



Harnessing Collective Strengths Toward a Resilient Tomorrow

2022 ANNUAL AND SUSTAINABILITY REPORT



NATIONAL
REINSURANCE
CORPORATION
OF THE PHILIPPINES

Our Theme

As the country's national reinsurer, Nat Re actively seeks dynamic collaborations with its partners in the public and private sectors, joining forces with them to pursue a resilient and sustainable future. We constantly leverage our strengths and synergies with our partners to give value to our stakeholders and help them achieve their goals.



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Company Profile

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 minimize negative outcomes. This 2022 Annual and Sustainability Report, with the theme “Harnessing collective strengths toward a resilient tomorrow” presents the results of this assessment.

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.

Our Vision

We will be the leading reinsurer in the Philippines and a trusted partner in other emerging markets in Asia.

Our Mission

- We support and promote a strong and sustainable national insurance industry and help optimize national and regional risk retentions to achieve stronger resilience and financial inclusion.
- We partner with our cedants in managing their risks and capital by providing reinsurance capacity, capability-building services as well as by sharing curated global best practices.
- We develop our employees to become leaders and mentors in the (re)insurance and other related industries.
- We generate a fair return to our shareholders.

Our 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.

Message to Shareholders



Dear shareholders:

The past three years since the onset of COVID-19 has put our mettle to the test. In 2022, when many parts of the global economy, including that of the Philippines, started to reopen as mobility restrictions eased, we thought we have finally seen the proverbial light at the end of the tunnel.

As the economic and health impact of COVID-19 subsided, other risks emerged. No one imagined that the ongoing war between Russia and Ukraine could have snowballed into supply chain disruptions, energy scarcity, global inflation, and soaring interest rates. These were compounded by climate-related extreme weather events that led to unprecedented economic and insured losses.

Despite the challenging environment, Nat Re managed to generate a 12% growth in gross written premiums of PhP 4.7 billion, and positive earnings of 56 million pesos in 2022. Our underwriting income rebounded by 400% from 2021 to PhP 236 million while investment and other income decreased by 47% to PhP 215 million due to an impairment loss of PhP 117 million on our equities portfolio. The Company continues to de-risk its portfolio by reducing its equity asset allocation to lessen the volatility of the investment portfolio.

EVELINA G. ESCUDERO
Chairperson

While many reinsurers saw their capital eroded by more than 30% due to unrealized investment losses, Nat Re’s capital was relatively stable at PhP 5.6 billion pesos owing to our defensive investments posture and asset liability management efforts. Total assets ended at PhP 18.3 billion in 2022, which is 12% higher year-on-year.

Our strong financial position and solid risk management have led AM Best to reaffirm our financial strength rating of B++ (Good) with a “Stable” outlook, while the Philippine Rating Services Corporation (PhilRatings) maintained our PRS A (strong financial security) with a Stable Outlook.

We maintained our robust investment in government securities to support nation-building through the funding of government infrastructure projects and social services. These investments accounted for 55% of our PhP 9.2 billion investment portfolio in 2022, with the remaining 45% placed in corporate bonds (including ASEAN Sustainability and Green bonds), equities, and short-term deposits to support the private sector’s growth.

Purposeful Expansion and Portfolio Diversification
To ensure the long-term growth and stability of our business, we continued to diversify our portfolio by spreading our risks geographically and by having a balanced mix of catastrophe and non-catastrophe risks. In 2022, we further grew our profitable life and health insurance portfolios as well as expanded other non-life product lines such as cyber, aviation and casualty.

ALLAN R. SANTOS
President and Chief Executive Officer



Company Profile	Message to Shareholders	Financial Highlights	Governance	Milestones	Materiality Topics	Economy	Environment	People	Contributions to UN SDGs	Company Profile	Message to Shareholders	Financial Highlights	Governance	Milestones	Materiality Topics	Economy	Environment	People	Contributions to UN SDGs
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We obtained the green light from the Insurance Commission (IC) to reinsure health maintenance organizations (HMOs) through its Regulatory Sandbox Framework for Innovations in Insurance. This would allow us to support innovative HMO products, coverages, services, and delivery mechanisms that will better address Filipinos’ health insurance needs.

We also launched our personal cyber insurance facility in partnership with AJ Gallagher and CyberScout, which will provide capacity and operational support to participating local insurers to help them develop this business line. The initiative promotes cyber insurance protection to the general public so they can protect themselves against the growing threat of cyberattacks that have surged since the pandemic.

Greater Partnerships and Collaborations

As the country’s national reinsurer, we continue to leverage synergies and catalyze collaboration to achieve greater resilience and wider financial inclusion. Our mission requires that we anticipate and manage risks to promote the healthy growth of the insurance industry and help create a resilient tomorrow for all.

In 2022, we brought our experience and knowledge in navigating reinsurance in the country and in the region to bear. Together with our stakeholders, we pooled our collective strengths, skills, and capabilities to address the risks and challenges as we service the needs of insurers and the insuring public.

We continued our cooperation with the IC, the Philippine Insurers and Reinsurers Association (PIRA) and selected global reinsurance brokers to

update the minimum catastrophe tariffs, which have not been formally reviewed in more than a decade. We also carried on with the development of the Philippine Catastrophe Insurance Facility where seventeen local insurers agreed to participate. We partnered with several foreign reinsurers to provide sufficient capacity for the local market as we shared 68% of our non-proportional property portfolio with them.

We were active in other organizations such as the East Asian Insurance Congress (EAIC), where your CEO served as President in 2022, the Actuarial Society of the Philippines (ASP) and the Insurance Institute for Asia and the Pacific (IIAP) to foster insurance education, camaraderie, and an exchange of ideas on insurance theory and practice. We partnered with Digital Pilipinas, PIRA, and the Philippine Life Insurers Association (PLIA) in creating the Philippine InsurTech and HealthTech Association with the goal of promoting digitalization and technological innovation.

More Active Stakeholder Engagement

We continued advancing cooperation within the insurance industry in the region and pursuing mutually beneficial agreements with insurers and fellow reinsurers.

In cooperation with our cedants, we were able to meet the surge in claims servicing on super typhoon Odette, which hit the Visayan region in late 2021. Our cedants also benefited from the launch of our WeBill service, which resulted in increased collection efficiencies and other value-added services.

Through the technical trainings and webinars we provide, our business partners were able to keep abreast of the latest developments in our industry, as well as gain knowledge on specialized insurance lines or products. With the gradual lifting of restrictions on face-to-face gatherings, we were able to mount the 2022 Nat Re Annual Technical Forum, our first physical external stakeholder event since 2019, alongside other hybrid engagements. We also spearheaded the planning and execution of the EAIC Diamond Jubilee Conference.

Stronger Sustainability Commitment

We pursued all these efforts while stepping up in our sustainability journey. In 2022, we refreshed our road map towards sustainability in underwriting, investing, and in our own operations as we redefined sustainability goals, strategies, and metrics.

By pursuing our sustainability ambitions, we also seek to make significant contributions to the attainment of the United Nations Sustainable Development Goals, specifically those related to mitigating climate risk, advancing the energy transition, and building societal resilience.

We actively promoted our environmental stewardship through our employees. With our partnership with non-government organization Fostering Education & Environment for Development (FEED) going into its third year in 2022, we planted an additional 500 trees in the Sierra Madre mountain range.

Enhancing our Brand and Recognition

As we perform our unique role and responsibility as the country’s national reinsurer to uplift the insurance industry and its stakeholders, our efforts and achievements continue to attract recognition. We are delighted to have received the following accolades in 2022:

- Reinsurer of the Year Asia (International Business Magazine)
- 2-Golden Arrows Awardee in Corporate Governance: Top-Performing Company in the Non-Life Sector in the Philippines under the ASEAN Corporate Governance Scorecard at the 2022 Annual Golden Arrow Awards for Insurance Companies;
- One of the Philippines’ Growth Champions in 2022, a list of the Top 25 Philippine firms that have achieved the highest percentage growth in revenues between 2016 and 2019, given by the Philippine Daily Inquirer and Statista;
- Most Gender-Inclusive Board (Securities Exchange Commission Award)

Indeed, we have demonstrated remarkable leadership, collaboration, and innovation as we enter our 45th year of existence and service. Our unwavering commitment to harnessing collective strengths creates a transformative impact on the insurance industry and society, today and in the years to come.

