

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
Makati City**

Minutes No. 01

30 JUNE 2022

MINUTES

**Minutes of the Annual Meeting of Stockholders of
National Reinsurance Corporation of the Philippines
Held on 30 JUNE 2022, at 3:00 P.M.
via Zoom Webinar**

Present:

Total Number of Shares Present in Person and/or Represented by Proxies:	1,581,113,597 shares	74.45%
Absent Shares:	542,492,003 shares	25.55%
Total Number of Outstanding Shares:	2,123,605,600 shares	100%

Directors Present:

WILFREDO C. MALDIA
ALLAN R. SANTOS
RAFAEL G. AYUSTE, JR.
JOCELYN DG CABREZA
REGINALDO ANTHONY B. CARIASO
MARIA CONSUELO A. LUKBAN
NORA M. MALUBAY
MEDEL T. NERA
ANTONIO M. RUBIN
JOLI CO WU
YVONNE S. YUCHENGCO
ROBERTO G. MANABAT

Absent

REX MA.A. MENDOZA

Also Present:

NOEL A. LAMAN
MA. PILAR M. PILARES-GUTIERREZ

1. CALL TO ORDER

Mr. Wilfredo Maldia, the Chairman of the Board of Directors, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Noel A. Laman, was Secretary of the meeting and he recorded the proceedings.

2. PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Chairman requested the Corporate Secretary to confirm if the notice of the meeting was sent to the stockholders of record of the Corporation. The Corporate Secretary responded in the affirmative. He certified that copies of the Notice of the Annual Stockholders' Meeting were distributed in digital format via the company's website and PSE Edge, and also published with QR code of the Company's Information Statement in two newspapers, The Philippine Daily Inquirer and Business World in both print and digital format on May 30 and May 31, 2022 respectively, in accordance with the requirements of the Securities and Exchange Commission.

The Chairman then inquired if a quorum was present for the transaction of corporate business. The Corporate Secretary declared that out of a total of 2,123,605,600 shares outstanding and entitled to vote, stockholders owning at least 1,581,113,597 shares were present in person or by proxies, which represent at least 74.45% of the total outstanding capital stock entitled to vote of the Corporation. Thus, the Secretary certified that a quorum existed for the transaction of corporate business.

3. APPROVAL OF MINUTES OF THE MEETING OF THE STOCKHOLDERS HELD ON JUNE 23, 2021

Upon inquiry of the Chairman, the Corporate Secretary certified that a copy of the Minutes of the Annual Stockholders' Meeting held on June 23, 2021 has been posted on the company's website since June 28, 2021. In addition, a summary of the matters taken up during the previous annual meeting was provided in the Definitive Information Statement that was likewise posted on the company's website and on PSE Edge. The Chairman then opened the floor for any motion for the approval of the Minutes of the Annual Stockholders' Meeting held on June 23, 2021. A stockholder moved that since a copy of the Minutes of the Annual Meeting of the Stockholders held on June 23, 2021 has been made available through the company's website to all stockholders, the said minutes should be deemed read and approved by the stockholders owning at least a majority of the outstanding capital stock.

The Corporate Secretary certified that the stockholders who have voted in favor of the approval of the minutes of the annual stockholders' meeting held on 23 June 2021 represent **74.45%** of the outstanding capital stock and tabulated as follows:

FOR.....	1,581,113,597
AGAINST.....	0
ABSTAIN.....	0

There being no objection, and the motion having been duly seconded, the following resolution was approved:

Stockholders' Resolution ASM-2022-01

“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, as they hereby approve the Minutes of the Annual Stockholders’ Meeting held on June 23, 2021.”

4. REPORT OF THE PRESIDENT

The President, Mr. Allan R. Santos, presented the President’s Report.

The full text of the President’s Report is appended hereto as Annex “A” and made a part of these minutes.

Upon conclusion of the report of the President, the Chairman opened the floor for any question regarding said report.

