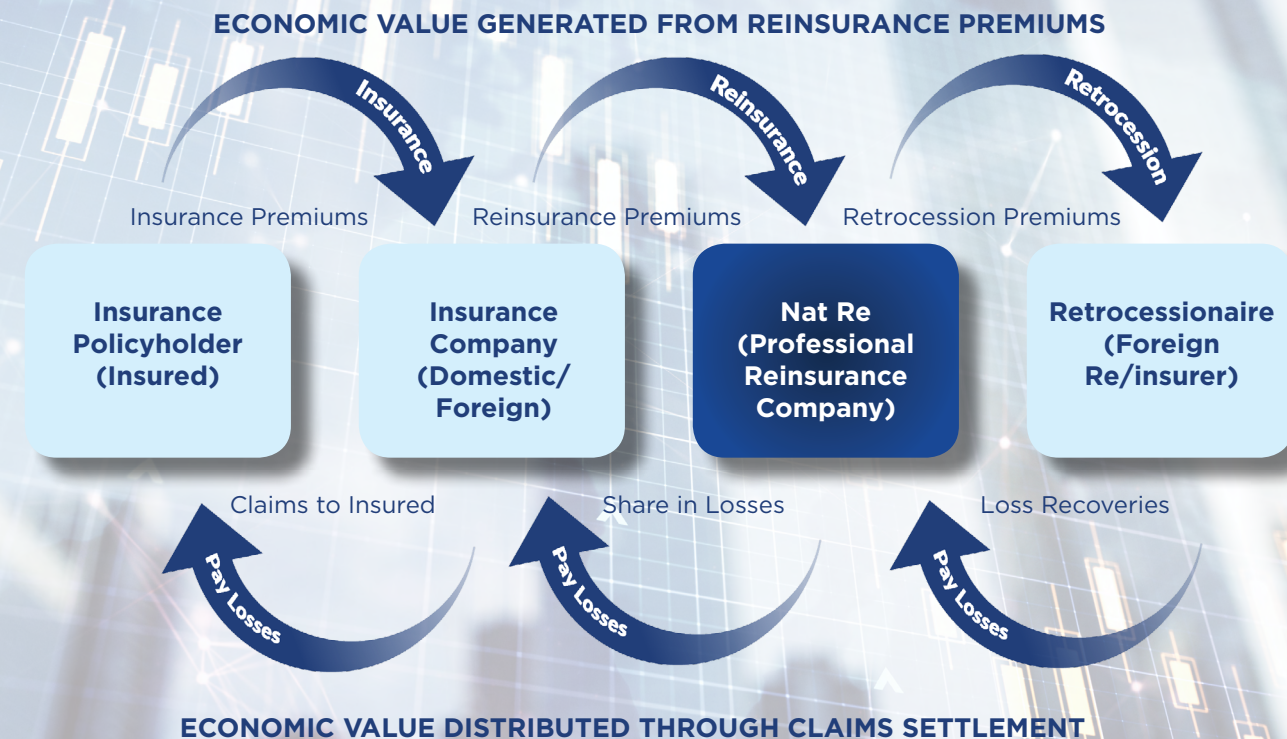


5 TO 7 DAYS*

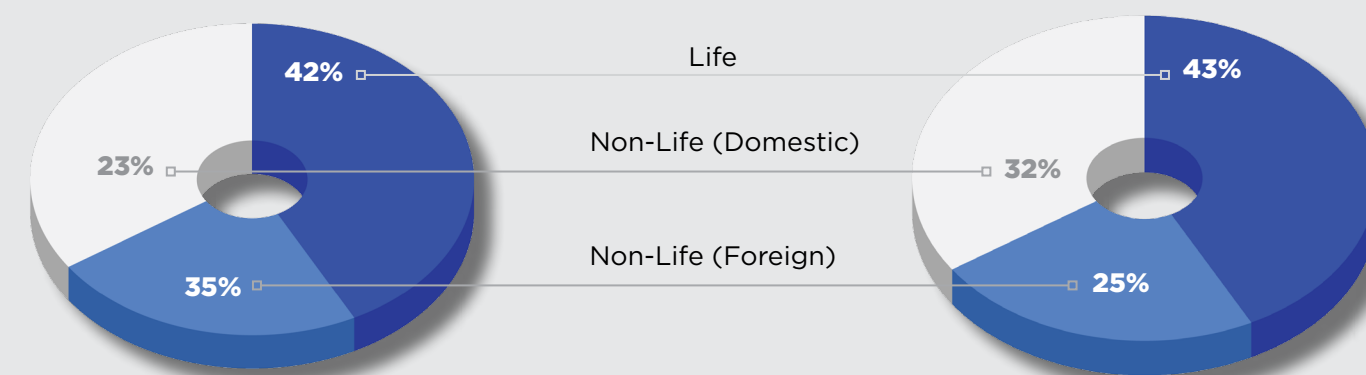
AVERAGE TURNAROUND TIME FOR CASH CALL PAYMENTS

*Claims with complete documents

REINSURANCE VALUE CHAIN



GROSS WRITTEN PREMIUMS



	2020		2021	
Life	1,897	42%	1,797	43%
Non-life (Domestic)	1,034	23%	1,364	32%
Non-life (Foreign)	1,534	35%	1,034	25%
Total	4,474	100%	4,195	100%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

In millions Php	For the year ended		Increase/Decrease	
	31 Dec. 2021	31 Dec. 2020	Amount	%
REINSURANCE PREMIUM INCOME				
Reinsurance premiums, net of returns	P4,195.1	P4,473.7	(P278.6)	-6%
Retroceded premiums	(1,357.2)	(1,276.7)	(80.5)	6%
Net premiums retained	2,837.9	3,197.0	(359.1)	-11%
Movement in premium reserves - net	33.1	182.3	(149.2)	-82%
	2,871.0	3,379.3	(508.3)	-15%
UNDERWRITING DEDUCTIONS				
Share in reported losses - net	1,696.6	1,758.9	(62.3)	-4%
Share in unreported loss reserves - net	265.9	247.0	18.9	8%
Commissions - net	861.3	1,031.7	(170.4)	-17%
	2,823.8	3,037.6	(213.8)	-7%
NET UNDERWRITING INCOME				
	47.2	341.7	(294.5)	-86%
Interest income	259.8	294.0	(34.2)	-12%
Gain on sale of AFS	94.4	309.3	(214.9)	-69%
Foreign currency gains (losses)	25.4	(28.7)	54.1	-189%
Others	24.5	(442.9)	467.4	-106%
INVESTMENT AND OTHER INCOME AND EXPENSES- net				
	404.1	131.7	272.4	207%
PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES				
	451.3	473.4	(22.1)	-5%
GENERAL AND ADMINISTRATIVE EXPENSES				
	260.0	278.4	(18.4)	-7%
PROFIT BEFORE TAX				
	191.3	195.0	(3.7)	-2%
TAX EXPENSE				
	49.6	75.1	(25.5)	-34%
NET PROFIT				
	P141.7	P119.9	P21.8	18%

The Company recorded a net profit of P141.7 million for the year ended December 31, 2021, P21.8 million or 18% higher than the net profit recognized in 2020. The Net profit resulted from generating Net underwriting income of P47.2 million, and Investment and other income and expenses of P404.1 million, negated by General and administrative expenses of P260.0 million and Tax expense of P49.6 million.

Underwriting Results

Net underwriting income amounted to P47.2 million, lower by P294.5 million or 86% compared to 2020. This resulted from higher underwriting losses from non-life foreign and domestic businesses by P282 million and P79 million, respectively. These were partially negated by higher underwriting income from life business by P408 million. Higher underwriting losses from non-life foreign and domestic businesses resulted mainly from higher loss ratio, relative to earned premiums, and lower reinsurance premium income. Higher underwriting income from life business resulted mainly from lower loss ratio and higher reinsurance premium income from its non-modified co-insurance business, partially offset by lower underwriting income from its modified co-insurance business.

Reinsurance premium income amounted to P2,871.0 million, lower by P508.3 million or 15%



compared to 2020. This resulted from: (a) Lower reinsurance premium income from non-life foreign business resulting mainly from the renewal of certain treaties at a lower share; (b) Lower reinsurance premium income from non-life domestic business due to the increase in unexpired risk reserves, partially negated by higher premiums written; and (c) Lower reinsurance premium income from life business due to lower premiums reported from the modified co-insurance business, partially negated by higher reported premiums for past underwriting years for non-modified co-insurance business.

Share in reported losses - net and Share in unreported loss reserves - net amounted to P1,962.5 million lower by P43.4 million compared to 2020 which resulted to loss ratios of 68% in 2021 and 59% in 2020 relative to earned

premiums. Higher loss ratio in 2021 resulted mainly from higher loss ratio incurred for the non-life foreign (2021 - 92%; 2020 - 68%) and domestic (2021 - 77%; 2020 - 70%) businesses while the loss ratio for life (2021 - 38%; 2020 - 41%) was lower compared to 2020. Higher loss ratio for the non-life foreign business resulted mainly from the catastrophe losses relating to flood and hailstorms for treaties covering European risks and Hurricane Ida for treaties covering North America. Higher loss ratio for the non-life domestic business resulted mainly from the losses incurred from Typhoon Auring and Odette that hit the Philippines in February and December 2021, respectively. Lower loss ratio from life business resulted mainly from the favorable development on losses incurred in prior years.

In millions Php	For the year ended		Increase/Decrease	
	2021	2020	Amount	%
Share in reported losses - net (A)	P1,696.6	P1,758.9	(P62.3)	-4%
Share in unreported loss reserves - net (B)	265.9	247.0	18.9	8%
Total share in reported losses and unreported loss reserves (C) [A+B]	1,962.5	2,005.9	(43.4)	-2%
Total earned premiums (D)	P2,871.0	P3,379.3	(P508.3)	-15%
Loss ratio (C/D)	68%	59%		

Commissions - net amounted to P861.3 million, lower by P170.4 million or 17% than the same period of 2020 which resulted to commission ratios of 30% in 2021 and 31% in 2020. Lower commission ratio in 2021 resulted mainly from lower commission expense incurred for the life business. This was partially negated by higher commission costs incurred from non-life domestic business due to the impact of higher unexpired risk reserves which was partially negated by higher overriding commissions and higher commission costs from the non-life foreign business due to the unfavorable adjustment in the commission cost estimate.

Investment and Other income and expenses, net amounted to P404.1 million, P272.4 million or 207% higher from P131.7 million in 2020 as investment income and other income were higher by P207.2 million and P65.2 million, respectively.

Investment income was higher by P207.2 million due to minimal impairment loss recognized on available-for-sale equity securities in 2021 compared to the impairment loss of P469.3 million recognized in 2020. This was partially negated by lower gain on sale of fixed income and equity securities by P214.9 million and lower interest and dividend income by P40.4 million.

Higher other income by P65.2 million resulted from foreign exchange gains of P25.4 million in 2021 as compared to foreign exchange losses of P28.7 million in 2020, and lower movement in statutory reserves and other charges by P11.1 million.

General and administrative expenses amounted to P260.0 million, lower by P18.4 million or 7% compared to 2020 of P278.4 resulted mainly from lower taxes during the year.

Tax expense amounting to P49.6 million was lower by P25.5 million or 34% from P75.1 million in 2020 resulting mainly from lower underwriting profit recognized in 2021 and reduction in the applicable income tax rates from 30% in 2020 to 25% in 2021.

FINANCIAL CONDITION

The Company's shareholders' equity amounting to P5,664.2 million as at December 31, 2021 decreased by P82.2 million or 1% from the balance as at December 31, 2020 of P5,746.4 million. The decrease resulted mainly from the decrease in revaluation reserves by P224.4 million mostly from the unfavorable market value movements of Available-for-Sale securities, negated by positive operating results of P141.7 million.

Cash and cash equivalents amounting to P658.2 million as at December 31, 2021 decreased by P292.7 million or 31% from the balance as at December 31, 2020 of P950.9 million. The decrease in Cash and cash equivalents resulted mainly from the net cash used in investing and operating activities amounting to P283.6 million and P22.8 million, respectively. These were partially negated by the favorable foreign currency revaluation amounting to P13.7 million.

Reinsurance balances receivable - net amounting to P3.4 billion increased by P749.8 million or 28% from the balance as at December 31, 2020 of P2.7 billion. The increase resulted mainly from accrual of reinsurance premiums, net of commissions, from life and non-life businesses in 2021 and favorable foreign currency revaluation. These were partially negated by the collections during the period.