EVELINA G. ESCUDERO
Chairperson

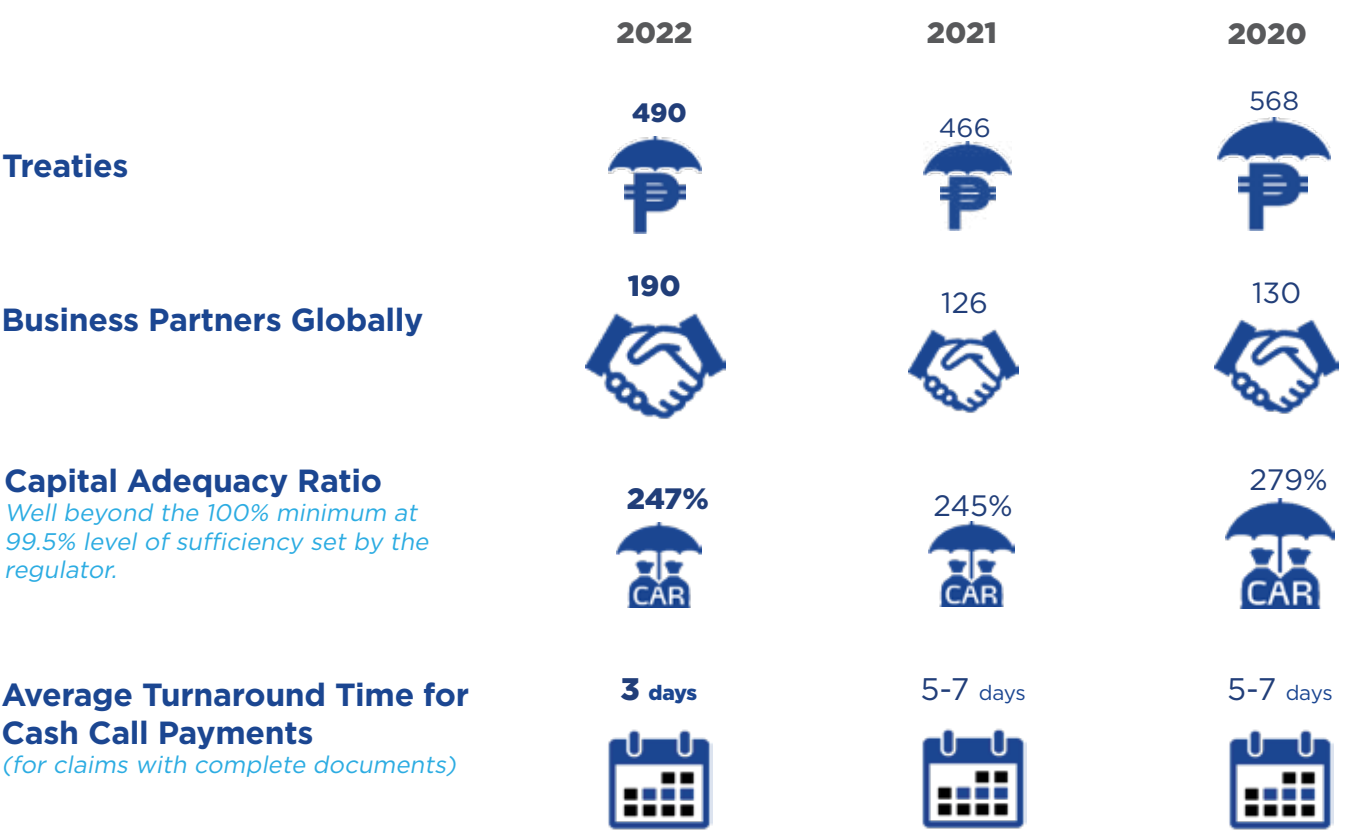
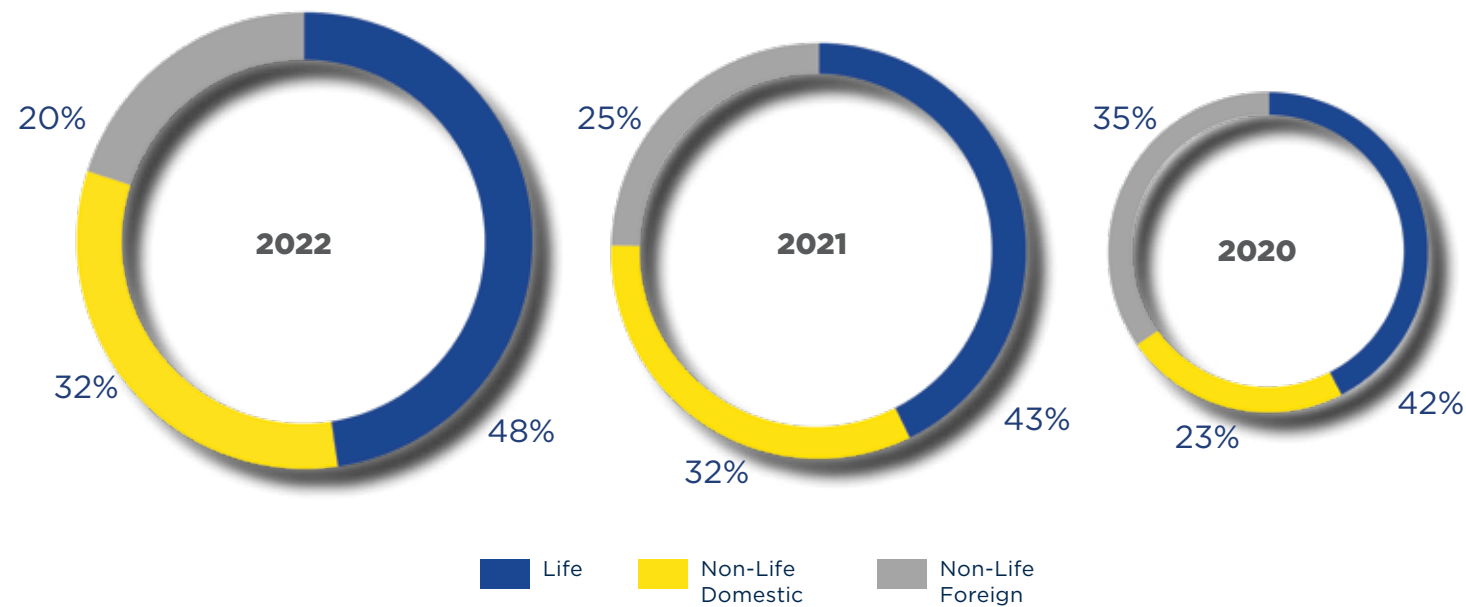
ALLAN R. SANTOS
President and Chief Executive Officer

Financial Highlights

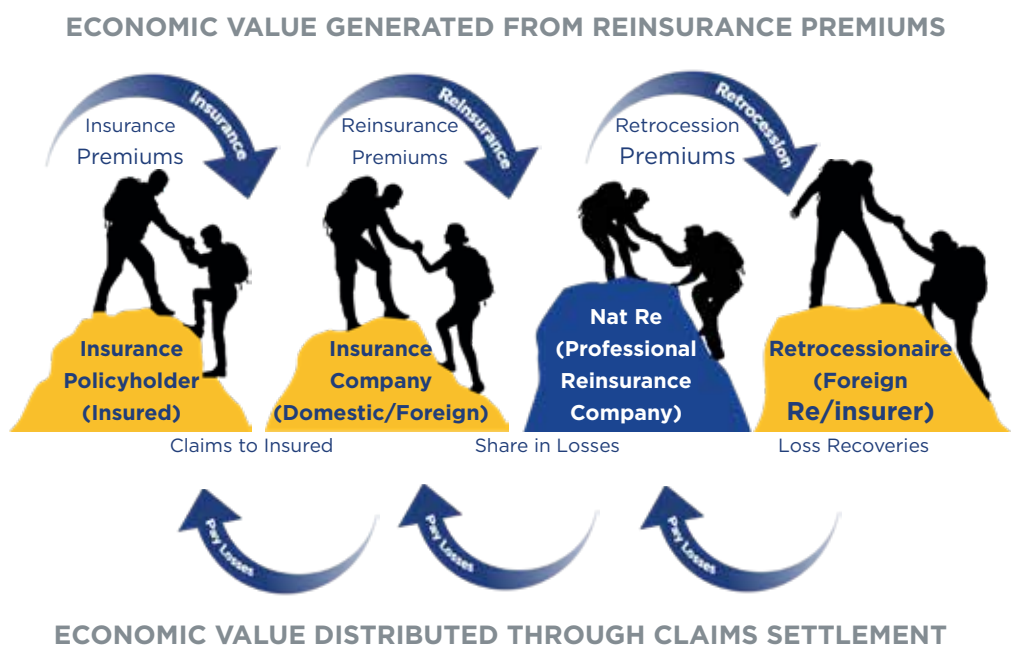
KEY METRICS (Amount in Millions)