The questions raised by the stockholders and the answers provided by the company’s management are summarized in Annex “B” hereof.

After the questions were addressed, upon motion made and duly seconded, the following resolution was approved:

Stockholders' Resolution ASM-2022-02

“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, as it hereby approves the Management Report which includes the 2021 Audited Financial Statements as presented by the President on June 30, 2022.”

The Corporate Secretary certified that the stockholders who have voted in favor of the approval represent **74.45%** of the outstanding capital stock and tabulated as follows:

FOR.....	1,581,113,597
AGAINST.....	0
ABSTAIN.....	0

5. RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS/OFFICERS

The meeting proceeded with the ratification of the acts of the Board of Directors and Officers of the Corporation performed or undertaken in the year 2021 and until the date of this meeting as they were recorded in the books and records of the Corporation. There being no objections and upon motion made and duly seconded, the following resolution was formally introduced, seconded and approved by the vote of at least two-thirds of the outstanding capital stock:

Stockholders' Resolution ASM-2022-03

“RESOLVED, that the stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, ratify and confirm, as they do hereby, all the acts, decisions and resolutions of the Board of Directors and Officers made or undertaken in the year 2021 and until the date of this meeting as these are recorded in the books and records of the Corporation.”

The Corporate Secretary certified that the stockholders who have voted in favor of the approval represent **74.45%** of the outstanding capital stock and tabulated as follows:

FOR..... 1,581,113,597
 AGAINST..... 0
 ABSTAIN..... 0

6. APPOINTMENT OF THE EXTERNAL AUDITORS

The Chairman informed the stockholders that upon proper recommendation of the Audit Committee, the Board of Directors, at a regular meeting held on February 24, 2022, approved and recommended for stockholders' ratification the appointment of *R.G. Manabat & Company (KPMG Philippines) (“R.G. Manabat &Co.”)* as the external auditors of the Corporation for the year 2022. The appointment of *R.G. Manabat &Co.* as the independent auditors of the Corporation was then formally presented to the stockholders for approval. It was disclosed that Mr. Tireso Randy F. Lapidez of *R.G. Manabat &Co. (KPMG Philippines)* shall be the partner-in-charge of the Corporation's account for the current fiscal year. Upon motion made and duly seconded, *KPMG Philippines* was appointed as external auditors of the Corporation for the year 2022, and the following resolution was formally introduced, seconded and adopted:

Stockholders' Resolution ASM-2022-04

“RESOLVED, that the stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, ratify, and confirm, as they do hereby, the appointment of R.G. Manabat &Co. as the external auditors of the Corporation for the year 2022.”

The Corporate Secretary certified that the stockholders who have voted in favor of the approval represent **74.45%** of the outstanding capital stock and tabulated as follows:

FOR..... 1,581,113,597
 AGAINST..... 0
 ABSTAIN..... 0

7. AMENDMENT OF THE SECONDARY PURPOSE CLAUSE (ARTICLE II) OF THE AMENDED ARTICLES OF INCORPORATION

The meeting proceeded to the amendment of the secondary purpose clause (Article II) of the Amended Articles of Incorporation, for the Corporation to engage in the proposed secondary purpose to offer this kind of coverage. There being no objections and upon motion

made and duly seconded, the following resolution was formally introduced, seconded and approved by the vote of at least two-thirds of the outstanding capital stock:

Stockholders' Resolution ASM-2022-05

“RESOLVED, that the Stockholders of **National Reinsurance Corporation of the Philippines** (the “Corporation”) approve, as it hereby approves, the amendment of the Amended Articles of Incorporation of the Corporation to allow the company to offer capacity or financial protection to Health Maintenance Organizations (“HMOs”) and similar entities, thereby amending the secondary purposes of the Corporation’s Amended Articles of Incorporation, to read as follows:

“6. To take on risks from and provide capacity or financial protection to Health Maintenance Organizations (HMOs) and other similar institutions or entities in accordance with all applicable laws, rules and regulation of the Office of the Insurance Commission and other government agencies.”