FINANCIAL CONDITION

(includes explanation on material changes in the financial statements)

In millions Php	Audited	Audited	Inc (dec)	
	31 Dec. 2021	31 Dec. 2020	Amount	%
CASH AND CASH EQUIVALENTS	P658.2	P950.9	(P292.7)	-31%
REINSURANCE BALANCES RECEIVABLE - net	3,422.2	2,672.4	749.8	28%
AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS	5,952.7	5,933.1	19.6	0%
HELD-TO-MATURITY (HTM) INVESTMENTS	2,390.8	1,958.5	432.3	22%
LOANS AND RECEIVABLES	57.7	71.1	(13.4)	-19%
PROPERTY AND EQUIPMENT - net	52.0	60.0	(8.0)	-13%
REINSURANCE RECOVERABLE ON REPORTED LOSSES - net	1,854.9	2,426.9	(572.0)	-24%
REINSURANCE RECOVERABLE ON CLAIMS RESERVES	912.0	330.6	581.4	176%
DEFERRED ACQUISITION COSTS	658.3	620.8	37.5	6%
DEFERRED REINSURANCE PREMIUMS	434.5	407.4	27.1	7%
OTHER ASSETS - net	325.4	447.4	(122.0)	-27%
TOTAL ASSETS	P16,718.7	P15,879.1	P839.6	5%
LIABILITIES AND EQUITY				
REINSURANCE BALANCES PAYABLE	P1,597.1	P1,179.6	P417.5	35%
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	319.5	326.3	(6.8)	-2%
LOSSES AND CLAIMS PAYABLE	4,492.4	4,825.0	(332.6)	-7%
CLAIMS RESERVES	3,102.9	2,255.6	847.3	38%
PREMIUM RESERVES	1,533.3	1,539.3	(6.0)	0%
DEFERRED REINSURANCE COMMISSIONS	9.3	6.9	2.4	35%
TOTAL LIABILITIES	11,054.5	10,132.7	921.8	9%
CAPITAL STOCK	2,182.0	2,182.0	-	0%
TREASURY STOCK	(100.5)	(100.5)	-	0%
ADDITIONAL PAID-IN CAPITAL	3,019.2	3,019.2	-	0%
REMEASUREMENT OF DEFINED BENEFIT LIABILITY	(73.4)	(73.9)	0.5	-1%
REVALUATION RESERVES	(29.0)	195.4	(224.4)	-115%
RETAINED EARNINGS	665.9	524.2	141.7	27%
TOTAL EQUITY	5,664.2	5,746.4	(82.2)	-1%
TOTAL LIABILITIES AND EQUITY	P16,718.7	P15,879.1	P839.6	5%

AFS financial assets amounting to P6.0 billion as at December 31, 2021 increased by P19.6 million from the balance as at December 31, 2020 of P5.9 billion. The movement in the account balance can be explained by the following:

	2021	2020
Cost		
Balance at beginning of year	P5,669.0	P4,943.7
Acquisitions	4,938.6	6,991.8
Disposals/maturities	(4,673.1)	(5,783.0)
Impairment losses	(6.8)	(469.3)
Unrealized foreign currency losses	(4.2)	(14.2)
	5,923.5	5,669.0
Fair value adjustment		
Balance at beginning of year	264.1	2.1
Changes in fair value	(147.3)	102.0
Fair value gains on disposal	(94.4)	(309.3)
Impairment losses	6.8	469.3
	29.2	264.1
Balance at end of year	P5,952.7	P5,933.1

The increase was mainly due to the net acquisition amounting to P171.1 million (acquisitions net of disposals/maturities including fair value gains on disposal). This was partially negated by the market value decline of AFS securities amounting to P147.3 million and unfavorable foreign currency revaluation of P4.2 million.

HTM investments amounting to P2.4 billion as at December 31, 2021 increased by P432.3 million or 22% from the balance as at December 31, 2020 of P2.0 billion. The increase in these investments mainly resulted from the purchase of corporate bonds amounting to P1.0 billion, partially negated by maturities amounting to P596.8 million.

Loans and receivables amounting to P57.7 million as at December 31, 2021 decreased by P13.4 million or 19% from the balance as at December 31, 2020 of P71.1 million. The decrease resulted mainly from lower accrued interest receivable due to the negative variance in period accrued and interest rates.

Property and Equipment - net amounting to P52.0 million as at December 31, 2021 decreased by P8.0 million or 13% from the balance as at December 31, 2020 of P60.0 million. The decrease resulted mainly from the depreciation expense amounting P11.5 million, partially negated by the acquisitions amounting to P3.5 million.

Deferred acquisition costs amounting to P658.3 million as at December 31, 2021 increased by P37.5 million or 6% from the balance as at December 31, 2020 of P620.8 million. The increase resulted mainly from the increase in deferred acquisition costs from modified co-insurance contracts, partially negated by lower commission expenses during the year as discussed in Results of operations.

Deferred reinsurance premiums amounting to P434.5 million as at December 31, 2021 increased by P27.1 million or 7% from the balance as at December 31, 2020 of P407.4 million. The movement is consistent with the increase in retroceded premiums in the results of operations.

Other assets - net amounting to P325.4 million decreased by P122.0 million or 27% from the balance as at December 31, 2020 of P447.4 million. The decrease resulted mainly from the settlement of funds at Lloyd's amounting to P141.8 million and amortization of intangible assets amounting to P7.0 million, partially negated by overpayment of income taxes and increase in deferred tax assets amounting to P18.9 and P13.1 million, respectively.

Reinsurance balances payable amounting to P1.6 billion increased by P417.5 million or 35% from the balance as at December 31, 2020 of P1.2 billion. The increase resulted mainly from the accrual of retroceded premiums, net of settlements, from both life and nonlife businesses.

Losses and claims payable and Claims reserves amounting to P7.6 billion increased by P514.7 million or 7% from the balance as at December 31, 2020 of P7.1 billion. The increase resulted mainly from recognizing loss reserves for the catastrophe losses that impacted the non-life foreign and domestic businesses as discussed in the Results of operations, partially negated by the settlement of claims.

Deferred reinsurance commissions amounting to P9.3 million increased by P2.4 million or 35% from the balance as at December 31, 2020 of P6.9 million. The increase resulted mainly from higher overriding commission income from non-life domestic business mainly due to higher ceded premiums through our proportional treaties.

For the copy of the Audited Financial Statement as of December 31, 2021, please refer to the SEC 17-A2021 Annual Report (https://www.nat-re.com/naresite/wp-content/uploads/2022/04/NRCP_SEC_Form_17-A_2021_Annual_Report.pdf)

REPORT OF THE AUDIT COMMITTEE

For the Year Ended December 31, 2021

In line with Article V. Board Committees of the Amended By-Laws of the National Reinsurance Corporation of the Philippines (Nat Re, the "Company") the Audit Committee assists the Board of Directors (the "Board") in carrying out its responsibilities as they relate to the oversight of the Company's internal control, internal audit function, independent auditors, legal or regulatory compliance, and corporate governance.

The Audit Committee's roles and responsibilities are likewise defined in the Audit Committee Charter approved by the Company's Board of Directors.

In compliance with the Audit Committee Charter, we confirm that:

- The Audit Committee is composed of three (3) independent directors;
- We had six (6) meetings during the year. The Company's President & Chief Executive Officer and other members of Management attended the Audit Committee meetings. External subject experts, such as the appointed Independent External Auditor and other consultants, were also invited to the meetings;
- The Audit Committee met with the Internal Audit Head and the Independent External Auditor in private sessions during the year;
- We have reviewed and discussed the quarterly unaudited financial statements and the annual audited financial statements of the Company with Management, who has the primary responsibility for the financial statements and the financial reporting process, and the reports of Internal Audit and R.G. Manabat & Co., the Independent External Auditor, who is responsible for expressing an opinion on the conformity of the Company's annual audited financial statements with Philippine Financial Reporting Standards;
- We have reviewed the effectiveness of the system for monitoring compliance with laws and regulations;
- We have discussed and approved the overall scope and plans for the respective audit reviews of the Independent Internal and External Auditors. We have also reviewed and discussed the results of their audits and their assessments of the Company's

internal controls and the overall quality of the financial reporting process, advising Management to take appropriate corrective actions in a timely manner;

- We have reviewed the effectiveness of the internal audit function;
- We have reviewed and recommended for Board approval the audit and related services of R.G. Manabat & Co. to the Company for the year ended December 31, 2021 and the related fees for such services, in accordance with existing policies, standards and regulatory requirements; and
- We have evaluated the performance of the Audit Committee for the year ended December 31, 2021 and benchmarked the practices against the expectations set out in the Audit Committee Charter. We have ascertained that the Audit Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the Manual of Corporate Governance and other relevant regulatory requirements.

Based on the reviews and discussions undertaken, and subject to the limitation of our roles and responsibilities, the Audit Committee recommended to the Board the inclusion of the audited financial statements in the Annual Report for the year ended December 31, 2021, filed with the Securities and Exchange Commission.

Considering the Independent External Auditor's performance and qualifications, we recommended to the Board, subject to the ratification of the Stockholders during the annual stockholders meeting, the re-appointment of R.G. Manabat & Co. as the Independent External Auditor for the year 2022.

By the Audit Committee:

Medel T. Nera
Chairman

Rex Ma. A. Mendoza
Member

Roberto G. Manabat
Member

Board of Directors



Wilfredo C. Maldia
Chairman

Yvonne S. Yuchengco
Vice Chairman

Allan R. Santos
President and CEO

Joli Co Wu
Director/Treasurer

Jocelyn DG Cabreza
Director

Nora M. Malubay
Director

Rafael G. Ayuste Jr.
Director

Maria Consuelo A. Lukban
Director

Reginaldo Anthony B. Cariaso
Director

Antonio M. Rubín
Director

Roberto G. Manabat
Independent Director

Medel T. Nera
Lead Independent Director

Rex Maria A. Mendoza
Independent Director



Management Team



Allan R. Santos
President and CEO

RISK & COMPLIANCE

Regina S. Ramos
Vice President,
Head of Risk and
Compliance
(retired April 1, 2022)

Jacqueline C. Dy
Senior Assistant Vice
President, Deputy Head,
Risk and Compliance

HUMAN RESOURCES AND OFFICE SERVICES

Regina Lourdes D. Papa
Senior Assistant
Vice President,
Head of Human Resources
and Office Services

LIFE REINSURANCE

Jaime Jose M. Javier
Senior Vice President,
Head of Life Insurance

Arlene Gay B. Santos
Senior Assistant Vice
President

Blesilda S. Besabe
Senior Assistant Vice
President
*(retired February 1,
2022)*

**Anelisa Trinidad M.
Merida**
Assistant Vice President

Von Edward M. Ebron
Assistant Vice President

INVESTMENTS

Daisy C. Salonga
Vice President,
Head of
Investments

ANALYTICS

Cherry R. Lorenzo
Senior Assistant
Vice President,
Head of Catastrophe
Risk Management

FINANCE

**Santino U.
Sontillano**
Senior Assistant
Vice President,
Head of Finance

Honorata S. Lucos
Assistant Vice
President

INTERNAL AUDIT

Mark Quintin G. Nuñez
Assistant Vice President,
Head of Internal Audit
(resigned December 1, 2021)

Ralph Daniel R. Ramos
Assistant Vice President,
Head of Internal Audit
(starting Jan. 3, 2022)

NON-LIFE REINSURANCE

David Charles Rupert L. Motley
Assistant Vice President,
Head of Non-Life Foreign Underwriting
(not in photo)

PROFILES

BOARD OF DIRECTORS

WILFREDO C. MALDIA

Filipino, Chairman of the Board since June 2019, Director of the Corporation since December 2017

Mr. Maldia has been a member of the Government Service Insurance System (GSIS) Board of Trustees since December 2016. He sits as an independent director in the Board of the First Valley Development Bank and as member of the Board of ROTECO, Yamang Lupa't Dagat Corporation, and CEAM Corporation.

Prior to his appointment to the GSIS Board, he served as senior adviser to the Ropali Group of Companies, and as director of the Farmers Savings & Loan Bank, Inc. and Banco Alabang Inc. (A Rural Bank). He also worked as a consultant to the Asian Development Bank as financial & organizations specialist for Agricultural Development Bank of Nepal, Agricultural Credit Specialist for Bangladesh Krishi Bank, and as rural credit specialist of the Estanislao Lavin & Associates. He was likewise the financial specialist/expert of the Urban Integrated Consultants, Incorporated and Livestock Development Program Office (LDPO) & the Kilusang Kabuhayan at Kaunlaran (KKK). He also worked as Farm Manager at Universal Robina Corporation, a private company engaged in food manufacturing business. Mr. Maldia has also worked in the government sector for about 40 years, of which, 36 years were spent at the Land Bank of the Philippines (LANDBANK). He started his career at LANDBANK as a senior project analyst in 1976 (for 3 years), after a short stint working as an agronomist and researcher in the Bureau of Plant Industry and Bureau of Agricultural Economics, respectively, from 1971 to 1974. With his passion to work, he consistently rose from the ranks. In 2007, he became the Executive Vice President and head of the LANDBANK's Agrarian and Domestic Banking Sector (ADBS) covering the agrarian, banking and lending operations until his retirement in 2012. With his leadership, Mr. Maldia has developed and introduced various innovative lending programs in the field of agriculture and finance. As ADBS head, he also chaired various committees,

namely: Domestic Banking Loans Committee, Branch Operations Committee, Official Development Assistance Bids and Awards Committee, ADBS Sectoral Committee. He was likewise a member of the Board of LANDBANK subsidiaries (i.e, Masaganang Sakahan Incorporated and LANDBANK Insurance Brokerage Inc), and member of the Governing Board of the Agricultural Guarantee Fund Pool. In 2008, he was recognized as one of the most distinguished alumni of the University of the Philippines - Los Baños.

Mr. Maldia graduated with a Bachelor of Science degree in Agriculture, major in Agricultural Economics from the University of the Philippines Los Baños, Laguna in 1969. In 1979, he also completed his Bachelor's degree in Commerce major in Accounting from the Polytechnic University of the Philippines, and immediately obtained his license as a Certified Public Accountant (CPA). He earned his Master's degree in Business Administration from the Philippine Christian University in 1984.

YVONNE S. YUCHENGCO

Filipino, Vice Chairperson since June 2019, Director of the Corporation since June 2006

Ms. Yuchengco is the Vice Chairperson of Malayan Insurance Company, Inc. She is also the President of MICO Equities, Inc., as well as the President of Alto Pacific Corporation and RCBC Land, Inc.. She is likewise the Chairperson and President of the Philippine Integrated Advertising Agency, Inc., Yuchengco Tower Office Condominium Corporation, Y Tower II Office Condominium Owners Asso. Inc., and Royal Commons, Inc; She is currently the Chairperson of the RCBC Capital Corporation, Y Realty Corporation, and XYZ Assets Corporation; Advisory Board Member of Rizal Commercial Banking Corporation; Director, Vice President and Treasurer of Pan Managers, Inc.; Director and Vice President of AY Holdings, Inc.; Director and Corporate Secretary of MPC Investment Corporation; Treasurer and Director of Pan Malayan Management & Investment Corporation, Honda Cars Kalookan, Inc, Mona Lisa Development Corp., Malayan High School of Science, Inc., Petro

Energy Resources Corporation, and Water Dragon, Inc.; Director of Enrique T. Yuchengco Inc., Pan Malayan Realty Corporation, Malayan International Insurance Corporation, Manila Memorial Park, Inc., La Funeraria Paz Suat Inc., iPeople Inc., Seafront Resources Corporation, House of Investments, Inc., HYDee Management and Resource Corporation, Malayan Colleges, Inc. (operating under the name Mapua Institute of Technology, Luisita Industrial Park Corporation, Asia-Pac Reinsurance Co., Ltd., Pan Malayan Express, Inc., Shayamala Corporation, A.T. Yuchengco, Inc., DS Realty, Inc., GPL Holdings, Inc., Yuchengco Center, Inc., Annabelle Y. Holdings & Management Corporation, and YGC Corporate Services, Inc.; Trustee of AY Foundation, Philippine Asia Assistance Foundation, Inc., Mapua Institute of Technology, and Avignon Tower Condominium Corporation; Trustee and Chairperson of the Malayan Plaza Condominium Owners Asso., Inc.; Trustee and Chairperson of Yuchengco Museum, Inc.; She was also formerly President of the PIA/Phil-Asia Assistance Foundation, Inc. She graduated with a Bachelor of Arts degree from Ateneo de Manila University in 1977 and took up further studies in UAP under SBEP program.