	2022	2021	2020	2019	2018
Gross Written Premiums	4,709	4,195	4,474	4,339	3,683
Net Written premiums	2,987	2,838	3,197	3,274	2,576
Underwriting income	236	47	342	136	153
Investment & Other Income	215	404	132	349	389
Net Profit	56	142	120	157	149
Total Assets	18,338	16,441	15,879	14,982	13,871
Stockholders' Equity	5,600	5,664	5,746	5,360	4,827
Book Value Per Share (in pesos)	2.64	2.67	2.71	2.52	2.27
Return on Average Equity	0.99%	2.48%	2.16%	3.08%	3.00%
Expense Ratio	11%	9%	8%	8%	14%
Commission Ratio	28%	30%	31%	30%	30%
Loss Ratio	65%	68%	59%	65%	64%
Combined Ratio	104%	107%	98%	104%	108%

Gross Written Premiums



Reinsurance Value Chain



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. 2022	31 Dec. 2021	Amount	%
REINSURANCE PREMIUM INCOME				
Reinsurance premiums, net of returns	4,708.6	4,195.1	513.5	12%
Retroceded premiums	(1,721.4)	(1,357.2)	(364.2)	27%
Net premiums retained	2,987.2	2,837.9	149.3	5%
Movement in premium reserves – net	12.6	33.1	(20.5)	-62%
	2,999.8	2,871.0	128.8	4%
UNDERWRITING DEDUCTIONS				
Share in reported losses – net	2,225.4	1,696.6	528.8	31%
Share in unreported loss reserves – net	(288.5)	265.9	(554.4)	-208%
Commissions – net	826.7	861.3	(34.6)	-4%
	2,763.6	2,823.8	(60.2)	-2%
NET UNDERWRITING INCOME	236.2	47.2	189.0	400%
Interest income	291.6	259.8	31.8	12%
Gain on sale of AFS	23.6	94.4	(70.8)	-75%
Foreign currency gains	14.0	25.4	(11.4)	-45%
Others	(113.8)	24.5	(138.3)	-564%
INVESTMENT AND OTHER INCOME AND EXPENSES- net	215.4	404.1	(188.7)	-47%
PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES	451.6	451.3	0.3	0%
GENERAL AND ADMINISTRATIVE EXPENSES	330.4	260.0	70.4	27%
PROFIT BEFORE TAX	121.2	191.3	(70.1)	-37%
TAX EXPENSE	65.5	49.6	15.9	32%
NET PROFIT	55.7	141.7	(86.0)	-61%

The Company recorded a net profit of P55.7 million for the year ended December 31, 2022, P86.0 million or 61% lower than the net profit recognized in 2021. The Net profit resulted from generating Net underwriting income of P236.2 million, and Investment and other income and expenses of P215.4 million, reduced by General and administrative expenses of P330.4 million and Tax expense of P65.5 million.

Underwriting Results

Net underwriting income amounted to P236.2 million in 2022, higher by P189.0 million or 400% compared to 2021 of P47.2 million. The favorable variance resulted mainly from the net underwriting income of P210.2 million from the Non-life domestic business compared to the net underwriting loss of P78.9 million in 2021. This was partially negated by (a) Lower net underwriting income from the Life business by P68.7 million; and (b) Higher net underwriting loss from the Non-life foreign business by P31.4 million.

Higher net underwriting income in 2022 from the Non-life domestic business resulted mainly from lower catastrophic losses and favorable loss development in prior years. Lower net underwriting income from the Life business in 2022 resulted mainly from higher loss ratio due to COVID-19 claims. Higher net underwriting loss in 2022 from the Non-life foreign business resulted mainly from unfavorable loss development in prior years.

Reinsurance premium income amounted to P2,999.8 million in 2022, higher by P128.8 million compared to 2021 of P2,871.0 million. This resulted from (a) higher reinsurance premium income from the Life business with growth mainly coming from the Group business; and (b) higher reinsurance premium income from the Non-life domestic business due to growth in renewal premiums and higher reinstatement premiums. These were partially negated by (a) planned reduction of Non-Life Foreign reinsurance premiums from unprofitable treaties and unfavorable adjustments in Non-Life Foreign premium estimates for past underwriting years; and (b) higher cost on the Company’s catastrophe excess of loss cover.

Share in reported losses - net and Share in unreported loss reserves - net amounted to P1,936.9 million in 2022, lower by P25.6 million compared to 2021 of P1,962.5 million, which resulted to loss ratios of 65% in 2022 and 68% in 2021. Lower loss ratio in 2022 resulted mainly from lower catastrophe losses and favorable loss development for past underwriting years in the Non-life domestic business. This was partially negated by (a) additional provisions for catastrophe losses relating to hailstorms for treaties covering European risks; (b) provision for Hurricane Ian losses; (c) higher exchange rates on foreign loss reserves; and (d) higher COVID-19 reported claims in the Life business.



In millions Php	For the year ended		Increase/Decrease	
	2022	2021	Amount	%
Share in reported losses – net (A)	2,225.4	1,696.6	528.8	31%
Share in unreported loss reserves – net (B)	(288.5)	265.9	(554.4)	-208%
Total share in reported losses and unreported loss reserves – net (C) [A+B]	1,936.9	1,962.5	(25.6)	-1%
Total earned premiums (D)	2,999.8	2,871.0	128.8	4%
Loss ratio (C/D)	65%	68%		

Commissions - net amounted to P826.7 million in 2022, lower by P34.6 million compared to 2021 of P861.3 million, which resulted to commission ratios of 28% in 2022 and 30% in 2021. Lower commission ratio in 2022 resulted mainly from (a) changes in the business mix; and (b) a favorable adjustment in the Non-Life Domestic commissions for past underwriting years.

Investment and Other income and expenses, net amounted to P215.4 million in 2022, lower by P188.7 million or 47% from P404.1 million in 2021, resulting from lower investment income by P175.0 million and higher other expenses by P13.7 million.

Lower investment income in 2022 resulted mainly from (a) an impairment loss of P117.2 million in the Company’s available-for-sale (AFS) equity securities; (b) lower gain on sale from AFS equity securities by P70.8 million; and (c) higher marked to market losses in held-for-trading securities amounting to P15.2 million. These were partially negated by higher interest and dividend income by P28.2 million. Higher other expenses by P13.7 million in 2022 resulted mainly from lower foreign exchange gains compared to 2021.

General and administrative expenses amounted to P330.4 million in 2022, higher by P70.4 million or 27% compared to 2021 of P260.4 million, resulting mainly from filling up the manpower vacancies, a P23-million tax assessment, and professional fees for the implementation of IFRS 17.

Tax expense amounted to P65.5 million in 2022, higher by P15.9 million or 32% compared to 2021 of P49.6 million. This resulted mainly from (a) absence of the favorable impact of reduction in the applicable income tax rates recognized in 2021; and (b) higher final taxes from the interest income recognized in 2022.

Financial Condition

(refer to table on page 11)

The Company’s shareholders’ equity amounting to P5,600.4 million as at December 31, 2022 decreased by P63.8 million from the balance as at December 31, 2021 of P5,664.2 million. The decrease resulted mainly from the decrease in revaluation reserves by P118.6 million for our Available-for-Sale securities, partially negated by positive operating results of P55.7 million.

Cash and cash equivalents amounting to P724.7 million as at December 31, 2022 increased by P66.5 million or 10% from the balance as at December 31, 2021 of P658.2 million. The increase in the balance resulted mainly from the net cash provided by investing activities amounting to P129.0 million and foreign currency gains amounting to P12.1 million. These were negated by the net cash used in operating activities amounting to P74.6 million.

Held-for-trading (HFT) securities amounting to P289.5 million as at December 31, 2022 represents the market value of the Company’s equity and unit investment trust fund (UITF) investments.

Available-for-sale (AFS) financial assets amounting to P4,808.0 million as at December 31, 2022 decreased by P1,144.7 million or 19% from the balance as at December 31, 2021 of P5,952.7 million.