RESOLVED, FURTHER, that the directors and officers of the Corporation be authorized, as they are hereby authorized, to sign, execute, and deliver any and all documents which may be required to implement the foregoing resolutions and to secure the approval by the Insurance Commission and the Securities and Exchange Commission of the amendment to the Corporation’s Amended Articles of Incorporation;

RESOLVED, FURTHER, to authorize the law firm of Castillo Laman Tan Pantaleon & San Jose to transact with the Office of the Insurance Commission and the Securities and Exchange Commission with respect to the foregoing application, to cause such revisions to the proposed language of the additional secondary purpose clause as may be required or necessary to obtain the approval thereof by the Insurance Commission and the Securities and Exchange Commission;

RESOLVED, FINALLY, to authorize the Corporation to undertake the activities in the proposed secondary purpose, to offer capacity or financial protection to HMOs and similar entities by providing capacity and financial protection subject to applicable laws, rules and regulation of the Office of the Insurance Commission and other government agencies.”

The Corporate Secretary certified that the stockholders who have voted in favor of the approval represent **74.29%** of the outstanding capital stock and tabulated as follows:

FOR.....	1,577,568,097
AGAINST.....	0
ABSTAIN.....	3,545,500

8. INCREASE OF PER DIEM OF REGULAR AND INDEPENDENT DIRECTORS IN COMMITTEE MEETINGS

The meeting proceeded to the increase in the per diem of regular directors and independent directors for attending the committee meetings from eight thousand pesos (Php 8,000) to fifteen thousand pesos (Php 15,000). The rationale for the increase is to recognize the time and effort exerted by directors during board committee meeting as the discussions and deliberations are more extensive and comprehensive. There being no objection, upon motion made and duly seconded, the following resolution was formally introduced, seconded and adopted:

Stockholders' Resolution ASM-2022-06

“RESOLVED, that the stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, ratify, and confirm, as they do hereby, the increase of the per diem of regular and independent directors in attending committee meetings from eight thousand pesos (Php 8,000.00) to fifteen thousand pesos (Php 15,000.00), net of tax;

RESOLVED, FURTHER, to authorize the management and proper officers of the Corporation to do such acts and execute all documents which may be required in relation to the foregoing.”

The Corporate Secretary certified that the stockholders who have voted in favor of the approval represent **74.29%** of the outstanding capital stock and tabulated as follows:

FOR.....	1,577,568,097
AGAINST.....	0
ABSTAIN.....	3,545,500

9. ELECTION OF DIRECTORS

The meeting proceeded to the election of members of the Board of Directors of the Corporation for the year 2022-2023. Upon the directive of the Chairman, the Corporate Secretary informed the stockholders of the provisions of the Articles of Incorporation relating to the nomination and election of the members of the Board of Directors. He said that Article Sixth of the Amended Articles of Incorporation of *National Reinsurance Corporation of the Philippines* provides for thirteen (13) seats in the Board of Directors, at least three (3) of whom should be independent directors.

Thereafter, the Corporate Secretary informed the stockholders that the *Nomination Committee* received ten (10) nominees for Regular Directors and three (3) nominees for Independent Directors. Said Committee has prepared a Final List of Candidates for Independent Directors in accordance with *SRC Rule 38 (Nomination and election of Independent Directors)*. The Corporate Secretary also said that in accordance with Section 23 of the *Revised Corporation Code of the Philippines*, every stockholder is entitled to vote in person (or in absentia) or by proxy the number of stock standing in his own name on the stock books of the Corporation as of the “*Record Date*” which “*Record Date*” had been fixed by the Board on May 16, 2022 and in the manner set forth in said Section 23 of the *Revised Corporation Code*.