ALLAN R. SANTOS

Filipino, Director, President and Chief Executive Officer from August 2018

Mr. Mr. Allan R. Santos, President and Chief Executive Officer, has 30+ years of experience in local and international insurance/reinsurance markets in the US, Asia and Europe. Prior to his current role, he was Nat Re's Chief Operating Officer. He has held various leadership positions in several other companies including Chief Operating Officer for the Affiliate Companies of Philam Life, Regional Chief Financial Officer for Europe at Cigna, Global Head of Product Development at Cigna, and Chief Actuary for Asia at Allied World Assurance Company. He is also the current President of the East Asian Insurance Congress, Chairman (until 2021) of the Philippine Insurers and Reinsurers Association (PIRA), a Board Member and Secretary of the Actuarial Society of the Philippines (ASP) and a Board Trustee in the Insurance Institute for Asia and the Pacific (IIAP).

Mr. Santos holds a Master's Degree in Applied Math and Bachelor of Science in Math both from the University of the Philippines. He is a Fellow of both the Actuarial Society of the Philippines and the Society of Actuaries (US).

JOLI CO WU

Filipino, Treasurer from January 2017, Director of the Corporation from 2013-2014 and since July 2015

Ms. Joli Co Wu is currently the Chief Underwriting Officer of Paramount Life & General Insurance Corporation. Prior to this, she was the President and CEO of QBE Seaboard Insurance Philippines, Inc. until the acquisition of QSIP by Paramount. She started her insurance career with Seaboard Eastern Insurance and eventually lead the company as its President/CEO until March 2014. She has extensive experience in various Insurance lines as an underwriter as well as in Insurance Operations. Throughout her career, she has attended various management, insurance and reinsurance courses, both local and international. She is currently a Trustee of the Philippine Insurance and Reinsurance Association as well as the Insurance Institute for Asia and the Pacific. Ms. Wu attended the Immaculate Concepcion Academy for her primary and secondary education and graduated with a degree in Bachelor of Arts, Major in Financial Management from the Catholic University of America, Washington DC.

MARIA CONSUELO A. LUKBAN

Filipino, Director of the Corporation since October 2018

Ms. Lukban is the Head of Corporate Strategy, Investor Relations and Sustainability in the Bank of the Philippine Islands (BPI). She is primarily responsible for financial planning and capital management, investor relations, and enterprise development projects. She oversees the Sustainability Office and Strategic Asset Management and Sales Division. She has over 30 years of banking experience, taking on various senior roles within BPI in its asset management and trust business, insurance business, corporate banking marketing and deposit product management. She was a member of the Board of BPI-AIA Life Assurance Corporation from November 2018 to April 2021.

Ms. Lukban completed her MBA at the University of Chicago in 1992 and BS Management Engineering in 1986 at the Ateneo de Manila University.

REGINALDO ANTHONY B. CARIASO
Filipino, Director of the Corporation since June 2019

Mr. Cariaso joined BPI in 2013 and is currently the Head of Strategy, Products and Support of the Corporate Banking unit of BPI. He oversees the Corporate Bank's Transaction Banking Services, Remittance and Fund Transfer, Strategy Management and Special Accounts Management Division. Prior to this, he was President of BPI Capital, the investment banking arm of BPI. He serves on the boards of several corporations. Before joining BPI, Mr. Cariaso worked in investment banking of JP Morgan and Nomura International based in Hong Kong covering Asia ex-Japan.

He has extensive experience (over 20 years) originating and executing corporate advisory and capital markets transactions, in variety of industries, including financial institutions and real estate, across Asia and the Philippines. Since joining BPI Capital, the firm has executed a number of landmark transactions in the Philippines including some of the largest debt markets deals, innovative project and structured financing, complex advisory assignments, and brought some of the most familiar names to the public equity markets. He is currently also non-executive board director of the BPI Remittance Center in Hong Kong.

Mr. Cariaso was a Lieutenant in the United States Navy and received a B.A. degree from the University of Pennsylvania.

ANTONIO M. RUBIN
Filipino, Director of the Corporation since January 2018

Prior to his retirement, Mr. Rubin was the Executive Vice President of Malayan Insurance Company, Chairman of the Board of Directors of Bankers Assurance Corporation (BAC), and President of the First Nationwide Assurance Corporation (FNAC). Mr. Rubin is a seasoned underwriter in the insurance industry, having been in the practice of insurance for more than twenty-five years. Mr. Rubin headed various divisions in Malayan Insurance, namely: the

Risk Analysis Department, the Fire and Motor Car Underwriting Divisions, the Sales Division, and finally, the entire Underwriting Division. He was also the Chairman of the Board of Directors of the Philippine Insurance Rating Association (PIRA) and Philippine Machinery Management Services Corporation (MacPool), and Head of Risk Management Group of the National Steel Corporation.

His expertise in the industry was further solidified and reinforced by the various specialized seminars, conventions and trainings he attended locally and abroad. Mr. Rubin went to Mindanao State University in 1974 for his Bachelor of Science in Mechanical Engineering and Ateneo De Manila University for his MBA.

JOCELYN DE GUZMAN CABREZA
Filipino, Director of the Corporation since December 2016.

Ms. Cabreza is a member of the Board of Trustees of the Government Service Insurance System (GSIS) and chairs its Audit Committee. She is also a member of GSIS Board's Risk Oversight Committee, Corporate Governance Committee, Legal Oversight Committee and GSIS Provident Fund Committee of Trustees. She is also a director of Ompipay, Inc. and Sealnsure General Insurance Co., Inc. (formerly, AA Guaranty Assurance Co., Inc.). Ms. Cabreza was a former Executive Vice President of Land Bank of the Philippines, Director of Land Bank Resources Development Corp and Land Bank Countryside Development Foundation. She is a certified public accountant, a master's degree holder and a seasoned banker with 37 years of extensive experience in different areas of banking and finance, internal audit and operations and strategic policy formulation and implementation.

NORA M. MALUBAY
Filipino, Director of the Corporation from 2016-2017 and since January 2019

Atty. Nora M. Malubay graduated from the Pamantasan ng Lungsod ng Maynila with Bachelor of Science in Business Administration major in Accountancy, Magna cum laude in 1979. She passed the CPA board examination on that same year.

In 1979, she worked as Staff Auditor at Sycip, Gorres, Velayo & Co. Believing that it is time for her to step up and make a difference, she chose to serve in public office and entered Government Service Insurance System (GSIS) in 1981. Year 1995 when she finished her Bachelor of Laws at San Beda College and passed the Bar Examination in September of same Year.

Rose from the ranks, she has been assigned to different Departments of GSIS from Internal Auditor I to Senior Vice President of National Capital Region (NCR) Operations Group. In 2016, she was appointed by the GSIS Board of Trustees as the Officer-in-Charge President and General Manager of GSIS, until the President of the Philippines appointed a new PGM in November 2017. Currently she is the Executive Vice President of GSIS for Core Business Sector which covers the operations for Social Insurance, Housing, and General Insurance; and she is a Board Director of the Employees Compensation Commission.

RAFAEL G. AYUSTE JR.
Filipino, Director of the Corporation since June 2012

Mr. Rafael G. Ayuste, Jr. is the chairman of the Investment Committee of the company since July 2015. He is also a Senior Vice President and Group Head of the Trust and Investments Group of BDO Unibank, Inc. Prior to this, he was Senior Vice President of Wealth Advisory and Trust Group of BDO Private Bank, Inc. and First Senior Vice President and Head of the Trust Banking Group of Philippine National Bank from 2009-2013; Vice President and Head of Retail Branch Business, Citibank Savings, Citibank N.A. Philippines from 2008 to 2009; Senior Vice President/Deputy Group Head of Trust banking of the Metropolitan Bank and Trust Company through merger with Global Business Bank from 2000 to 2008; Vice President/Head of Securities Distribution of the Banco Santander Philippines, Inc. from 1999 to 2000; Vice President/Head of Trust Division, Security Bank Corporation from 1996 to 1999; Assistant Vice President and Head of Peso and Dollar Trading Desks of Citibank, N.A., Citibank Global Asset Management (CGAM) from 1989 to 1996. He is a four term President and a multiterm Director of the Trust Officers Association of the Philippines (TOAP). He has attended various seminars such as Enterprise Risk Management, Financial Risk Management, and Corporate Governance. He obtained his Bachelor of Science degree major in Business Administration from the University of Sto. Tomas in 1986

ROBERTO G. MANABAT
Filipino, Independent Director since June 2021

Mr. Manabat has more than 40 years of track record in the field of accountancy and has been an adviser to a number of corporations on financial reporting and good corporate governance. He is a resource person on matters pertaining to Corporate Governance, Internal Audit, Financial Reporting, risk management and the financial services industry.

Currently, Mr. Manabat is the Lead Independent Director of Union Bank of the Philippines, and Independent Director of Union Digital Bank and City Savings Bank. He is also an Independent Adviser to the Board of Directors of SM Investments Corporation (SMIC). He is the Chairman of the KPMG R.G. Manabat Foundation. He is a member of the Board of Trustees of the Shareholders' Association of the Philippines. He is the Chairman of Enactus Philippines, a Director of Goldilocks Bakeshop, Inc., Titanium Corporation, and PA Alvarez Properties and Development Corporation. He is also a Life Fellow of the Institute of Corporate Directors.

Mr. Manabat was previously the Chairman and Chief Executive of KPMG R.G. Manabat & Co., until December 31, 2017. He has not been a part of KPMG R.G. Manabat & Co. since January 1, 2018. He was the previous Chairman of the Auditing & Assurance Standards Council and a Member of the Financial Reporting Standards Council. He was a General Accountant of the Securities and Exchange Commission and a previous partner of SGV & Co.

In 2018, he received The Outstanding Professional Award in the Field of Accountancy given by the Professional Regulation Commission. In 2019, he was honored by The Federation of Asian Institute of Management Alumni Associations, Inc. (FAIM) with an Alumni Achievement (Triple A) Award, the most prestigious recognition given to AIM graduates.

Mr. Manabat is a Certified Public Accountant. He graduated with Magna Cum Laude honors from the University of the East with a Bachelor's degree in Business Administration. He placed 6th in the CPA examinations in November 1968. He obtained his Master's degree in Business Management from the Asian Institute of Management.

MEDEL T. NERA

Filipino, Independent Director since July 2011

Mr. Medel T. Nera is a Director of House of Investments, Inc., iPeople inc., EEI Corp., Seafont Resources Corp, the Generika Group, Holcim Phils, Inc. and Ionics, Inc. His past experiences include: President & CEO of House of Investments, Inc.; Director and President of RCBC Realty Corp.; Director and Chairman of the Risk Oversight Committee and Member of the Audit Committee of the Rizal Commercial Banking Corp.; Director and Treasurer of CRIBS Foundation, Inc., and Senior Partner at Sycip Gorres Velayo & Co. where he served as Financial Services Practice Head. Mr. Nera obtained his Master of Business Administration degree from the Stern School of Business, New York University, USA and Bachelor of Science in Commerce from the Far Eastern University, Philippines, International Management Program from the Manchester Business School, UK, Pacific Rim Bankers Program from the University of Washington, USA.

REX MARIA A. MENDOZA

Filipino, Independent Director since June 2019

Mr. Rex Mendoza is the President & CEO of Rampver Financials, one of the largest distributors of investment funds in the Philippines. He is an active entrepreneur with companies and endeavors in multiple industries. He is the Lead Independent Director of Globe Telecom and Ayala Land Logistics Holdings Corporation, and Independent Director for Ayala Land and National Reinsurance Corporation, all listed companies in the Philippine Stock Exchange. He is the Chairman of Singlife Philippines, Inc. and The Soldivo Funds. He is also a director of Esquire Financing, G-Xchange Inc. (GX1 or Gcash), Seedbox Technologies, Seven Tall Trees Events Management (The Blue Leaf), Mobile Group Inc. and many other leading companies in different fields. He is recognized as one of the best business, leadership, finance, marketing and sales speaker in the country. Rex is also a bestselling author (Trailblazing Success and Firing On All Cylinders), financial advisor and business mentor.

SENIOR LEADERS**JOSE JAIME M. JAVIER JR.**

Filipino, Senior Vice President & Head of Life Reinsurance

Mr. Javier is Nat Re Senior Vice President and Head of Life Reinsurance. He has over 25 years of experience in the insurance and financial service industry; handling management positions in sales, marketing, operations of life and health insurance companies, health maintenance organizations, and bancassurance organizations. He also has technical knowledge and competency in actuarial, information technology, and investments.

Mr. Javier was formerly CEO of Boltech Device Protection Philippines (2017-2021) and Head of Marketing of Philam Life and General Insurance (AIA Philippines) (2014-2015), and Sales and Marketing Director, Alternate Distribution, PT Asuransi Jiwa Sinarmas MSIG, Indonesia (2005-2014).

He earned a Bachelor of Science in Mathematics and a Master of Science in Applied Mathematics (Actuarial Science) from the University of the Philippines Diliman. He is an Associate of the Actuarial Society of the Philippines, a Chartered Life Underwriter, and a Chartered Financial Consultant.