The movement in the account balance can be explained by the following:

In millions, Php	2022	2021
Cost		
Balance at beginning of year	P5,923.5	P5,669.0
Acquisitions	2,316.3	4,938.6
Disposals/maturities	(3,213.3)	(4,673.1)
Impairment losses	(124.0)	(6.8)
Unrealized foreign currency gains (losses)	8.4	(4.2)
	4,910.9	5,923.5
Fair value adjustment		
Balance at beginning of year	29.2	264.1
Changes in fair value	(232.5)	(147.3)
Fair value gains on disposal	(23.6)	(94.4)
Impairment losses	124.0	6.8
	(102.9)	29.2
Balance at end of year	P4,808.0	P5,952.7

The decrease in the account balance resulted mainly from (a) net disposals/maturities amounting to P920.6 million (disposals/maturities net of acquisitions including fair value gains on disposal); and (b) market value decline of AFS securities amounting to P232.5 million. The disposal of certain AFS financial assets during the year was undertaken mainly to fund the HFT portfolio and increase the asset allocation of the Held-to-Maturity portfolio.

Held-to-maturity (HTM) investments amounting to P3,058.5 million as at December 31, 2022 increased by P667.7 million or 28% from the balance as at December 31, 2021 of P2,390.8 million. The increase in the balance resulted mainly from the purchase of corporate bonds amounting to P949.0 million, partially negated by maturities amounting to P281.3 million.

Other investments amounting to P442.3 million as at December 31, 2022 mainly pertains to the investment in short-term time deposits with maturity periods of more than three (3) months but less than one (1) year.

FINANCIAL CONDITION

(includes explanation on material changes in the financial statements)

In millions, Php	Audited		Increase/Decrease	
	31 Dec. 2022	31 Dec. 2021	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS	P724.7	P658.2	P66.5	10%
REINSURANCE BALANCES RECEIVABLE - net	3,374.5	3,422.2	(47.7)	-1%
HELD-FOR-TRADING (HFT) SECURITIES	289.5	-	289.5	-
AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS	4,808.0	5,952.7	(1,144.7)	-19%
HELD-TO-MATURITY (HTM) INVESTMENTS	3,058.5	2,390.8	667.7	28%
OTHER INVESTMENTS	442.3	-	442.3	-
LOANS AND RECEIVABLES	86.2	57.7	28.5	49%
PROPERTY AND EQUIPMENT - net	45.2	52.0	(6.8)	-13%
REINSURANCE RECOVERABLE ON REPORTED LOSSES - net	2,905.1	1,577.3	1,327.8	84%
REINSURANCE RECOVERABLE ON CLAIMS RESERVES	923.5	912.0	11.5	1%
DEFERRED ACQUISITION COSTS	701.3	658.3	43.0	7%
DEFERRED REINSURANCE PREMIUMS	606.1	434.5	171.6	39%
OTHER ASSETS - net	373.1	325.4	47.7	15%
TOTAL ASSETS	P18,338.0	P16,441.1	P1,896.9	12%
LIABILITIES AND EQUITY				
REINSURANCE BALANCES PAYABLE	P2,097.2	P1,597.1	P500.1	31%
FORWARD LIABILITY	89.3	-	89.3	-
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	303.0	319.5	(16.5)	-5%
LOSSES AND CLAIMS PAYABLE	5,717.4	4,214.8	1,502.6	36%
CLAIMS RESERVES	2,825.9	3,102.9	(277.0)	-9%
PREMIUM RESERVES	1,692.3	1,533.3	159.0	10%
DEFERRED REINSURANCE COMMISSIONS	12.5	9.3	3.2	34%
TOTAL LIABILITIES	12,737.6	10,776.9	1,960.7	18%
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	(74.3)	(73.4)	(0.9)	1%
REVALUATION RESERVES	(147.6)	(29.0)	(118.6)	409%
RETAINED EARNINGS	721.6	665.9	55.7	8%
TOTAL EQUITY	5,600.4	5,664.2	(63.8)	-1%
TOTAL LIABILITIES AND EQUITY	P18,338.0	P16,441.1	P1,896.9	12%

Loans and receivables amounting to P86.2 million as at December 31, 2022 increased by P28.5 million or 49% from the balance as at December 31, 2021 of P57.7 million. The increase in the balance resulted mainly from (a) an increase in accrued interest receivable amounting to P15.3 million due to the increase in investments in bonds and the impact of higher coupon rates; and (b) an increase in accounts receivable amounting to P9.3 million which was considered temporary as this resulted from sale of HFT securities.

Property and Equipment - net amounting to P45.2 million as at December 31, 2022 decreased by P6.8 million or 13% from the balance as at December 31, 2021 of P52.0 million. The decrease in the balance resulted mainly from the depreciation expense recognized during the year amounting P10.7 million, partially negated by the net acquisitions amounting to P3.9 million.

Reinsurance recoverable on reported losses - net and Reinsurance recoverable on claims reserves amounting to P3,828.6 million as at December 31, 2022 increased by P1,339.3 million or 54% from the balance as at December 31, 2021 of P2,489.3 million. The increase in the balance is aligned with the increase in Losses and claims payable and Claims reserves.

Deferred acquisition costs amounting to P701.3 million as at December 31, 2022 increased by P43.0 million or 7% from the balance as at December 31, 2021 of P658.3 million. The increase in the balance is due mainly to the increase in deferred acquisition cost on Life modified co-insurance contracts.

Deferred reinsurance premiums amounting to P606.1 million as at December 31, 2022 increased by P171.6 million or 39% from the balance as at December 31, 2021 of P434.5 million. The increase is mainly from entering into a three-year excess of loss retrocession contract for the Company’s catastrophe risks.

Other assets – net amounting to P373.1 million as at December 31, 2022 increased by P47.7 million or 15% from the balance as at December 31, 2021 of P325.4 million. The increase mainly pertains to the recognition of a receivable from a regulatory body in relation to the collection of tax assessment for the taxable year 2016 amounting to P53.1 million.

Reinsurance balances payable amounting to P2,097.2 million as at December 31, 2022 increased by P500.1 million or 31% from the balance as at December 31, 2021 of P1,597.1 million. The increase in the balance resulted mainly from the accrual of Non-Life excess of loss retroceded premiums and accrual of Life retroceded premiums.

Forward liability amounting to P89.3 million as at December 31, 2022 mainly pertains to the liability recognized from the forward contract where the Company agreed to pay EUR 1.5 million in exchange for USD 1.6 million to manage its exposure to foreign currency exchange rate fluctuations (See Note 7 of the Notes to the financial statements).

Accounts payable and accrued expenses amounting to P303.0 million as at December 31, 2022 decreased by P16.5 million or 5% from the balance as at December 31, 2021 of P319.5 million. The decrease in the balance resulted mainly from the settlements of deposit liability and accounts payable for the purchase of bonds and equity securities. These were partially negated by the accrual of general and administrative expenses.

Losses and claims payable and Claims reserves amounting to P8,543.3 million as at December 31, 2022 increased by P1,225.6 million or 17% from the balance as at December 31, 2021 of P7,317.7 million. The increase in the balance resulted mainly from reported losses for Typhoon Odette, partially negated by the settlement of claims.

Premium reserves amounting to P1,692.3 million as at December 31, 2022 increased by P159.0 million or 10% from the balance as at December 31, 2021 of P1,533.3 million. The increase in the balance resulted mainly from higher reinsurance premiums from Life and Non-life domestic businesses.

Deferred reinsurance commissions amounting to P12.5 million as at December 31, 2022 increased by P3.2 million or 34% from the balance as at December 31, 2021 of P9.3 million. The increase in the balance resulted mainly from higher commission income from the retrocession of certain reinsurance treaties under the Non-life domestic business.

To view the Audited Financial Statement as of December 31, 2022, please refer to the SEC 17-A 2022 Annual Report at <https://www.nat-re.com/>.

Governance

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-18)



Nat Re firmly believes that implementing a good corporate governance framework is vital to fulfill its fiduciary duties to its stockholders and stakeholders. The Company has developed its governance rules and guidelines in accordance with the regulations of the Philippine Stock Exchange (PSE), Securities and Exchange Commission (SEC), and Insurance Commission (IC) as primary regulators. 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.

As a demonstration of its exemplary corporate governance, Nat Re earned an ASEAN Corporate Governance Scorecard score of 99.43 points at the 2022 Annual Golden Arrow Awards for Insurance Companies, winning Two Golden Arrows for this achievement.

Board of Directors

The Board of Directors is mainly responsible on matters of governance and in managing the business of the Corporation. The Board exercises its powers and duties in the best interest of the Corporation, its customers, its shareholders, other stakeholders, society, and the environment.

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 Chairperson is a non-executive director.

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

The members of the Board are nominated and elected by the Company’s stockholders annually. In 2022, Nat Re had five (5) women directors and eight (8) male directors. In March 2022, Nat Re as a publicly listed company (PLC) in the Philippines, was awarded by the SEC for Most Women Directors for its outstanding gender-inclusivity.