At this point, the Chairman announced that the Board of Directors and *Nomination Committee* received the names of thirteen (13) candidates to the Board of Directors of the Corporation for the year 2022-2023, to wit:

For Regular Directors:

**WILFREDO C. MALDIA
YVONNE S. YUCHENGCO
ALLAN R. SANTOS
JOLI CO WU
ANTONIO M. RUBIN
MARIA CONSUELO A. LUKBAN
REGINALDO ANTHONY B. CARIASO
JOCELYN DG CABREZA
NORA M. MALUBAY
RAFAEL G. AYUSTE, JR.**

For Independent directors:

**MEDEL T. NERA
REX MARIA A. MENDOZA
ROBERTO G. MANABAT**

Considering that there were no other valid nominations, the Chairman said that if there would be no objection, the actual balloting and voting would be dispensed with, and election would be done through a motion. The Chairman then entertained a motion to the foregoing. Following the statement of the Chairman, it was moved and duly seconded, the following resolution was approved:

Stockholders' Resolution ASM-2022-07

“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) elect, as they hereby elect the following, as directors of the Corporation for year 2022-2023, and until their successors are duly elected and qualified:

Regular Directors

**WILFREDO C. MALDIA
YVONNE S. YUCHENGCO
ALLAN R. SANTOS
JOLI CO WU
ANTONIO M. RUBIN
MARIA CONSUELO A. LUKBAN
REGINALDO ANTHONY B. CARIASO
JOCELYN DG CABREZA
NORA M. MALUBAY
RAFAEL G. AYUSTE, JR.**

Independent directors:

**MEDEL T. NERA
 REX MARIA A. MENDOZA
 ROBERTO G. MANABAT**

The Corporate Secretary certified that the tabulation of results for the election of directors for the term 2022-2023 shows that the following nominees received the number of votes indicated opposite their respective names as shown on the screen, with each Director getting votes representing **74.45%** of the outstanding capital stock:

No.	Nominees	Number of Votes Received
1	WILFREDO C. MALDIA	1,581,113,597
2	MA. CONSUELO A. LUKBAN	1,581,113,597
3	REGINALDO ANTHONY B. CARIASO	1,581,113,597
4	JOCELYN DE GUZMAN CABREZA	1,581,113,597
5	REX MARIA A. MENDOZA	1,581,113,597
6	MEDEL T. NERA	1,581,113,597
7	ANTONIO M. RUBIN	1,581,113,597
8	ALLAN R. SANTOS	1,581,113,597
9	YVONNE S. YUCHENGCO	1,581,113,597
10	NORA M. MALUBAY	1,581,113,597
11	RAFAEL G. AYUSTE, JR	1,581,113,597
12	JOLI CO WU	1,581,113,597
13	ROBERTO G. MANABAT	1,581,113,597

10. RE-ELECTION OF MR. MEDEL T. NERA AS INDEPENDENT DIRECTOR

The meeting proceeded to the re-election of Mr. Medel T. Nera as independent director. The Chairman informed the stockholders that Mr. Nera has been an Independent Director of the Corporation since 2011. Management strongly believes that retaining Mr. Nera in the company's board will be very beneficial to the continuing growth and strategic direction of the company. His business experience, knowledge, and wisdom will be most valuable in the successful governance of this company. The justification for the re-election of Mr. Nera is more extensively discussed in the Definitive Information Statement in accordance with SEC Memorandum Circular No. 4, series of 2017. There being no objection, upon motion made and duly seconded, the following resolution was formally introduced, seconded and adopted:

Stockholders' Resolution ASM-2022-08

“RESOLVED, that the stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, ratify, and confirm, the re-election of Mr. Medel T. Nera as independent director for year 2022-2023, and until his successor is duly elected and qualified.

The Corporate Secretary certified that the stockholders who have voted in favor of the approval represent **74.45%** of the outstanding capital stock and tabulated as follows:

FOR..... 1,581,113,597
 AGAINST..... 0
 ABSTAIN..... 0

11. OTHER MATTERS

The Chairman inquired if there were other matters to be taken up. The Corporate Secretary stated that there were no other items listed on the Agenda.