DAVID L. MOTLEY

British, Assistant Vice President and Head of Non-Life Foreign Underwriting and Head of Non-Life Reinsurance

Mr. David Motley, Head of Non-Life Foreign Underwriting and Head of Non-Life Reinsurance, was previously a property treaty underwriter at Aspen Re, the reinsurance arm of Bermuda-based Aspen Insurance Holdings, Ltd. He was responsible for growing Aspen Re's London portfolio, writing a broad range of proportional and excess-of-loss business. Mr. Motley is Associateship of the Chartered Insurance Institute-accredited. He earned a Bachelor of Science in Financial Economics and Mandarin at the London Metropolitan University.

DAISY C. SALONGA

Filipino, Vice President & Head of Investments

Ms. Daisy Salonga joined the Company in July 2011 as Head of Investments. She held various executive positions in treasury covering foreign exchange, fixed income, sales and market studies in leading financial institutions like Citibank N.A. Manila, Credit Agricole Indosuez Offshore Bank Manila, China Banking Corporation, and Greenwich Associates. She was nominated as one of the Most Astute Investors in the Philippine Peso Bonds by The Asset Benchmark Research for three consecutive years from 2012 to 2014. She earned her degree in Bachelor of Science in Commerce, major in Business Management from De La Salle University.

REGINA S. RAMOS

Filipino, Vice President and Head of Risk and Compliance (until April 2022)

Ms. Regina Ramos, Vice President and Head of Risk and Compliance, is a Certified Public Accountant and a Certified Internal Auditor. Prior to joining Nat Re in July 2000, Ms. Ramos held positions in various capacities in Accounting, Finance and Operations in a non-life direct insurer. She also worked with the SyCip, Gorres, Velayo & Co., CPAs (SGV), the largest professional services firm in the Philippines. She obtained her degree in Bachelor of Science in Commerce, major in Accounting from St. Paul College Manila.

JACQUELINE MICHELLE C. DY

Filipino, Senior Assistant Vice President, Deputy Head, Risk and Compliance

Ms. Jacqueline Dy is a Certified Public Accountant, an Associate in Risk Management - ERM, and an Associate, Life Management Institute. Other past experience: Head of Internal Controls of AXA PH; Senior Manager of PwC UK (More London office, Regulatory Consulting, and Assurance); and various roles with PwC Bermuda. Ms. Dy has obtained her Bachelor of Science in Accounting from De La Salle University, Manila.

SANTINO U. SONTILLANO

Filipino, Senior Assistant Vice President and Head of Finance

Mr. Santino Sontillano is a Certified Public Accountant. Prior to joining Nat Re in January 2016 as Head of Internal

Audit, Mr. Sontillano worked with various big 4 auditing firms in the Philippines, Singapore and Bermuda. He obtained his degree in Bachelor of Science in Accountancy from Ateneo de Zamboanga.

REGINA LOURDES D. PAPA

Filipino, Senior Assistant Vice President and Head of Human Resources and Office Services

Ms. Regina Lourdes D. Papa joined the Company in February 2011 as Head of Human Resources and assumed additional function as Office Services Head in 2018. She has over twenty-five years of experience in Human Resources Talent Acquisition, Learning and Development, Compensation Planning and Administration, Performance Management and Employee Relations. Prior to her current role in Nat Re, she served as Treasurer and Managing Director of Integral Consultants, Inc., spearheading business planning and overseeing the company's career management group operations. She also designed and conducted Management and soft skills training programs as a Human Resources Management Consultant. As an Assistant Vice President at Mapfre Asian Insurance Corporation, she was responsible for formally setting up the company's Human Resources Management Department as well as providing strategic advice on organization development initiatives.

CHERRY R. LORENZO

Filipino, Senior Assistant Vice President and Head of Catastrophe Risk Management

Ms. Cherry Lorenzo, Head of Catastrophe Risk Management, has over ten years of experience in catastrophe modeling, (re)insurance pricing, model evaluation, project management, geographic information systems, and disaster risk financing and insurance. Before joining Nat Re, she was an Associate Director for Catastrophe Management at Aon Benfield Singapore, where she handled delivering, interpreting, and communicating catastrophe modeling analyses and was the territorial point of contact for Indonesia and key regional clients. At RR Donnelley where she was a Senior Catastrophe Research Analyst, she worked for ACE Insurance, servicing their Asia Pacific offices including those in Australia and New Zealand. She obtained her Bachelor of Science degree in Geodetic Engineering at the University of the Philippines Diliman.

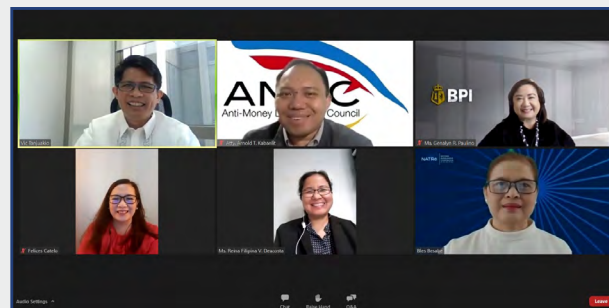
MILESTONES

FEB.



Nearly 200 Nat Re cedants and PIRA members gained more in-depth knowledge on Nat Re's two product lines during the company's D&O Liability Insurance and Terrorism Insurance Industry Webinars. During these webinars, participants learned more about policy wordings, coverages, and technical considerations, further developing the market for these two product lines and expanding access to insurance protection. These were also matched by similar in-house webinars for three cedants that required exclusive training for sales staff and agents.

MARCH



Nearly 300 insurance industry stakeholders gained new insights on the insurance loan approval process and institutional requirements at the Nat Re Issues in Life Insurance Financial Underwriting Forum. Here, participants also learned specifically how insurers can utilize available bank documents and information in insurance assessments. Feedback for the forum was positive, with 100% of participants agreeing panelists addressed their concerns.

MAY



Going beyond conventional insurance knowledge, Nat Re conducted its Advanced Topics on the How, Why and When of Life Reinsurance webinar entitled "Reinsurance is like a coffee machine, not like a kettle." Providing a deeper discussion on reinsurance, speaker Greg Solomon of Hong Kong-based Eigengrey Consulting helped over 250 insurance industry stakeholders understand reinsurance's role as a powerful tool to drive insurers' businesses, specifically in risk management, capital management, key performance indicators optimization, and accessing pricing and product development services. Feedback for the forum was positive, with 100% of participants indicating that their expectations were met.

JUNE



Nat Re retained its good standing in the investing community with the affirmation of its Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of "bbb" (Good) by AM Best, the world's first credit rating agency. AM Best noted that these Credit Ratings are stable and reflect Nat Re's balance sheet strength - assessed as strong and underpinned by risk-adjusted capitalization- as well as Nat Re's adequate operating performance, neutral business profile, and appropriate risk management.

Nat Re continued to serve its external stakeholders, ensuring their safety and welfare despite the pandemic with its second virtual Annual Stockholders' Meeting. The Company opened its online registration and the voting portal for all stockholders of record and used Zoom for the meeting livestream.

Subsequent to the release in late 2021 of the guidelines on the Adoption of a Regulatory Sandbox Framework for Innovations in Health Maintenance Organizations (HMOs), Nat Re sought regulatory approval for its HMO Second Layer program. This formed part of Nat Re's contribution to helping develop financial assistance-linked group and travel products amid the COVID-19 pandemic.

AUG.

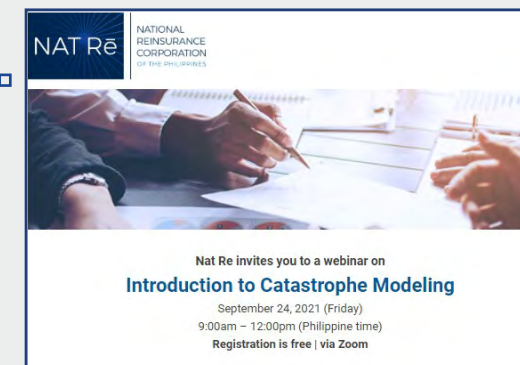


At home, Nat Re's financial security characteristics were deemed strong (albeit more likely to be affected by adverse business conditions versus higher-rated insurers) by the Philippine Rating Services Corporation (PhilRatings), with the company bagging a financial strength rating of PRS A with a Stable Outlook. This rating and outlook considers Nat Re's solid market franchise, shareholders of good standing, experienced management, and sound investment portfolio.



Regional stakeholders took notice of Nat Re's outstanding performance in 2021 as the Company was named Best Reinsurance Service Provider (The Global Economics Awards), Reinsurer of the Year Asia (International Business Magazine Awards), and Best Reinsurance Company Asia 2021 (World Economic Magazine Awards) - a testament to Nat Re's competitiveness and exemplary performance in the region.

SEPT.



With external and even internal stakeholders in mind, Nat Re held its Introduction to Catastrophe Modeling workshop and webinar. Expert resource persons from Nat Re discussed catastrophes, catastrophe modeling, how catastrophe models work, as well as data requirements, methodology, outputs, uses, and limitations to over 100 participants from the insurance industry.

OCT.



In an exclusive interview on DWIZ 882 Radyo CSR, Nat Re President and CEO Allan R. Santos shared the latest on Nat Re's corporate governance awards for the year as well as how the company is a strong champion for good corporate governance in the Philippines and in the region.



Nat Re launched in 2021 its Carbon Curb Challenge, an employee-driven initiative designed to bring carbon reduction front and center, and closer to home. At the end of the day, the Carbon Curb Challenge contributed to ensuring all Nat Re employees are aware of the company's Sustainability Policy and are committed to implementing and improving it.

DEC.



Nat Re capped an eventful year with one more accolade, earning the Most Reliable Reinsurer of the Year ASEAN 2021 recognition at the World Business Outlook Awards.

NOV.



Nat Re continues to recognize the transformative role that digitalization plays in the advancement of insurance. In 2021, Nat Re collaborated with Digital Pilipinas in creating the InsurTech and HealthTech Association of the Philippines, which aims to promote digitalization and innovation. Nat Re Independent Director Roberto G. Manabat and Nat Re CEO Allan R. Santos served as founding members of the association.



In the area of sustainability, despite the limitations of the pandemic, Nat Re was able to plant (through its partner Fostering Education & Environment for Development, Inc. or FEED) plant 500 seedlings in Barangay Magsaysay, at FEED's Laguna-Quezon land grant in the Sierra Madre Mountains, Philippines.

MILESTONES

INSURANCE ASIA NEWS

Nat Re was named ASEAN Reinsurer of the Year at the InsuranceAsia News Awards for Excellence 2021, an awards ceremony said to be designed to recognize the most talented people and firms region-wide.



Nat Re, as the country’s national reinsurer, makes a unique contribution to promoting economic development through its business of providing reinsurance solutions, consultancy services, and related mechanisms for stimulating the healthy development of the local insurance industry. Nat Re also enables disaster-resilient and financially inclusive communities primarily through its partnerships with various external stakeholders such as insurance companies, reinsurance brokers, health maintenance organizations (HMOs), cooperatives and mutual benefit associations, national government agencies, and international aid agencies.

The Economic and Social Value of Nat Re’s Business

Nat Re provides insurers with reinsurance capacity so they may lessen volatility of their underwriting results and pay claims promptly to their policyholders, especially when large individual losses or catastrophic events occur. This service aids insurers’ solvency and also helps insuring families, businesses, and governments recover financially from accidents, disasters, or family crises.

Nat Re, as the country’s national reinsurer, also promotes the growth of the local insurance industry by rendering consultancy services and providing tools to its clients. For example, Nat Re offers its life clients access to the Nat Re Online Risk Manual (NORM), the first web-based life underwriting tool that accounts for unique Philippine conditions.

Nat Re also hosts capability building activities for its clients to help develop the domestic insurance market. The Nat Re Non-Life Reinsurance team facilitated seminars on Directors & Officers (D&O) Insurance and Terrorism Insurance. This aimed to further develop the market by equipping insurers with more in-depth knowledge on policy wordings, coverages and, other technical considerations for these two emerging lines of business.

As the availability for these product lines grows, so will the access to better insurance protection. Nat Re’s Life Reinsurance Team conducted two webinars related to the Life and Health Business. On March 17, 2021, there was a forum on the Issues in Life Insurance Financial Underwriting which discussed financial underwriting concerns in life insurance and possibilities of money laundering activities through bank loans.

And on May 12, 2021, a webinar entitled, “Advanced Topics on the How, Why and When of Life Reinsurance” was conducted, and it was an in-depth discussion of reinsurance and its Life component.

To maximize premium retention within the country, Nat Re created underwriting facilities backed by domestic industry capacity. These facilities provide a mechanism for the redistribution of risks to local companies. Facultative risks ceded to Nat Re are retroceded to interested authorized companies based on their risk appetite and financial strength. These facilities allow Nat Re to increase its underwriting capacity and provide insurers a mechanism to increase premium retention by way of small shares in a broad number of risks written by other insurers.

With the Philippines being one of the most catastrophe-exposed countries, Nat Re has also been actively involved in the creation of a Philippine Catastrophe Insurance Facility (PCIF) to increase the country’s catastrophe resilience by ensuring more inclusive access to catastrophe protection at sustainable rates. In 2021, the PCIF Technical Working Group (TWG) developed new earthquake

and typhoon minimum tariff rates for approval of the Philippine Insurers and Reinsurers Association (PIRA) General Membership and the Insurance Commission.

Nat Re also has a long history of supporting the micro-insurance market (two mutual benefit associations are decades-old clients of the Company). Through these entities, Nat Re gives high risk-exposed members of the military, police, and peace-and-order keeping personnel; low-income religious service members; and senior citizens and their families and dependents, access to modern insurance products. The Company also covers cooperatives based in provinces outside Metro Manila.

Amid the ongoing pandemic, Nat Re has developed group and travel products that satisfy societal need for COVID-19 protection. These products provide financial help for hospital confinement, adverse vaccine side effects, and death due to COVID-19.