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. Nat Re annually conducts the performance assessment of its Board of Directors, its different board committees, and its individual directors. The result of the assessment is presented and discussed.

Senior Leaders

Nat Re’s officers 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:

- Engages its stakeholders in protecting the 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 encouraged to attend relevant annual seminars on corporate governance and/or related topics, including sustainability matters.

Remuneration of Board of Directors and Senior Executives (GRI 2-19, 2-20)
The Directors do not receive any compensation except for reasonable per diem for every meeting they attend. The amount is duly 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 NCC fixes the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel.

Enterprise Risk Management
Nat Re continues to embed processes, resources, and structures to address risk management needs. These range from internal audit function systems, insurance and risk finance, IT security, compliance processes, quality management, and line management interventions. Nat Re’s Enterprise Risk Management policy document provides a high-level statement on Nat Re’s risk management philosophy and overarching principles.

The company’s risk management policy applies to all levels of the organization from its staff to the Board of Directors. It is in Nat Re’s culture to cooperate with the Board’s intent to maintain risk management excellence. The company’s commitment to these sound practices is unwavering — and Nat Re’s Board of Directors helps ensure that the company performs up to the best risk management standards.

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED DECEMBER 31, 2022

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, and legal or regulatory compliance.

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 seven (7) 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, 2022 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, 2022 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, 2022, 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. (KPMG PH) as the Independent External Auditor for the year 2023.

By the Audit Committee:
Medel T. Nera, Chairman
Rex Maria A. Mendoza, Member
Roberto G. Manabat, Member

Board of Directors



Evelina G. Escudero, 80
Filipino, Director and Chairman of the Board since March 2023

Ms. Escudero is currently a Member of the Board of Trustees of the Government Service Insurance System (GSIS). Prior to GSIS, Ms. Escudero was a member of the House of Representatives of the Philippines representing the 1st District of Sorsogon from 2013 to 2022. In fact, she was Deputy Speaker of the Lower House from 2018 to 2022. As an educator, Ms. Escudero taught at the OB Montessori Center from 1987 to 2012. She has been active in serving the public sector in several capacities such as an Accredited TESDA Assessor in 2004 and a Treasurer of the University of the Philippines Alumni Association – Hostel and Canteen Services in 2009. In 2011, she co-anchored in Wais Spend, a radio program of DZUP that aims to help Filipino consumers in saving and spending wisely. Ms. Escudero graduated from the University of the Philippines Diliman with a degree of Bachelor of Science in Home Economics, Major in Food and Nutrition, in 1964. She also obtained her Master of Arts in Education Administration (1999) and Doctorate Degree in Philosophy in Education (2004), from the same university where she was likewise appointed as a Member of the Board of Regents in 2012.



Allan R. Santos, 56
Filipino, Director, President and Chief Executive Officer since August 2018

Mr. Santos has 30+ years of experience in local and international insurance/reinsurance markets in the US, Asia, and Europe. He has held various leadership positions in several other companies including Chief Operating Officer for the Affiliate Companies of AIA Philippines (formerly 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 a Board Member and Vice President of the Actuarial Society of the Philippines (ASP) and a Board Trustee of the Insurance Institute for Asia and the Pacific. He previously served as President of the East Asian Insurance Congress (2021-2022), Chairman of the Philippine Insurers and Reinsurers Association (2019-2021), and Chairman of the ASEAN Insurance Council’s Reinsurance Committee (2018-2020). Mr. Santos holds a Master’s Degree in Applied Mathematics and Bachelor of Science in Mathematics both from the University of the Philippines Diliman. He is a Fellow of both the ASP and the Society of Actuaries (US).

Yvonne S. Yuchengco, 69
Filipino, Vice Chairperson since June 2019, Director of the Corporation since June 2006

Ms. Yuchengco is the Chairman and President of Philippine Integrated Advertising Agency, Inc., Y Tower II Office Condominium Corp., Yuchengco Tower Office Condominium Corp. and Royal Commons, Inc.; Chairman of Y Realty Corporation, RCBC Capital Corporation and XYZ Assets Corporation; Vice Chairperson of Malayan Insurance Co., Inc.; Director, Treasurer and CFO of Pan Malayan Management & Investment Corp.; Director and President of Alto Pacific Corporation, MICO Equities, Inc. and RCBC Land, Inc.; Director and Treasurer of Water Dragon, Inc., HI Cars, Inc., Malayan High School of Science, Inc., Mona Lisa Development Corp., Petro Energy Resources Corp., Mayahin Holdings Corporation, and Pan Malayan Realty Corp.; Director and Vice-President of AY Holdings, Inc.; Trustee and Chairperson of The Malayan Plaza Condominium Owners and Yuchengco Museum, Inc.; Director of Annabelle Y. Holdings & Management Corporation, A.T. Yuchengco, Inc., Enrique T. Yuchengco, Inc., DS Realty, Inc., GPL Holdings, Inc., House of Investments, Inc., HYDee Management & Resources Corp., iPeople inc., La Funeraria Paz-Sucat, Inc., Luisita Industrial Park Corp., Malayan International Insurance Corp., Manila Memorial Park Cemetery, Inc., MPC Investment Corporation, Pan Malayan Express, Inc., Seafront Resources Corp., Shayamala Corporation, YGC Corporate Services, Inc., and Asia-Pac Reinsurance Co., Ltd.; Trustee of Avignon Tower Condominium Corporation, Phil-Asia Assistance Foundation, Inc., Malayan Education System, Inc. (operating under the name of Mapua University), AY Foundation, Inc., Yuchengco Center, Inc.; Advisory Member of Rizal Commercial Banking Corporation. She graduated with a Bachelor of Arts degree from Ateneo de Manila University and took up further studies at the University of Asia and the Pacific under the Strategic Business Economics Program (SBEP).



Joli Co Wu, 56
Filipino, Treasurer from January 2017, Director from 2013 to 2014 and since July 2015

Ms. 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 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 insurance operations and underwriting various insurance lines. Throughout her career, she has attended various management, insurance and reinsurance courses, both local and international. She is also currently a Board Trustee of the Insurance Institute of Asia and the Pacific (IIAP) as well as the Philippines Insurance and Reinsurance Association (PIRA), Inc. and a Board Director of the Philippine Machinery Management Services Corporation (PMMSC). Ms. Wu attended the Immaculate Conception 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, 58
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.

Board of Directors



Reginaldo Anthony B. Cariaso, 55
Filipino, Director since June 2019

Mr. Cariaso joined the Bank of the Philippine Islands (BPI) in 2013 and is currently the Head of Strategy, Products and Support of its Institutional Banking Unit. He oversees the Institutional Bank’s Transaction Banking Services, Remittance and Fund Transfer, Strategy Management, Special Accounts Management, and Systems Planning Divisions. Previous roles at BPI include President of BPI Capital, the investment banking arm of BPI, and Chairman of BPI Securities. He is currently also a non-executive board director of the BPI Remittance Center in Hong Kong. Before joining BPI, Mr. Cariaso worked in investment banking for 17 years for JP Morgan and Nomura International based in Hong Kong. Mr. Cariaso received a B.A. degree from the University of Pennsylvania and was a Lieutenant in the United States Navy.

Antonio M. Rubin, 72
Filipino, Director 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 (PMMSC), 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 degree in bachelor of Science in Mechanical Engineering and Ateneo De Manila University for his MBA.



Jocelyn De Guzman Cabreza, 66
Filipino, Director 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, and Legal Oversight Committee. She is also a director of Omnipay, Inc., Sealnsure General Insurance Co., Inc. (formerly, AA Guaranty Assurance Co., Inc.), Sealnsure Life Insurance Co. Inc., Shopee Pay Phil. Inc., and Sea Money Credit Finance Corp. 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.



Alan R. Luga, 64
Filipino, Director from December 2016 to January 2019 and since February 2023

Mr. Luga (Retired AFP Lieutenant General) was appointed in 2016 by former President Rodrigo Roa Duterte as a Trustee of GSIS, and was reappointed in 2023 by President Ferdinand Romualdez Marcos, Jr. He was the Chairman of the GSIS Provident Fund from 2016 to 2022 and is a current member of the Board of the Philippine National Construction Corporation (PNCC) since 2017. Mr. Luga has also held various military and corporate positions. Prior to his appointment in GSIS in 2016, he was the President and Chief Executive Officer of AFP General Insurance Corporation from 2014 to 2018. He was the Chairman of the Board of the Camp Aguinaldo Golf and Country Club from 2013 to 2014, and of the AFP Housing Board on the same years. He was also a member of the Board of Directors of the Riviera Sports & Country Club, Inc. from 2014 to 2016, served as a member of the AFP Board of Generals from 2013 to 2014, and is the current class president of the PMA Dimalupig Class of 1981. Mr. Luga obtained his Bachelor of Science Degree from the Philippine Military Academy in 1981. In 1994, he acquired his Masters of Business Administration (MBA) units from the Ateneo De Manila University Graduate School of Business. He completed a Master’s Degree in Military Arts and Science at the United States Army Command and General Staff College at Fort Leavenworth, Kansas in 2002.