12. ADJOURNMENT

There being no other matters to be taken up during the meeting, upon motion made and duly seconded, the stockholders' meeting was adjourned. The newly elected directors were informed to log in to the other zoom meeting link for the organizational meeting of the Board of Directors.

ATTEST:

(Original Signed)
WILFREDO C. MALDIA
Chairperson of the Stockholders' Meeting

(Original Signed)
NOEL A. LAMAN
Secretary of the Stockholders' Meeting

ANNEX A

President's Report

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 PHP 2.1 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.

2021 Direct Economic Value

Gross Written Premiums - Php 4.195B
 Net Written Premiums - Php2.838B
 Claims Paid - Php1.431B
 Employee Wages and Benefits - Php160M
 Taxes to Government - Php67M

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 an annual 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.

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 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.

ANNEX B

Questions and Answers

How is the COVID-19 pandemic continuing to affect Nat Re?

In 2021 and onward, COVID 19 presents itself both as a threat and an opportunity.

Total Nat Re COVID-19 Life and Health confirmed and suspected claim cases in 2021 reached P46 million, about 10% of total claims paid, as compared to only P7 million in 2020. However, this is still within pricing margins, as our life business still brought in over P400 million in Underwriting income from a Premium of P1.8 billion in 2021.

The pandemic has also resulted in volatility of Nat Re's investments. In this regard, Nat Re moved its investments toward a lower risk profile by reducing the Company's exposure to equities and shortening the duration of its fixed income instruments.

A small number of Nat Re employees were also stricken by COVID-19. Thanks to the Company's early vaccination drive, employees have since fully recovered. Our robust business continuity planning and work from home arrangements have allowed smooth continuation of our operations and have minimized the infections among employees.

With these challenges, a number of opportunities have also arisen, including but not limited to greater insurance awareness and demand, hardening of reinsurance prices and increasing interest rates.

Nat Re therefore continues with its product push on Hospitalization and Critical illness benefits to capitalize on the increased insurance awareness. In line with this, we have helped a number of cedants develop and price COVID-19 coverages for group and travel products.

We are also exploiting the increasing reinsurance prices and interest rates to generate higher margins and investment income.

What are the effects of the Russia-Ukraine war on Nat Re and how is the Company addressing these?

With respect to claims or direct underwriting losses, these are insignificant as we have minimal exposure in these countries. In addition, war-related losses are typically excluded from our coverages.

However, the Ukraine-Russian situation has resulted in an inflationary environment driven by increased energy and food prices. Hence, the effects on Nat Re could be indirect as inflation impacts claims costs due to increases in

the price of replacement parts and the cost of repairs for property and motor insurance, and the cost of medical treatment in the case of health insurance. Inflation also tends to have a negative effect on equity prices thereby affecting Nat Re's investments in the stock market.

Conscious of these potential implications, we in Nat Re endeavor to work with our cedants in factoring inflation in pricing and managing insurance coverages. We also have reduced and continue to underweight our investments in equities while taking advantage of the increase in yields of fixed income securities.

How is 2022 shaping up for Nat Re?

The year 2021 finally put the Philippines back on the road to recovery, as pandemic restrictions eased and the economy began to slowly reopen. For one, household consumption, government expenditures, and public construction drove the fourth-quarter growth, with the entire economy expected to return to pre-pandemic economic levels in 2022.

Our Q1 results filed with the SEC showed that we have generated Gross Written Premiums of 1.04 billion pesos and a Net Income of 81 million pesos, which are slightly below our targets for the period.

For the rest of 2022, we are not allowed to provide financial forecasts unless they have been submitted to the SEC. What I can share though is that we are optimistic of recapturing gains in light of the improving economic environment, while remaining mindful of ever-present natural disaster threats and geo-political risks at home and abroad.

Did the company declare dividends this year? If not, when can we expect dividends to be declared?

While we continue to achieve positive net income and increase our retained earnings, we did not declare dividends this year as we have yet to meet the minimum threshold requirement of the IC for declaring dividends.