Direct Economic Value Generated and Distributed

Disclosure Items <i>(in millions of pesos)</i>	2021	2020
Direct Economic Value Generated	3,242	3,329
Net Written Premium	2,838	3,197
Investment and Other Income, Net	404	132
Direct Economic Value Distributed	3,113	3,371
Claims Paid and Outstanding	1,962	2,006
Reinsurance Commission	861	1,032
Employee Wages and Benefits	160	152
Payment to external providers	63	65
Taxes to Government	67	116
Investment to community	.13	0.43

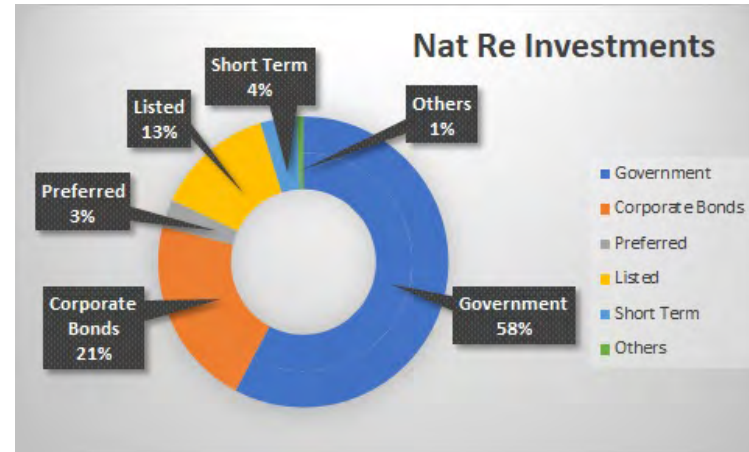
Capitalization

<i>(in millions of pesos)</i>	2021	2020
Total Assets	16,719	15,879
Total Liabilities	11,055	10,133
Stockholders’ Equity	5,664	5,746

ECONOMY

Indirect Economic Impact

Fifty-eight percent (58%) of Nat Re’s Php8.7-billion investment portfolio is invested in government security bonds, allowing the Company to support funding of government infrastructure projects and social services. The remaining forty-two percent (42%) of the Company’s investment portfolio consists of corporate bonds, equities, and short-term deposits to support the private sector’s growth. One third of the total investment in Corporate Bonds invested in ASEAN Sustainability and Green bonds.



Business Resiliency Through Nat Re’s Business Continuity Plan

Nat Re understands that because of the nature of its business, it is expected to be operational even at times of crisis and disaster in order to protect and make available its financial services to clients. For this reason, Nat Re takes planning for disaster and disruptive events seriously. Nat Re’s business continuity plan addresses issues such as technology outages, alternate resource allocation, alternate work site readiness, emergency response procedures, continuity of critical business functions, and utilization of recovery procedures for the quick restoration of critical business processes.

Nat Re maintains and is currently implementing a Business Continuity Plan (BCP) that addresses risk scenarios and events of varying scope including, but not exclusively, loss of services or infrastructure, denial-of-service and cyber-attack. Nat Re’s BCP is focused on maintaining critical processes, including fulfilling contractual and regulatory requirements, safeguarding reputation and brand image, providing customers with financial security and maintaining effective communications with customers, staff and other stakeholders. The Company aims to recover critical processes and systems within 24 hours of the activation of its BCP. Critical business processes, associated Recovery Time Objectives and Recovery Point Objectives, critical records and recovery teams are documented in departmental Business Impact Assessments

Total Investment (in millions)	8,696	
Government Bonds	5,021	58%
Corporate Bonds	1,840	21%
Preferred Stock	269	3%
Listed Equities	1,149	13%
Short-Term Placements	353	4%
Others	64	1%

(BIAs). In the event that operations cannot be continued from its main premises, such as during the ongoing pandemic, Nat Re fully supports a work-from-home (WFH) arrangement for all its employees. Nat Re has been operating fully on a WFH arrangement since the start of the Enhance Community Quarantine (ECQ) in 2020 until present, keeping in mind not only the continuation of business operations but also the safety of its employees. Nat Re is committed to serve its business partners to the best of its capabilities.

Business Continuity Plan Leverages Technology

With the continuing spread of coronavirus of different variants, management decided on the restrictions for physical access to the office premises. In order for Nat Re to continue its operations, employees have to work from home utilizing their Company-issued laptops and Internet connection. Access to internet is either on Company-sponsored prepaid arrangement or the employee’s existing personal connection.



Nat Re continued to provide laptops to new employees with access to company files, documents and emails which requires only an internet connection to the Cloud. Redundancy measures on the back-end services were put in place in 2020, where critical systems are accessible anytime on at least two locations via virtual private network (VPN).

Since all employees are working from home, calls to office phone numbers continue to be redirected to employee mobile numbers so as not to miss important business calls. The company has strengthened its subscription to online services, such as Zoom and Google Meet, to facilitate employees’ collaboration with each other, clients, and other business partners. A secure file transfer facility is in place for clients who want to send large electronic documents as well.

As part of the BCP, the Technology team ensured that employees with critical functions but without access to internet were provided with mobile internet devices. Technology support is continually being provided via remote sessions to ensure that the workforce is equipped with necessary software and hardware to process transactions from home until the time employees will be allowed to fully return to the office.

Nat Re’s Continuing COVID-19 Response and Support to Business Partners

The Company provided support to its business partners who, due to certain financial concerns and constraints brought about by the COVID-19 community quarantines, requested for extensions for premium payments. The Non-Life Reinsurance Operations, for instance, extended reinsurance premium payment due dates to address such concerns. Despite the impact on collection and accounts settlement, however, Nat Re was still able to manage its cash flow to ensure continued operations.

Nat Re’s Handling of Data Security

With the workforce working remotely, cybersecurity risks especially involving data privacy, network vulnerability, and removable storage devices became areas of heightened awareness for Nat Re.

Nat Re continued to conduct its regular Privacy Impact Assessment (PIA), helping the company understand personal data flows within the organization. This included making an inventory of company-held personal data and identifying processes that act on this data. The PIA include activities such as consultation with stakeholders,

analysis of risks and control gaps, classification of risks, and recommendations for specific action plans to minimize or mitigate risks. The PIA revealed some risk exposures and mitigating action plans have been identified. These will be monitored and reported to ensure implementation of plans.

After the completion of the Cloud Migration project in 2021, Nat Re also conducted a Vulnerability Assessment and Penetration Testing (VAPT), to review the security posture of Nat Re's network and systems. The objective of the VAPT is to identify the vulnerabilities and control gaps in the Company's current applications and services that may hinder the ability to provide the necessary IT services to its stakeholders.

Finally, the Company has also instituted the adoption of the USB (Universal Serial Bus) Policy which outlines the appropriate use of USB devices in all company-issued computers to ensure there is no unauthorized copying of data and to prevent the spread of malware.

Climate-related opportunities: Initiatives with external partners

Nat Re values forging meaningful relationships with its private and public sector partners to help develop the reinsurance industry and promote disaster risk financing and insurance and environment sustainability. By leveraging its combined resources and knowhow, the Company and its partners can create effective and affordable solutions for more disaster-resilient communities.

The Oasis Project

Nat Re is the local project manager of The Catastrophe and Climate Change Risk Assessment for the Philippines Project ("the Oasis Project"), a two-year initiative which culminated in December 2020. It brought together the Philippine government, academe, non-profit, development, and insurance sectors in developing the first open-access catastrophe model for flood in the Philippines. It also built long-term capacity among participants in the Philippines to develop, understand, and sustain catastrophe models. Nat Re will soon distribute software licenses of the flood model to Philippine stakeholders and provide the service of running ad-hoc model analyses for

stakeholders. Nat Re also continued to provide stakeholders training on catastrophe modelling and using the software.

East Asian Insurance Congress (EAIC)

The EAIC was founded in 1962 with the aim of furthering and developing international collaboration in the field of insurance of every sort. EAIC's objectives are to exchange ideas and information on all kinds of insurance among the members; to foster and encourage mutual understanding and friendship among the members; and to discuss subjects of mutual interest relating to insurance theory and practice with particular application to East Asian economic conditions.

Nat Re is an EAIC member and Nat Re President and CEO, Mr. Allan R. Santos, was elected EAIC President in 2021.

ASEAN Reinsurance Working Committee (ARWC)

The ASEAN Reinsurance Working Committee, created by the ASEAN Insurance Council, serves as an avenue for best practices sharing among national reinsurers in the region and it promotes reinsurance education and talent development. It aids regulators in making more guided decisions and harmonizing regulation within ASEAN. It also fosters a healthy and cooperative environment within the (re)insurance industry and creates opportunities for collaboration such as regional pooling. Currently, the committee is also looking to create a regional facility for insuring assets that generate renewable energy like windmills, solar farms, etc.

GIZ Climate Risk Insurance National Task Force

The Climate Risk Insurance National Task Force was created under the RFPI Asia III project of the German development aid agency GIZ. Through this project, GIZ aims to engage the Philippine government to support the insurance industry in developing sustainable climate risk insurance solutions for low-income groups, the most-at-risk, and micro, small, and medium enterprises. The Nat Re CEO is a member of this Task Force composed of members of the public and private sectors. Nat Re also serves as member of the Task Force's Technical Working Group (TWG).

Philippine Insurers and Reinsurers Association (PIRA)

Nat Re champions the development of the Philippine non-life insurance industry which is why it is an active member of PIRA. It provides insurers an avenue for enriching dialogue with each other, with regulators, and with other groups; and helps insurers harness opportunities that will better serve their customers. The Nat Re CEO served as Chairman of the Board of Trustees of PIRA until 2021, and Nat Re was also represented on PIRA's Finance Committee, International Financial Reporting Standards-17 TWG, and Data Privacy Council.

Securities and Exchange Commission (SEC)

Aligned with the goals and initiatives set by the SEC as the country's corporate regulator, Nat Re has also consistently complied with the SEC's Sustainability Reporting Guidelines for Publicly-Listed Companies (PLCs). These guidelines help PLCs like Nat Re assess and manage non-financial performance across Economic, Environmental, and Social aspects, among other goals.

Industry Technical Working Groups (TWGs)

Nat Re is a member of the TWG of the Philippine Catastrophe Insurance Facility (PCIF). The PCIF is an initiative of the IC, PIRA, and Nat Re which aims to increase the country's financial resilience against natural disasters. The facility will also help boost insurers' capacity to take in more catastrophe risks and encourage insurers to more actively promote catastrophe insurance. The regular meetings of the TWG formally commenced in January 2020.

Nat Re is a member of the TWG of the public-private crop insurance pilot project of the Philippine Crop Insurance Corporation. In this TWG, Nat Re helps in designing a program that will encourage private insurers to develop and distribute crop insurance.

Nat Re also continues to be an active member of other associations such as the Actuarial Society of the Philippines (ASP), where the Nat Re President and CEO serves as Board Member and Governor-In-Charge of the ASP Social Insurance Committee. Nat Re is also a member of the Management



Association of the Philippines (MAP), Association of Insurers and Reinsurers in Developing Countries (AIRDC), and Federation of Afro-Asian Insurers & Reinsurers (FAIR).

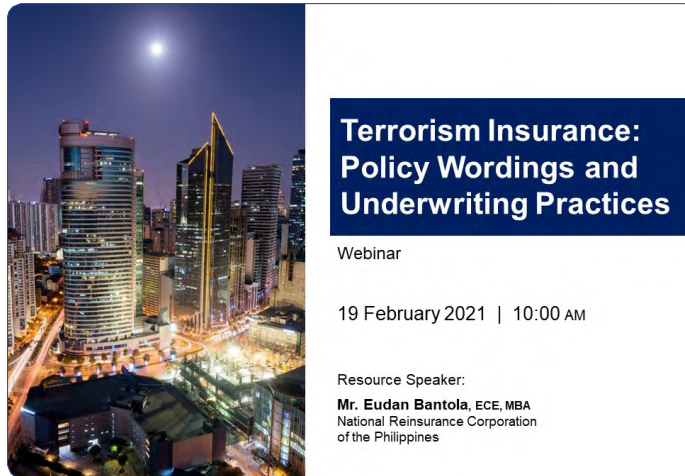
Nat Re Recognitions and Ratings for 2021

Nat Re was recognized regionally several times for its contributions to the (re) insurance industry, a reflection of the company's sustained commitment to its corporate values and good governance.

Most notably, Nat Re was named by the Institute of Corporate Directors as one of the country's Top 15 Insurance Commission-Regulated Companies out of a 119 total, winning with two Golden Arrows for its good corporate governance practices, based on the ASEAN Corporate Governance Scorecard. Nat Re and the other InsCos were assessed by the ICD based on their performance as benchmarked against the Organization for Economic Cooperation and Development principles of rights of shareholders, equitable treatment of shareholders, the role of stakeholders, disclosure and transparency, and board responsibility.

Nat Re was also named ASEAN Reinsurer of the Year (Insurance Asia News Awards for Excellence), Best Reinsurance Service Provider and Best in Corporate Governance (Reinsurance) (The Global Economics Awards), Reinsurer of the Year Asia (International Business Magazine Awards), and Best Reinsurance Company Asia 2021 (World Economic Magazine Awards).

Nat Re was also held in high regard by major rating institutions such as the Philippine Rating Services



machine, not like a kettle”, “Advanced Topics on the How, Why and When of Life Reinsurance” (May 12), “Introduction to Catastrophe Modeling” (Sept. 24), “D&O Insurance Webinar” (Feb. 5), and “Terrorism Insurance Webinar” (Feb. 19). These five webinar sessions, conducted via the communications platform Zoom, offered a wealth of knowledge and insights to insurance industry participants (public and private sector alike) from top Nat Re officers, from the safety of their homes. These webinars also allowed insurance industry players to network and learn from each other in a safe and convenient manner.

For the second time, Nat Re also virtually conducted its Annual Stockholders Meeting, gathering the company’s valued stockholders in a safe online space in order to gain updates on the company’s performance in the past year. The values of transparency and accountability were strongly manifested in this online exercise as Nat Re President and CEO Allan R. Santos delivered his report to the company stockholders, detailing the company’s efforts to continue providing value and quality service amid a trying time.