Board of Directors



Rafael G. Ayuste Jr., 59
Filipino, Director since June 2012

Mr. 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 to 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.



Medel T. Nera, 67
Filipino, Lead Independent Director since June 2021,
Independent Director since July 2011.

Mr. Medel T. Nera is a Director of House of Investments, Inc., iPeople inc., EEI Corp., Seafront Resources Corp, 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.; and Senior Partner at Sycip Gorres Velayo & Co. where he served as Financial Services Practice Head. He was formerly Head of the Financial Services Assurance practice of Ernst and Young in the Far East covering China, Taiwan, HongKong, South Korea, Singapore, Philippines and Vietnam. 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. He holds an International Management Program from the Manchester Business School, UK, and a Pacific Rim Bankers Program from the University of Washington, USA.

Roberto G. Manabat, 76
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, City Savings Bank, Goldilocks Bakeshop, Inc., Citibank Financial Services & Insurance Brokerage, Inc.,and Sodexo BRS Philippines. He is currently an Advisor to the Board of Directors of SM Investments Corporation (SMIC) and Century Peak Holdings Corporation. He is the Chairman of the KPMG R.G. Manabat Foundation and the Chairman of Enactus Philippines. He is a member of the Board of Trustees of the Shareholders’ Association of the Philippines and 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 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. He was honored as an “Outstanding CPA in Government Service” an award given by the Philippine Institute of Certified Public Accountants (PICPA). 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. In March 2023, he is the recipient of the Top 100 Notable CPAs Centenary Award, granted by the Professional Regulatory Board of Accountancy during the Centennial celebration of the Accountancy profession. 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 is an Outstanding Alumnus in 2021. 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.



Rex Maria A. Mendoza, 60
Filipino, Independent Director since June 2019

Mr. Mendoza is the Chairman of Rampver, a dynamic player in financial services specializing in investments, and one of the biggest distributors of mutual funds in the Philippines. He is an active entrepreneur with companies and endeavors in multiple industries. He currently serves as the lead independent director of Globe Telecom, Inc. and Ayala Land Logistics Holdings Corporation, and independent director of the Ayala Land, Inc., all publicly listed companies. He is the Chairman of the Board of Singapore Life, the Soldivo Bond Fund, Inc. and the Soldivo Strategic Growth Fund, Inc. He is also the lead independent director of Anvaya Cove Beach and Nature Club, Inc. and G Exchange Inc. (GXl, or GCash). He is a director of FLT Prime Insurance Corp., Cullinan Group, Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., and TechnoMarine Philippines. He is a member of Bro. Bo Sanchez’ Mastermind Group and is cited by many as one of the best leadership, business strategy, investments, marketing and sales speakers in the country. He is the author of two books, Trailblazing Success and Firing On All Cylinders, both certified national bestsellers. He served as the President & CEO of Philam Life, one of the country’s most trusted financial services conglomerates and was Chairman of its affiliates and subsidiaries. Prior to this, he was previously Senior Vice President and Chief Marketing and Sales Officer of Ayala Land, Inc. He was also Chairman of Ayala Land International Sales, Inc., President of Ayala Land Sales, Inc., and Avida Sales Corporation. He has a Master’s Degree in Business Management with distinction from the Asian Institute of Management. He was one of the 10 Outstanding Graduates of his batch at the University of the Philippines where he obtained a BSBA degree with a double major in Marketing and Finance. He was awarded Most Distinguished Alumnus of the UP Cesar Virata School of Business. He is also a Fellow with Distinction at the Life Management Institute of Atlanta, Georgia, USA, a Registered Financial Planner (RFP) and a four-time member of the Million Dollar Round Table (MDRT). He was a professor of Marketing and Computational Finance at the De La Salle University Graduate School of Business. He taught strategic marketing, services marketing and services strategy. He has served as Chairman of the Marketing Department and was awarded as one of the University’s most outstanding professors.

Management Team



Allan R. Santos
President and CEO

Jose Jaime M. Javier Jr.
Senior Vice President and Head of Life Reinsurance

Santino U. Sontillano
Vice President and Head of Finance

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

Daisy C. Salonga
Vice President and Head of Investments



Lille G. Redor
Assistant Vice President and Head of Life Analytics

Jacqueline Michelle C. Dy
Vice President and Head of Risk and Compliance

Cinderella M. Gernan
Vice President and Head of Data Administration and Technology

David Motley
Assistant Vice President and Head of Non-Life Foreign Underwriting and Acting Head of Non-Life Reinsurance

Sherwin T. Parungao
Assistant Vice President and Head of Non-Life Analytics

Company Profile	Message to Shareholders	Financial Highlights	Governance	Milestones	Materiality Topics	Economy	Environment	People	Contributions to UN SDGs		Company Profile	Message to Shareholders	Financial Highlights	Governance	Milestones	Materiality Topics	Economy	Environment	People	Contributions to UN SDGs
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Profiles of Management Team

Jose Jaime M. Javier Jr.
Filipino, Senior Vice President and Head of Life Reinsurance

Mr. Javier 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 Motley
Fil-British, Assistant Vice President and Head of Non-Life Foreign Underwriting and Acting Head of Non-Life Reinsurance

Mr. Motley, Head of Non-Life Foreign Underwriting and acting 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 an Associateship of the Chartered Insurance Institute-accredited. He earned his Bachelor of Science in Financial Economics and Mandarin at the London Metropolitan University.

Daisy C. Salonga
Filipino, Vice President and Head of Investments

Ms. Salonga joined the Company in 2011 as portfolio manager and was promoted as Head of Investments in 2017. 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.

Jacqueline Michelle C. Dy
Filipino, Vice President and Head of Risk and Compliance

Ms. 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, Vice President and Head of Finance

Mr. 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.

Cinderella M. Gernan
Filipino, Vice President and Head of Data Administration and Technology

Prior to joining Nat Re, Ms. Gernan held key positions at International Administrators Limited, ROHQ (Pacific Cross Group of Companies) as the Vice President-Chief Claims Officer (2021-2022) and Head of Business Solutions and Process Re-engineering (2019-2021) where she was responsible for the overall strategic, direction, leadership, and management of Pacific Cross Philippines’ claims operations, business solutions, and administration. She previously worked in various roles at AIG including a Regional role as Head of Business Engagement driving Contact Center Technology and initiatives such as Contact Center as a Service and First Contact Resolution.

Ms. Gernan has 20+ years of experience in the insurance industry with multiple special focuses on business and operational excellence, process re-engineering, customer service, project management, and change management. She earned a Bachelor of Science in Accountancy from the St. Paul College of Manila and has earned units for her Master’s Degree in Business Administration (Regis Program) at the Ateneo Graduate School of Business.

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

Ms. 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. Ms. Papa obtained her Bachelor of Science Degree, Major in Psychology, from St. Paul University, Quezon City.

Lille G. Redor
Filipino, Assistant Vice President and Head of Life Analytics

Ms. Redor has 15+ years of experience in a variety of Actuarial roles working in local and multinational companies, and a proficient Prophet and AXIS modeler. Prior to her current role, she was a Consultant for Actuaries OnTap, taking on several reporting and modelling projects that further utilized her experience in model risk management, IFRS17 and valuation, and exposed her to (re) insurance pricing work.

Ms. Redor held leadership positions as Senior Manager for Valuation in AXA PH (2018-2019) where she formalized and implemented the Local Model Governance Policy, and as Actuarial Manager for Manulife Financial (2012-2018) where she initiated and helped establish the Actuarial Development Program. She was previously an Actuarial Analyst at Manulife Financial under Regional Actuarial Services (HK Model Risk), a Portfolio Modeling Analyst at Manulife Financial under Investments Controllers Department (North America), a Senior Actuarial Analyst at Pru Life UK, an Actuarial Analyst at Philam Equitable Life Assurance Company, Inc., and an Actuarial Analyst I at Philippine Health Insurance Corporation.

Ms. Redor has obtained her Bachelor of Science in Mathematics from the University of the Philippines Diliman.