Supporting the Philippine Insurance Industry

Nat Re, as the country’s sole domestic reinsurer, believes in a robust Philippine insurance industry that is able to serve the immediate needs of the insurance public. Amid the challenges of the COVID-19 pandemic, Nat Re took concrete steps to bolster the local insurance industry through two key financial contributions.

In 2021, Nat Re officially turned over P4.5 million to the Insurance Institute of Asia and the Pacific (IIAP) and P3 million to the Philippine Insurers and Reinsurers Association (PIRA) in surplus funds raised from the 29th East Asian Insurance Congress previously co-organized by PIR and Nat Re (with Nat Re as conference fund administrator).

As previously agreed, this combined sum will be donated to designated beneficiaries upon review of the EAIC Oversight Committee, as well as to be utilized toward the furtherance of the common interest of the insurance industry in general.

Accordingly, PIRA and IIAP expressed their appreciation and gratitude for the kindness and generosity of Nat Re in relation to these contributions.

Corporation (PhilRatings) and AM Best, reflecting broad-based investor confidence in the company.

Under PhilRatings, Nat Re bagged a financial strength rating of PRS A, with a Stable Outlook, from PhilRatings. A PRS A rating means that an insurer has strong financial security characteristics but is somewhat more likely to be affected by adverse business conditions compared to higher-rated insurance companies. A Stable Outlook is defined as: “The rating is likely to be maintained or to remain unchanged in the next twelve months.”

The assigned financial strength rating and outlook take into consideration Nat Re’s: a) solid market franchise; b) shareholders of good standing; c) experienced management; and d) sound investment portfolio.

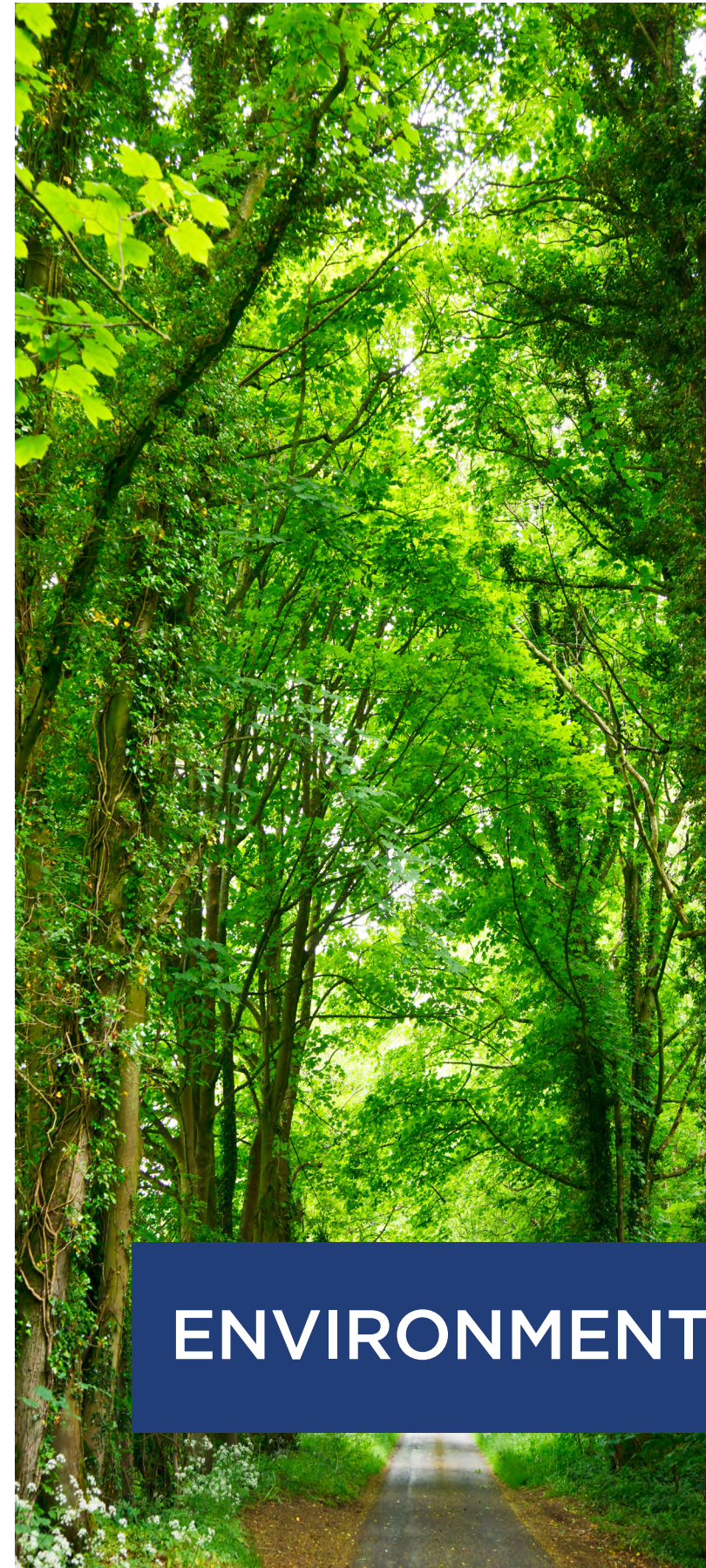
AM Best, meanwhile, affirmed Nat Re’s Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of “bbb” (Good), with a “Stable” outlook.

The ratings reflect Nat Re’s balance sheet strength, which AM Best (the world’s first credit rating agency) assesses as strong, as well as its adequate operating performance, neutral business profile, and appropriate enterprise risk management.

External Engagements with Stakeholders

Despite the challenges of the COVID-19 pandemic, Nat Re worked hard in 2021 to pursue various external engagements that offered added value to its stakeholders.

In 2021, Nat Re hosted five relevant learning sessions, namely “Reinsurance is like a coffee



Cultivating a Sustainable Community

Despite the challenges of the current pandemic, Nat Re continued to support advocacies and foster awareness on issues of importance to the company and society.

Collaborating with Fostering Education & Environment for Development, Inc. (FEED), and in light of the unique circumstances brought about by the COVID-19 pandemic Nat Re employees were able to “remotely” plant 500 seedlings in Barangay Magsaysay, at FEED’s Laguna-Quezon land grant in the Sierra Madre Mountains, with FEED staff planting on Nat Re’s behalf.

The planted seedlings, which have a target 85% upwards survival rate, form part of FEED’s “Living Legacy” program which helps offset carbon directly through the air by means of large-scale tree-planting, contributing to the reduction of future carbon emissions in the country by 2030 (Philippine national target is 70% emissions reduction).

With this, site maintenance partners for locations such as FEED’s Laguna-Quezon land grant are required to report in line with Executive Order No. 193 (Series 2015) as part of “Expanding the Coverage of the National Greening Program” (ENGP), which expanded the coverage of the NGP to cover the country’s remaining unproductive, denuded, and degraded forestlands and extended the program’s implementation period from to 2028.

In addition to the planted seedlings, Nat Re was also able to directly contribute to the FEED Climate Change Action Scholarship Fund, which provides direct scholarship assistance to financially-challenged graduate and post-graduate students pursuing studies in Agriculture, Farming, Forestry, Fisheries, Development, Social Enterprise, Sustainability, and sciences/themes related to work in water, food, and energy security for the Philippines.

Care for the Environment through Resource Management

Driven by the reality that resource management and conservation forms a significant part of its sustainability efforts, Nat Re launched in 2021 the Nat Re Carbon Curb Challenge, an employee-driven initiative designed to bring carbon



Driven by the reality that resource management and conservation forms a significant part of our sustainability efforts, Nat Re launched in 2021 the Nat Re Carbon Curb Challenge, an employee-driven initiative designed to bring carbon reduction front and center, and closer to home.

reduction front and center, and closer to home. The Nat Re Carbon Curb Challenge empowered employees to submit their most creative and most thoughtful carbon reduction practices under three categories: Conserve Power, Conserve Water, and Cultivate Health & Wellness. Challenge winners were named based on pre-determined quantitative and qualitative criteria.

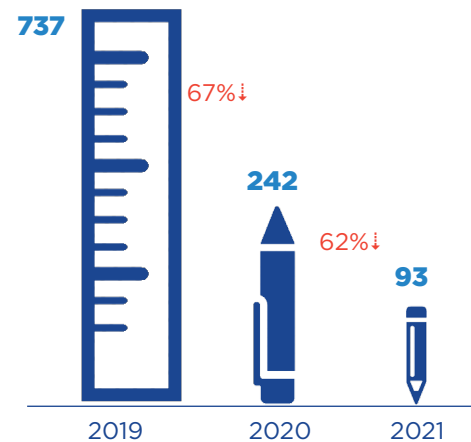
At the end of the day, the Nat Re Carbon Curb Challenge contributed to ensuring all employees are aware of the company's Sustainability Policy and are committed to implementing and improving it. This simple activity also showed how Nat Re employees are still able to help conserve resources despite the physical challenges of working at home during the ongoing pandemic.

The Company implemented measures of conserving supplies that will contribute to the preservation of natural resources. When the Company shifted to the work-from-home arrangement due to the pandemic, paperless transactions were encouraged and this resulted in the decrease in consumption of office supplies, by 62% or from Php 242k worth of office supplies in 2020, down to Php 93k in 2021.

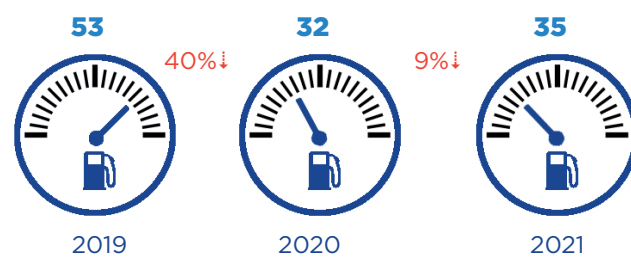
An increase of 9% in the 2021 fuel consumption was also observed due to three (3) additional officers availing of the gas allowance benefits. Officers fuel consumption increased from 32k liters in 2020 to 35k liters in 2021 but still a 34% decrease from 2019 consumption. The lower consumption in the last two years was maintained compared to 2019 due to continuous work-from-home arrangement. In this case, Nat Re continued contributing to pollution

reduction as most employees minimized their travels by air and land transportation. The usual trainings abroad and conventions/conferences out-of-town for selected employees were conducted via online.

Stationery and Supplies
(in thousands of pesos)



Fuel Consumption - Managers and Up
(Consumption, in thousand of liters)



SOCIAL

Employee Management

Nat Re considers its people as its most important asset because they drive the company's operations and help ensure the organization's continued profitable growth. In contributing to the growth and profitability of the Company, Nat Re employees are responsible for carrying out the Company's mission of promoting and developing a strong national insurance industry and supporting its integration in the country's economic and social development. The Company, therefore, ensures the promotion of the welfare and development of its employees and the creation of a culture that fosters sustainable practices, compliance, innovation and service excellence.

The Senior Leaders are composed of department heads directly reporting to the President and CEO. Seven of eight Senior Leaders were hired locally.

There is no employee from an indigenous community and/or vulnerable sector nor a part-time or a temporary employee. The Company engages a service provider for its janitorial, messengerial, and other technical services requirements. Currently, there are seven (7) employees of these service providers who are providing services to the Company.

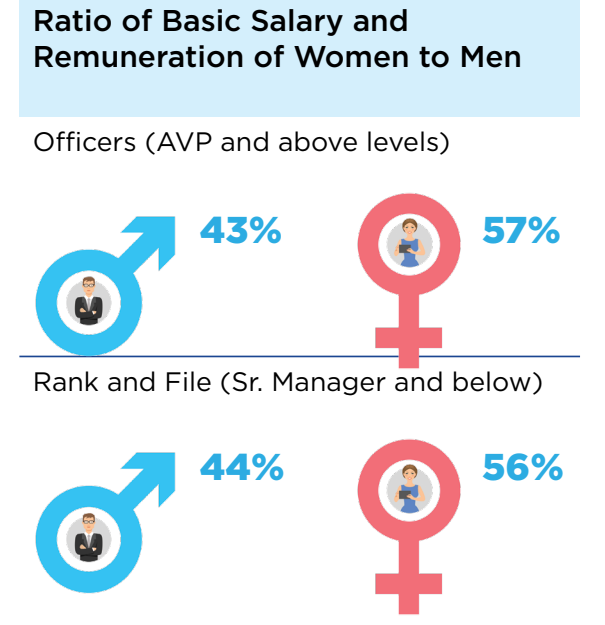
By Gender	Total Count	%
	Total Employees: 24	36
	Senior Leaders: 4	50
	New Hires: 4	6
	Employee Separations: 8	12
	Total Employees: 42	64
	Senior Leaders: 4	50
	New Hires: 6	9
	Employee Separations: 4	6
Total Employees: 66		
Senior Leaders: 8		
New Hires: 10		
Employee Separations: 12		

By Age	Total Count	%	By Employment Status	#	%
< 30	Total Employees: 19	29	Permanent	63	95
	Senior Leaders: 0	0	Probationary	3	5
	New Hires: 2	3	Total	66	100
	Employee Separations: 4	6			
30-50	Total Employees: 35	53	Company benefits are only provided to permanent employees. Probationary employees may enjoy these benefits as soon as their employment status becomes permanent.		
	Senior Leaders: 3	38			
	New Hires: 6	9			
	Employee Separations: 6	9	All employees are entitled to take a maternity or paternity leave. One female and one male employee availed of the benefit and returned to work after their maternity/paternity leave period ended.		
> 50	Total Employees: 12	18			
	Senior Leaders: 5	62			
	New Hires: 2	3			
	Employee Separations: 2	3			
Total Employees: 66					
Senior Leaders: 8					
New Hires: 10					
Employee Separations: 12					