Sherwin T. Parungao
Filipino, Assistant Vice President and Head of Non-Life Analytics

Mr. Parungao has been with the company since July 2017 as a Senior Catastrophe Risk Analyst with a rank of Senior Manager under the Catastrophe Risk Management Department. He is heavily involved in Catastrophe Modeling, Technical Pricing, and in the procurement of Retro XOL. He oversees the quarterly exposure accumulation report and the PML analysis of the Company’s catastrophe risks, which includes, but not limited to Property, Engineering, and Motor lines, both treaty and facultative.

Mr. Parungao has over 15 years of industry experience in the field of risk management. He obtained his Bachelor of Science degree in Geodetic Engineering in 2005 at the University of the Philippines Diliman. Prior to joining Nat Re, he was a Senior Catastrophe Analyst at Aon Benfield in Singapore, responsible for the management of catastrophe projects, hands-on catastrophe modeling and catastrophe-related research and development.

Milestones

February



SOGIE Webinar
 Nat Re employees gained new information and insights on Sexual Orientation and Gender Identity Expression (SOGIE) via a webinar conducted by Rainbow Rights Philippines, a non-governmental, non-profit, non-partisan organization focused on legal literacy and empowerment with respect to SOGIE and gender-based laws and policies.

March

PDI-Statista Growth Champions 2022
 Nat Re was named by the Philippine Daily Inquirer and Statista as a Growth Champion for 2022. The Philippines’ Growth Champions 2022 is a list of the Top 25 companies in the Philippines that have achieved the highest percentage growth in revenues between 2016 and 2019.

April



SEC Most Women Directors Award
 The Securities and Exchange Commission (SEC) cited Nat Re with the “Most Women Directors” for its outstanding gender-inclusivity as a publicly listed company (PLC), along with two other PLCs.

May



Health Coverage: A More Customer-Centric & Inclusive Approach (Life Reinsurance Webinar)
 Over 200 Nat Re cedants and stakeholders gained a new perspective on health coverage during Nat Re’s “Health Coverage: A More Customer-Centric and Inclusive Approach” Webinar. Guest speaker Jean-Sébastien Borderie, Head of Partnership Development (South Asia & Pacific) at AXA Life & Health Reinsurance Solutions, gave an overview on Health Insurance Underwriting and discussed a more inclusive approach to individual business, among other significant topics.

June



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

June



2nd Virtual Insurance Summit
 Nat Re was a key participant at the 2nd Virtual Insurance Summit, which carried the theme Climate Change: The Role of the Insurance Industry and the Public Sector. Nat Re President and CEO Mr. Allan R. Santos delivered key updates on the Philippine reinsurance sector.



Annual Stockholders’ Meeting
 The stockholders approved the offering of the reinsurance coverage to Health Maintenance Organizations (HMOs) and similar entities by providing capacity, financial protection, and develop a strong national HMO industry. This will ultimately attain the national objective of being integrated in the country’s economic and social development by achieving a higher national retention indispensable to the growth of health insurance and reinsurance market.

September



PhilRatings Rating
 Philippine Rating Services Corporation (PhilRatings) gave Nat Re a financial strength rating of PRS A with a Stable Outlook. This rating and outlook consider Nat Re’s solid market franchise, shareholders of good standing, experienced management, and sound investment portfolio.



East Asia Insurance Congress (EAIC)
 Nat Re CEO, Mr. Allan Santos, chaired the planning and execution the East Asian Insurance Congress Diamond Jubilee Conference. With the theme “Cutting a Multi-Faceted Clear Vision for the Industry,” this event celebrated the EAIC’s 60th year anniversary, exploring how the industry will evolve in the coming years, especially after a tumultuous two years of surviving with a pandemic.



Annual Technical Forum
 Nat Re continued to facilitate capacity building by knowledge sharing conducted through the 6th Annual Technical Forum, a half-day face-to-face event held for underwriters and brokers, and Nat Re’s first physical external stakeholder event since 2019. The 6th ATF served as a platform for deeper discussion on sustainable underwriting of climate risk and exploring the opportunities of cyber risk insurance in the Non-Life Insurance sector, as well as future challenges and approaches to health risk management in the Life Insurance Sector.

Milestones

September



2022 Annual Golden Arrow Awards for Insurance Companies
 As a testament to its outstanding corporate governance, Nat Re was recognized at the 2022 Annual Golden Arrow Awards for Insurance Companies for being a 2-Golden Arrow Awardee, as one of the Top-Performing Insurance Companies in the Philippines, and as a Top-Performing Company in the Non-Life Insurance Sector in the Philippines.



Personal Cyber Insurance Launch
 In partnership with AJ Gallagher and Cyberscout, Nat Re launched its personal cyber insurance facility, providing capacity to local insurers and helping them develop this business line, with the goal of providing cyber insurance protection for the general public amid recent growing exposure to cyber risks. Nat Re, together with its reinsurance partners, also facilitated training sessions designed to equip insurers with the necessary technical expertise to underwrite this line of business.

October



Catastrophe Modeling Workshop
 Nat Re held its Introduction to Catastrophe Modeling workshop where subject matter experts from Nat Re discussed how catastrophe models work, as well as data requirements, methodology, outputs, uses, and limitations to over 100 participants from the domestic insurance industry.

November



Rethinking Mental Health (Life Reinsurance Webinar)
 Over 100 Nat Re cedants and stakeholders gained new insights on the role of the government in mental health care and insights on the private mental clinical practice during Nat Re’s “Rethinking Mental Health” Webinar. Guest speakers included Amadeus Fernando Pagente, Department of Health Senior Health Program Officer, and clinical psychologist/prescription psychiatrist Alyssa Kae Alegre.






Tree-Planting Activity
 Over 20 Nat Re employee volunteers planted an additional 500 trees in partnership with non-government organization, FEED, Inc., in the Sierra Madre mountain range. This is in addition to the trees Nat Re planted in 2019 and 2021. Nat Re also contributed to the protection and restoration of the Sierra Madre ecosystem through the planting of a number of vegetable gardens in the area.



Materiality Topics

(GRI 3-2, 3-3)

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

Topic Description	Topic	Boundaries	Definition and Relevance
Economic Performance Reinsurance Business 	Economic	Within Nat Re, Business Partners, Employees, External Service Providers, Shareholders, Government, Regulators	<p>Nat Re contributes to the growth and stability of its client companies by: providing reinsurance capacity to local insurance companies; serving as a mechanism for the efficient distribution of the reinsurance business locally through the creation of reinsurance facilities; and providing technical assistance and consultancy services to ceding/insurance companies.</p> <p>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. Claim settlement from catastrophic events help rebuild communities and build resiliency. These eventually contribute to the economic growth and sustainable development of the Philippine economy.</p>
Indirect Economic Impact Investments in Government/ Corporate Bonds/ Green Bond Financing 	Economic	Within Nat Re, External Fund Managers, Shareholders, Banks, Regulators, Government	<p>By investing in government and corporate bonds, Nat Re helps provide funding for government projects and initiatives and helps support business expansions in the private sector. These activities by the government and businesses contribute to the growth of the national economy. Nat Re’s investments in the ASEAN Sustainability and Green Bonds support eligible green and social categories like the financing or refinancing of new and existing renewable energy projects.</p>

Topic Description	Topic	Boundaries	Definition and Relevance
Business Resiliency Customer assistance, support and services, and Employee Safety & Welfare 	Economic/ Social	Within Nat Re, Business Partners, Employees, External Service Providers	<p>The Company’s reinsurance solutions afford its client companies greater stability and resilience to extreme events.</p> <p>The Company also continues to facilitate capacity building by knowledge sharing conducted through the Annual Technical Forum (a one-day face-to-face event held for underwriters and brokers) and free webinars on selected insurance/reinsurance topics.</p> <p>For its own resiliency and its employees, Nat Re has established business continuity plans. Adjustments are made as necessary to ensure that it is able to support and provide quality service to its cedants. Nat Re also ensures the health, safety, and well-being of its employees.</p> <p>The development of a succession plan 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.</p>

Topic Description	Topic	Boundaries	Definition and Relevance
Climate-Related Opportunities Various Initiatives with External Parties Financing 	Economic	Within Nat Re, Member Organizations, Government	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, the Company, 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.
Data Security Information Protection and Data Privacy 	Economic/ Social	Within Nat Re, Business Partners, Employees, External Service Providers, Regulators	The integrity of data is crucial to Nat Re. Controls in place are continuously being assessed to ensure data protection and data privacy.