Employee Benefits	% of female employees who availed for the year	% of male employees who availed for the year
SSS loan	14%	13%
SSS maternity	2%	0%
PhilHealth medical benefits	5%	29%
PAG-IBIG salary loan	19%	13%
PAG-IBIG housing loan	7%	0%
Emergency loan	26%	25%
13th month pay	100%	100%
Mid-year bonus	100%	100%
Sick leave conversion	93%	92%
Vacation leave conversion	76%	88%
Uniform allowance	93%	100%
Medical allowance	93%	100%
Emergency leaves	19%	0%
Gynelological leaves	0%	0%
Maternity leaves	2%	0%
Solo parent leaves	2%	0%
Paternity leaves	0%	0%
Vacation leaves	79%	83%
Sick leaves	57%	63%
Mobility program	33%	38%
HMO (aside from PhilHealth)	95%	96%
Retirement fund (aside from SSS)	0%	13%
Flexible working hours	100%	100%

Salaries and Wages

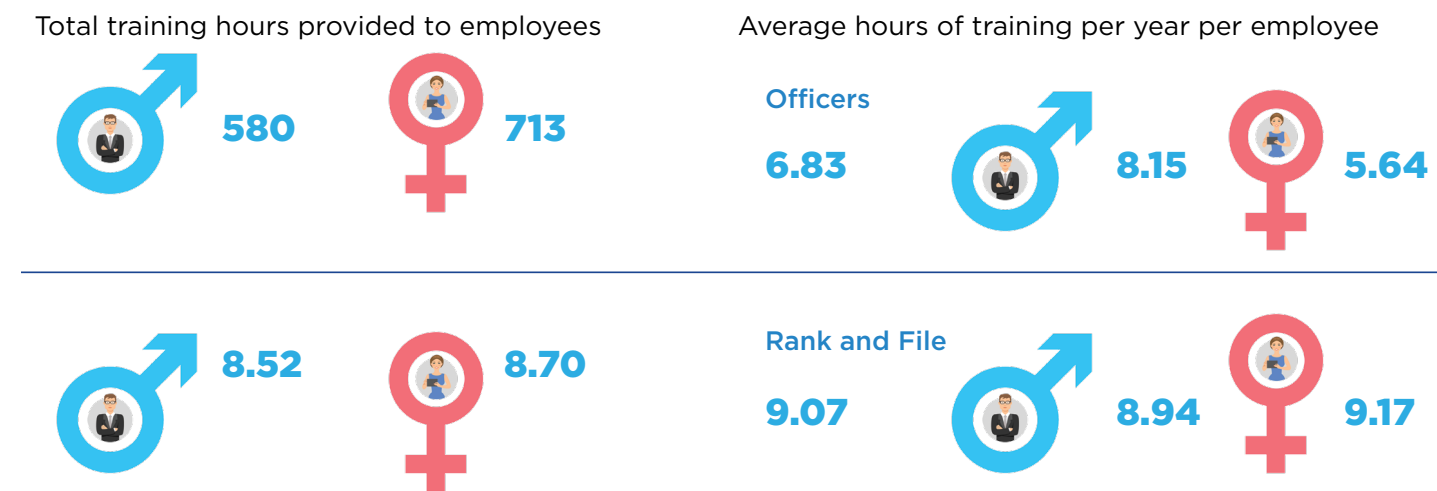
Annual Total Compensation Ratio	%
Ratio of the annual total compensation of the top five (5) highest-paid individuals to the median annual total compensation for all employees (excluding the top five (5) highest-paid individuals)	4.96
Percentage increase in the top five (5) highest-paid individuals' compensation from prior period to the reporting period	11.70
Percentage increase of the median annual total compensation from the previous reporting period to the current reporting period	49.97
Ratio of the annual total compensation percentage increase of the top five (5) highest-paid individual to the median annual total compensation percentage increase for all employees	0.23



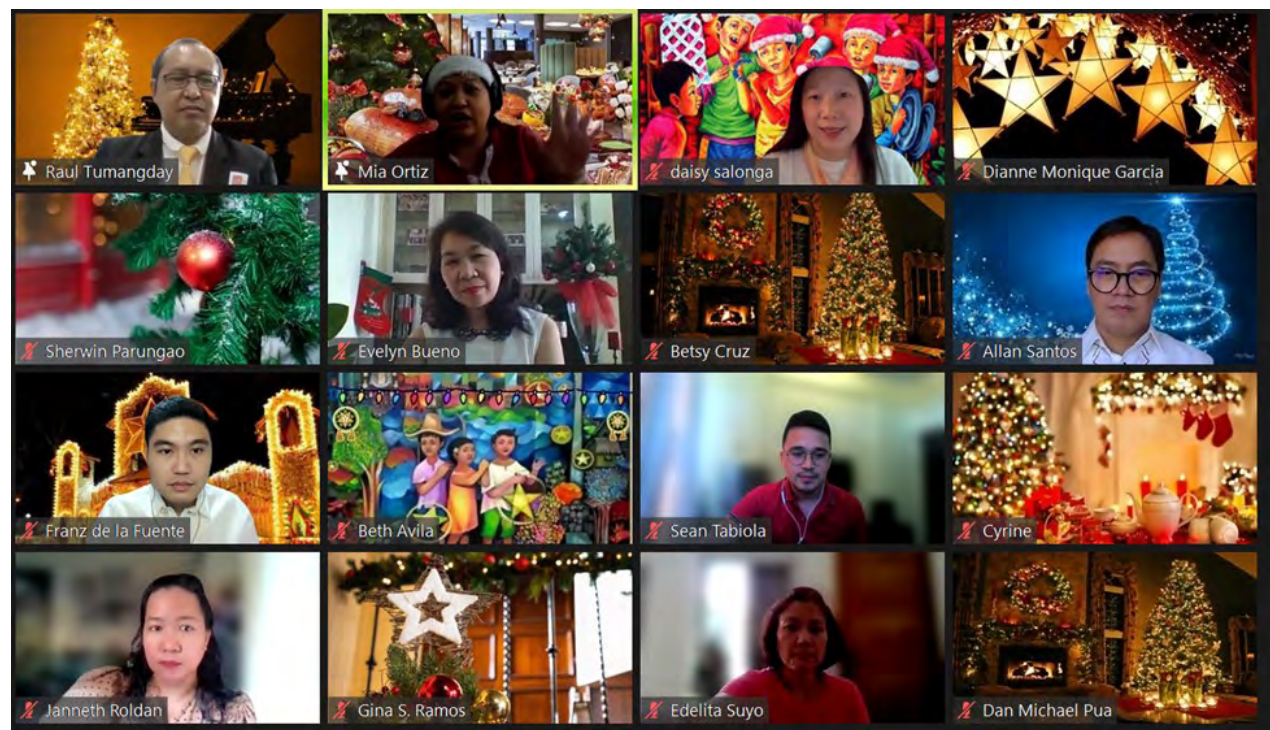
Training and Education

Nat Re conducts an annual performance assessment of all employees' skills and competencies in relation to the performance of their duties and responsibilities. Employees can tap into an annual training budget and attend capacity-building seminars both in the Philippines and abroad. They are expected to echo learnings from these training to their colleagues.

Employee Training and Development



Health, Safety, and Welfare of Employees



The Company is committed to provide a safe, secure and healthy work environment for its employees. In turn, employees are expected to work safely and to take care of their health. Employees are urged to report to their immediate superior or to Office Services accidents or any condition or practice that is deemed unsafe, whether or not these result in personal injury or no matter how minor they might seem.

To promote health and well-being, all permanent employees receive health care benefits which include coverage by a health insurance provider, an annual medical examination, as well as medical allowance. The Company also provides sick leave and vacation leave benefits to all permanent employees.

During this time of pandemic, the Company has implemented a work-from-home arrangement to ensure that employees remain safe and secure, as well as to help reduce their exposure to the virus.

Nat Re promoted positive mental health and general well-being among its employees through the issuance of safety reminders and health guidelines as well as facilitating employee attendance in health talks and physical wellness sessions. The Company has an improved health maintenance organization (HMO) benefit to cover illnesses caused by the pandemic for employees and their dependents (at no additional cost to the employees).

Nat Re kept the employees engaged and addressed their social well-being concerns through various activities facilitated by the HROS Team. These activities included declaring February as Employee 'Appreciation Month' where employees were encouraged to show appreciation to one another, to recognize the support received from fellow employees, and to show kindness to one another.

The Nat Re Viber group is an active communication tool that ensures quick and timely delivery of messages, news, announcements, and reminders



to employees not only on work-related concerns but also on personal matters such as greeting birthday celebrants, sharing good wishes to each other, and keeping employees up-to-date on relevant current news and events. Virtual meet ups were also introduced which allowed employees to hold virtual meetings or group chats. The Nat Re *Kwentuhan* is held every Friday. This is an after-office activity aimed to give employees a venue to relax while keeping in touch with one another, to enjoy each other's company through virtual games, singing, exchanging stories or simply just having fun. There is also a 'venti coffee break' every Wednesday afternoon for employees who wish to just have a quick chat or consultation with the HROS team on anything that concerns them.

Nat Re continued to celebrate annual events that employees were accustomed to such as the Company Anniversary, "Trick or Treat", the Year-End Party and the Year-End Toast but only this time, these were conducted virtually. A Thanksgiving Mass was also held as part of the Nat Re 2021 year-ender program.

To encourage camaraderie, employees are involved in deciding, planning and implementing employee activities and programs such as sports events, summer outings, and company parties. To promote work-life balance, employees are entitled to at least fifteen (15) vacation leaves a year and are expected to work only on weekdays.

Nat Re has also expanded and formalized its policies on having a Drug-Free Workplace and Anti-Sexual Harassment. This is part of the Company's commitment to provide a safe workplace for all its employees.

Succession Planning

In order to ensure continuity in leadership and sustained business operations, the Company formalized and adopted a Succession Planning System. This system facilitated the identification of key executive and management positions as well as high potential candidates for the positions. It likewise included the identification of learning and development plans and programs that would help the high potential talents to develop their leadership skills and to prepare them to assume higher levels of management.

Health Promotion Services

Nat Re believes that developing healthier employees will result in a more productive and engaged workforce. To create a healthier workplace culture and to maintain and improve the overall health and well-being of its staff especially during the pandemic, the Company:

- Partnered with Maxicare a health maintenance organization, in conducting health and wellness learning sessions, such as the talk on Nutrition and Healthy Eating, No Gym, No Problem: Staying fit at home, Achieve Better Sleep During the Pandemic, Pandemic parenting problems: How to successfully work from home while parenting, Empowering the Mind: Take back control over your stress and anxiety during this pandemic, VAC to Basics: What you need to know about the COVID vaccines, and You are stronger than you think! Moving Forward with Resilience. Also shared a webinar on Guided Meditation with Dekila Chungyalpa by the Center for Healthyminds.
- Disseminated medical bulletins, updates, advisories and information from Maxicare, the Department of Health and the World Health Organization on different topics such as Leptospirosis, Prevent Mosquito Breeding Sites around your home, and Manage your COVID-19 symptoms at home. Also provided a webinar on Covid Vaccine together with Reliance United (a member of United Laboratories Group).

- Provided advisory updates on Maxicare Helpdesk Sites, Schedules, Teleconsulting, COVID testing and vaccination, Free Flu Vaccination, and hospitals on full capacity due to COVID-19.; and
- Monitored and followed up employee vaccination which reached 99% by year-end.

2021 Employee Engagement Survey Results

The overall engagement score of the company has significantly improved over the years. More respondents are agreeing with the engagement statements presented. The improvement in the perception of the employees is brought about by the programs and developments introduced by the company over the years.

While global engagement was forecasted to go down in 2021, Nat Re was able to maintain its previous year's engagement level for 2021. The company's investment in people and technological systems and support, contributed to ease of doing business remotely.

Improved leadership and better communication within the teams also contributed to creating a more harmonious work environment. The company's virtual activities such as the Nat Re Kwentuhan, the Venti Coffee Break, virtual Trick or Treat, Year-End party etc. provided the employees a semblance of normalcy and the opportunity for social interaction they sorely missed.

Employee learning had not stopped. International and local trainings were provided to employees via online facility. Heads were more than willing to provide mentorship to employees while employees readily shared their learnings with one another.

The employees were happy to receive their merit increases, performance incentives and even additional Christmas gifts. They were truly grateful for the concern shown by the Company, especially during this pandemic time.



Retirement Benefit

Nat Re provides retirement benefits to its employees. The normal retirement benefit, which employees can avail upon reaching 60 years old, is equivalent to 175% of the employee's basic monthly salary at the time of retirement multiplied by the number of years of service.

Employees can avail of early retirement benefit equivalent to 25% of the normal benefit rate, if one has rendered at least 5 years of continuous service to the Company.

Actuarial valuations are conducted annually to update the retirement benefit costs and determine the amount of contribution to the fund. As of December 31, 2021, the Fair Value of the Plan Asset stood at Php98.8 million while the Net Defined Benefit Asset was at Php9.9 million.

Labor Management Relations

The Company is non-unionized. Management provides employees with opportunities to take part in planning and implementing activities that affect them through employee committees. The Company values and respects the opinions of employees, thus, employees are likewise encouraged to give feedback and suggestions regarding employee policies and procedures as well as activities through the employee suggestion box, regular evaluation of employee activities, the quarterly town hall as well as the annual employee engagement survey and focus group discussions. These modes of communication promote two-way communication and involve employees in the employee program and policy development process. Being actively involved in the process of discussing employee concerns, assessing employee activities and policies help the Company in making more responsive decisions and employee programs.



Nat Re believes that fair and effective governance is vital in ensuring that its Board's, management's, and employees' decisions and actions contribute to sustainable development. Good governance within the Company is supported by the proper structure, effective policies, well-defined processes, adequate tools to implement those policies, and a competent and engaged Board.

Board of Directors

The Board of Directors is the highest governing body tasked to formulate and approve the Company's business objectives and strategies and to oversee the development of priority activities identified to help achieve and implement such objectives and strategies. The Board fulfills these responsibilities to sustain the Company's long-term viability and strength.

The Board consists of thirteen (13) directors, three (3) of whom are independent, nine (9) are non-executive, and one (1) is an executive. The Chairman is a non-executive director.

There are six (6) board committees namely the Audit Committee, the Risk and Oversight Committee (ROC), the Governance and Related Party Transaction (GRPT) Committee, the Underwriting Committee, the Investment & Budget Committee, and the Nomination and Compensation Committee. The composition of the Board and Board Committees are available in the Company's website under the Corporate Governance page.

The members of the Board are nominated and elected by the Company's stockholders annually. In 2021, Nat Re had five (5) women directors and eight (8) male directors.

The Board is responsible for formulating clear and focused policies which integrate the guiding principles on sustainable development into the Company's activities, and which require the disclosure of material and reportable non-financial information and sustainability issues.

GOVERNANCE

Nat Re annually conducts the performance assessment of its Board of Directors, its different board committees, and its individual directors.

Senior Leaders

Nat Re's senior executives or Senior Leaders are responsible for identifying and implementing priority activities to help achieve the business objectives and implement the strategies approved by the Board. In addition to this, the Senior Leaders also ensure that the Company:

- Serves its stakeholders and its environment in a positive and progressive manner;
- Promotes business and environment sustainability practices in its workplace;
- Adopts a globally recognized standard/framework in reporting sustainability and non-financial issues such as the GRI (Global Reporting Initiatives) Sustainability Reporting Standards; and,
- Discloses material and reportable non-financial and sustainable issues.

All members of the Board of Directors and Senior Leaders are required to attend relevant annual seminars on corporate governance and/or related topics which also includes sustainability. The Directors conduct an annual self-assessment to evaluate their performance relative to their overall governance roles and responsibilities.

Remuneration of Board of Directors and Senior Executives

The Directors receive per diem for every meeting they attend. The amount is approved by the Company's shareholders during the annual stockholders' meeting. The Senior Leaders, as Company employees, receive a regular and fixed monthly basic salary. They also receive a variable performance incentive (the amount is approved by the Board of Directors) based on the achievement of performance targets. They are also entitled to Company benefits such as retirement pay. The remuneration and benefits of the Senior Leaders are subject to the approval of the Nomination and Compensation Board Committee.

Enterprise Risk Management

The Company is committed to meet the best risk management standards and to achieve risk management excellence. Nat Re strives to achieve this by establishing various processes, resources, and structures across the organization to address risk management needs. These cover internal audit systems, insurance and risk finance, IT security, compliance processes, quality management, and line management interventions.

The Company's risk policy provides an integrated framework for conducting enterprise risk management to ensure efforts are optimized. This policy applies to all levels of the organization starting from the Board of Directors.



MATERIAL SUSTAINABILITY TOPICS


Reporting Process

The flowchart on the right describes the general process undertaken in defining the report's content and topic boundaries.

Material Topics on Nat Re's Sustainability

The following topics are identified by Nat Re as 'High' in materiality:


Economic Performance - Reinsurance Business



Boundaries
Within Nat Re, Business Partners, Employees, External Service Providers, Shareholders, Government, Regulators

Definition and Relevance
Nat Re contributes to the growth and stability of its client companies by providing reinsurance capacity to local insurance companies and by serving as a mechanism for the efficient distribution of the reinsurance business locally through the creation of reinsurance facilities, providing technical assistance and consultancy services to ceding/ insurance companies. Nat Re also helps optimize national risk retention for the insurance industry through the efficient distribution and diversification of risks, thereby retaining insurance premiums locally. This eventually contributes to the economic growth and sustainable development of the Philippine economy.

Indirect Economic Impact - Investments in Government/Corporate Bonds/Green Bond Financing



Boundaries
Within Nat Re, Investment Team, External Fund Managers, Shareholders, Banks, Regulators, Government

Definition and Relevance
By investing in government and/or corporate bonds, Nat Re helps provide funding for government projects and initiatives and helps support business expansions in the private sector and all these contribute to the growth of the national economy. Nat Re's investments in the ASEAN Sustainability and Green Bonds support the eligible green and social categories like the financing or refinancing of new and existing renewable energy projects.

Capacity Building

Created a sustainability team with members who are directly interacting with different stakeholders and together assessed the needs and requirements of each one and prioritized those expectations and needs relative to who will be significantly affected.

Guided by GRI reporting principles on:
1) Sustainability Context
2) Verifiability
3) Completeness

Data Gathering

Identified the sustainability topics by analyzing/ reviewing existing performance, policies, activities, programmes and initiatives, and evaluated also the risks and opportunities presented for each of the topics.

Guided by GRI reporting principles on:
1) Balance
2) Completeness
3) Sustainability Context

Materiality Assessment

Assessed the materiality based on the significance of their economic environmental and/or social impacts; and their substantial influence on the assessment and decisions of Nat Re's stakeholders.


Guided by GRI reporting principles on:
1) Balance
2) Sustainability Context
3) Comparability

Management Review

Validation and acceptance of material topics and reported information through deliberation of Senior Management and thereafter obtained board approval.

Guided by GRI reporting principles on:
1) Sustainability Context
2) Completeness
3) Verifiability

Business Resiliency - Customer Assistance, Support and Services, and Employee Safety & Welfare



Boundaries
Within Nat Re, Business Partners, Employees, External Service Providers


Definition and Relevance
The Company's reinsurance solutions afford its client companies greater stability and resilience to extreme events.

The Company also continues to facilitate capacity building by knowledge sharing conducted through free webinars on selected insurance/reinsurance topics and by promoting other insurance companies.

For its own resiliency and those of its employees, Nat Re already established its business continuity plans and makes its adjustments as necessary to ensure that it is able to continuously provide support and good service to its ceding companies. Nat Re also ensures the health, safety, and well-being of its employees.

The development of a succession planning in Nat Re aims to primarily ensure continuity in leadership for key and critical positions in the Company in the event of retirement, resignation, separation, or business expansion.


Data Security (newly added material topic) - Information Protection and Data Privacy



Boundaries
Within Nat Re, Business Partners, Employees, External Service Providers, Regulators

Definition and Relevance
The integrity of data is crucial to Nat Re. Controls in place are continuously being assessed to ensure data protection and data privacy.

Climate-Related Opportunities -Various Initiatives with External Parties Financing

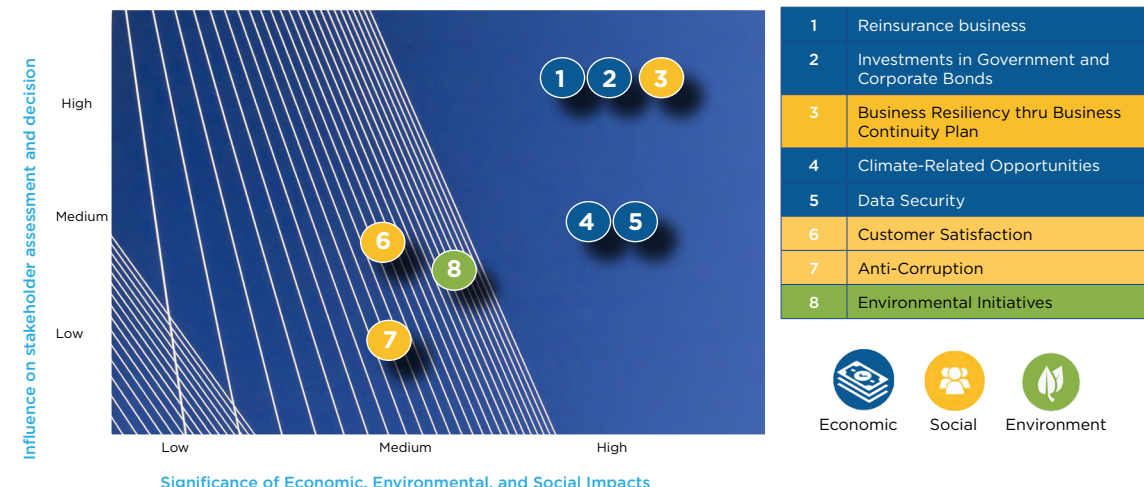


Boundaries
Within Nat Re, Member Organizations, Government

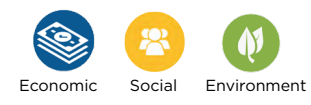
Definition and Relevance
By continuing to partner with organizations in the public and private sectors, the Company creates effective and affordable solutions for more disaster-resilient communities. Through the Philippine Catastrophe Insurance Facility (PCIF) initiative, Nat Re, in collaboration with the Insurance Commission (IC) and the Philippine Insurers and Reinsurers' Association (PIRA), analyzed inherent risk levels and came up with research-based risk zones to develop more risk-appropriate and sustainable premium rates as an update to the current minimum tariff rates for catastrophe risks.

Materiality Matrix

This materiality matrix demonstrates the level of materiality on the other topics identified.



1	Reinsurance business
2	Investments in Government and Corporate Bonds
3	Business Resiliency thru Business Continuity Plan
4	Climate-Related Opportunities
5	Data Security
6	Customer Satisfaction
7	Anti-Corruption
8	Environmental Initiatives



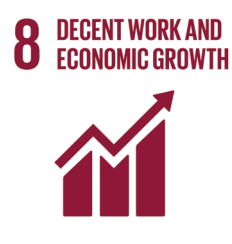

Management Approach on Material Topics

ECONOMIC	
Strategy	Action Items
Manage key risks.	Underwriting risks are managed through the 'excess of loss' program that is bought. The Nat Re portfolio is diversified through reinsurance exchange arrangements, and annual risk and control assessments are conducted, control gaps identified, and key risk indicators agreed upon to mitigate and improve risk management actions.
Boost technology and operational resilience to secure business operations.	Enhance Nat Re's business continuity management system, continuing policy documentation and process reviews toward improving operational efficiency and effectiveness.
Engage various stakeholders to identify and address material issues.	Continue advancing mutual cooperation within the insurance industry in the region and pursuing mutually beneficial agreements with fellow reinsurers. Continue providing technical trainings and orientations through webinars for business partners on topics such as specialized insurance lines or products as part of value-added services. Employees are also provided the opportunity to attend specialized and/or publicly-run seminars to enhance their competency and thus contribute to their professional growth.
Strengthen data security to ensure the integrity of data and maintain data privacy.	Continuously review the security vulnerabilities of Nat Re's Network and Systems through the conduct of Vulnerability Assessment and Penetration Testing and prioritize and address any critical security issues identified; perform Privacy Impact Assessment to identify and assess data privacy risks and establish the required policies and guidelines and needed actions to resolve data security issues.
Promote the safety and health of employees.	Continue the work-from-home arrangement (WFH) of employees to ensure their safety and good health. Encourage employees to be vaccinated. Regular webinars related to Health and Wellness were also conducted to improve and sustain employee awareness. The Company ensures the strict observance of health measures/ protocols for messengers/ utility personnel assigned to be physically present in the office for any delivery requirements.





SOCIAL	
Strategy	Action Items
Continue to develop capabilities and professional competence of employees to improve talent retention and develop leaders and mentors in the (re) insurance industry.	Continue to provide opportunities for employees to develop their professional competence through continuous training, and technical development programs as well as improving overall employee benefits.

ENVIRONMENT	
Strategy	Action Items
Promote a culture of awareness on environment sustainability within the organization.	Encourage practices either in the office or at home that help promote environment sustainability and the safety and well-being of employees. As part of continued employee engagement in the WFH setting, employees shared ideas on how, in their own households, they can reduce their carbon footprint. Employees' creative ideas on conserving electricity, water, and practicing health and wellness while working from home were encouraged.
	Contribute to protect and restore terrestrial ecosystems through tree planting. This activity was implemented in coordination with a non-government organization to plant trees on behalf of Nat Re. The employees can visit the planted trees when further mobility is relaxed and allowed by the local government units.

Nat Re's Contributions to the UN Sustainable Development Goals

Sustainability Development Goal (SDG) and Target	Nat Re's Contribution
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.</p> <p>In 2021, the Company's total Gross Written Premiums (GWP) were worth Php4,195 million, of which Php 3,119 million came from its local business, Php1,076 million from its foreign business. It paid claims worth Php1,431 million and had movement in outstanding claims and claims reserves worth Php531 million.</p>
 <p>13 CLIMATE ACTION</p>	<p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>Nat Re participates in various public and private sector projects and initiatives towards disaster resilience.</p> <p>The Oasis Platform for Climate and Catastrophe Risk Assessment in Asia Project, or the Oasis Project, is a fully funded project by the International Climate Initiative (IKI) of the German federal government. For the past three years, Nat Re, along with Oasis Loss Modelling Framework (Oasis LMF), the Geodetic Engineering Department of the University of the Philippines in Diliman, the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA), the Potsdam Institute for Climate Impact Research (PIK), KatRisk, Willis Towers Watson, and other local and international partners, worked together in building the first open-access catastrophe model for flood in the Philippines.</p> <p>This newly developed catastrophe model will build in-country scientific expertise in catastrophe risk modelling to strengthen the capabilities of the local insurance industry, government, and academe for catastrophe and climate risk modelling and analysis. This will aid in underwriting and risk selection, portfolio management and monitoring, technical pricing, risk reduction and mitigation, financial protection, disaster risk management, infrastructure planning, existing research augmentation, climate change and loss scenario analysis, among others.</p>

Nat Re's Contributions to the UN Sustainable Development Goals

Sustainability Development Goal (SDG) and Target	Nat Re's Contribution
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p> <p>Nat Re invests around Php5.0 billion in government bonds and Php3.7 billion in other commercial investments.</p> <p>Donations were made to PIRA and IIAP amounting to Php7.5 million from the excess funds of the EAIC Manila Conference Organization, to be utilized for the common interest of the industry.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p> <p>Nat Re invested Php50 million in Sustainability Bond to support the asset growth, refinance maturing liabilities and general funding purposes. Such funds will be used and/or allocated to finance the bank's loan to customers or its own operating activities in Eligible Green and Social Categories.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Make cities and human settlements, inclusive, safe, resilient and sustainable.</p> <p>Nat Re also has another Php12.09 million Green Bonds Investment where net proceeds of the First Tranche Bonds will be used to finance or refinance new and existing renewable energy projects that are considered Eligible Green Projects under the EDC Green Bond Framework.</p>
 <p>13 CLIMATE ACTION</p>	<p>Take urgent action to combat climate change and its impact.</p>

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