Management Approach on Material Topics (GRI 3-3)

The following are the strategies and activities identified by Nat Re in improving the Company’s performance in various sustainability aspects. These strategies are reviewed annually:

Strategy	2022 Activities
ECONOMIC	
Promote financial inclusion and serve as an effective mechanism for distributing risk within the insurance industry which leads to higher and sound national risk retention.	<p>Provided reinsurance capacity and risk management solutions.</p> <p>Created reinsurance facilities for personal cyber insurance, casualty, sabotage & terrorism, and financial lines.</p>
Promote and develop a strong national insurance industry by serving as a primary source of support and expertise to the local and regional insurance industry through top-notch products and services.	<p>Retained domestic premiums of Php 2,125M in 2022.</p> <p>Delivered value-added and much-needed support to the insurance industry at home and in the region by offering reinsurance advice and solutions for clients (promoting risk and capital management), and actively contributing to the review of catastrophe tariffs, fostering learning and development via dialogues on relevant industry issues.</p> <p>Continued supporting the growth of mutual benefit associations and cooperative insurers through microinsurance products, technical assistance, and risk management solutions.</p>
Develop new products in response to current market needs in both non-life and life insurance businesses by providing reinsurance solutions and value-added services, support capacity building, and improve internal processes toward greater operational efficiency.	<p>Began Nat Re’s expansion into health insurance with the IC’s approval to participate in a Regulatory Sandbox Framework for Innovations in the Insurance, Health Maintenance Organizations (HMOs), and Pre-Need Industries with a Second Layer Medical Program or Individual Excess-of-Loss Coverage innovation. For this purpose, Nat Re collaborates with Health Maintenance, Inc. (HMI) in accordance with the Second Layer Medical Care Program Agreement signed by Nat Re and HMI.</p> <p>Launched the Nat Re personal cyber insurance facility, providing capacity to local insurers and helping them develop this business line, with the goal of providing cyber insurance protection for the general public amid recent growing exposure to cyber risks.</p>

Strategy	2022 Activities
Promote and help strengthen disaster and climate risk reduction through financing programs by promoting and actively participating in related initiatives with external partners.	<p>Paid reinsurance claims of Php 2,232M in 2022; covered Typhoon Odette gross reinsurance claims of Php 1,815M.</p> <p>Continued involvement in initiatives, such as the Philippine Catastrophe Insurance Facility (PCIF), aimed at promoting climate risk insurance and advancing risk-informed decision-making for stronger disaster resilience.</p> <p>Catastrophe risk insurance pools such as the PCIF, along with other disaster risk finance solutions available in the country, will complement the government’s risk reduction efforts in addressing unmitigated risks. One of the expected benefits of the PCIF is the expansion of local catastrophe insurance capacity and protection, especially for the most vulnerable to natural catastrophic events. In line with this, Nat Re participated in consultations on the Adoption of the Revised Schedule of Minimum Catastrophe Rates together with the insurance industry and other relevant stakeholders.</p> <p>Held a Catastrophe Modeling Workshop that helped provide in-depth information on various catastrophe models, and ensured stakeholders are equipped with knowledge and tools for more informed decision-making.</p>
Manage key risks (e.g. purchase of XOL, risk assessment exercise).	<p>Continued managing underwriting risks through the excess of loss (XOL) program that is bought. The Nat Re portfolio is diversified through reinsurance exchange arrangements and product mix.</p> <p>Conducted annual risk and control assessment, identified control gaps, and agreed the key risk indicators to mitigate and improve risk management actions.</p>
Boost technology and operational resilience to secure business operations.	<p>Continued enhancing Nat Re’s business continuity management system, continuing policy documentation and process reviews toward improving operational efficiency and effectiveness.</p> <p>Continued providing employee access to the cloud, allowing employees to work remotely in an effective manner by providing access to company systems and emails.</p> <p>Offered a WeBill arrangement to provide a value-added service beneficial to both Nat Re and its partner cedants, contributing to the integrity and reliability of the reported bordereaux and reducing cedants’ workload, helping them focus on business-as-usual work.</p>

Strategy	2022 Activities
Strengthen data security to ensure the integrity of data and maintain data privacy.	<p>Performed Privacy Impact Assessment to identify and assess data privacy risks and established the required policies and guidelines and needed actions to resolve data security issues.</p> <p>Continuously reviewed 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.</p> <p>Implemented regular information dissemination of various technology topics relating to cyber threats, data breaches, devices, etc. to increase awareness in support of Nat Re’s asset protection and security.</p>
Engage various stakeholders to identify and address material issues.	<p>Continued advancing mutual cooperation within the insurance industry in the region and pursuing mutually beneficial agreements with fellow reinsurers.</p> <p>Continued 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 were also provided the opportunity to attend specialized and/or publicly-run seminars to enhance their competency and thus contribute to their professional growth.</p> <p>Held the 2022 Nat Re Annual Technical Forum, Nat Re’s first physical external stakeholder event since 2019, alongside other physical and virtual engagements.</p> <p>Conducted physical courtesy calls with cedants and business partners in line with the reopening of the economy during the pandemic.</p> <p>Spearheaded the planning and execution of the East Asian Insurance Congress Diamond Jubilee Conference (chaired by Nat Re President and CEO Mr. Allan R. Santos).</p>
Promote the safety and health of employees.	<p>Strongly encouraged employees to be vaccinated and boosted against COVID-19. Provided employees with free COVID-19 antigen test kits twice a month for their safety, as part of the company’s hybrid work arrangement.</p> <p>Conducted regular webinars related to Health and Wellness to improve and sustain employee awareness.</p> <p>Continued the hybrid work arrangement of employees to ensure their safety and good health.</p>

Strategy	2022 Activities
SOCIAL	
Continue to develop capabilities and professional competence of employees to improve talent retention and develop leaders and mentors in the (re)insurance industry.	<p>Participation and attendance of Nat Re employees/officers at the 2022 Annual Meeting of the Asia Guarantee & Credit Insurance Association (Seoul, Korea); the 2022 Actuarial Society of the Philippines (ASP) Convention; and the 18th Singapore International Reinsurance Conference (SIRC).</p> <p>HR activities in 2022 included, but were not limited to, the Nat Re Kwentuhan, Sexual Orientation and Gender Identity Expression (SOGIE) webinar, and a Team Building activity.</p>
ENVIRONMENTAL	
Promote a culture of awareness on environmental sustainability within the organization by encouraging practices either in the office or at home that help promote environment sustainability and the safety and well-being of employees.	Contributed to protecting and restoring terrestrial ecosystems through tree planting and vegetable garden growing. This activity was implemented in coordination with a non-government organization, further expanding Nat Re’s carbon sequestration efforts and concretely supporting the expansion and development of the critical Sierra Madre mountain range.



The Economic and Social Value of Nat Re’s Business

(GRI 3-3)

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.

Nat Re provides insurers with reinsurance capacity so they may manage 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.

Since 2017, Nat Re has been offering 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.

In 2022, the Non-Life Reinsurance team launched the personal cyber insurance facility, which aims to provide capacity to local insurers and assist them in developing this line of business. Ultimately, this facility will help create access to cyber insurance protection for the general public, given the increasing exposure to cyber risks in recent years. Nat Re, together with its reinsurance partners, also facilitated training sessions designed to equip insurers with the necessary technical expertise to underwrite this line of business.

The team also conducted the 6th Annual Technical Forum. With the theme: “Thriving in the New Era of Underwriting,” the forum served as a platform for deeper discussion within the local industry on topics such as sustainable underwriting of climate risk and exploring the opportunities of cyber risk insurance. As the availability of these product lines grows, so will the access to better insurance protection.

In 2022, Nat Re’s Life Reinsurance Team conducted two webinars related to the Life and Health Business. On May 12, there was a webinar on Health Coverage: A More Customer-Centric and Inclusive Approach and last November 9, the webinar was on Rethinking Mental Health. The first webinar discussed health insurance and medical underwriting, product design and digital distribution, and how to make health protection products more inclusive and accessible to the public. The second webinar, on the other hand, tackled the role of the government in Mental Health Care and insights on the private mental clinical practice.

Last September 23, 2022, Life Reinsurance Team also brought back the Annual Technical Forum (ATF). Themed “Future Challenges and Approaches to Health Risk Management,” the ATF featured an infectious disease expert and a healthcare management CEO who presented COVID-19 long term effects on mortality and morbidity, and the impact of technology on healthcare management and remote patient monitoring, respectively.

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 world’s 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 through a more inclusive access to catastrophe protection and with adequate and sustainable premium rates for catastrophe perils.

Nat Re also has a long history of supporting the micro-insurance market with two mutual benefit associations being 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 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

(GRI 2-6, 201-1)

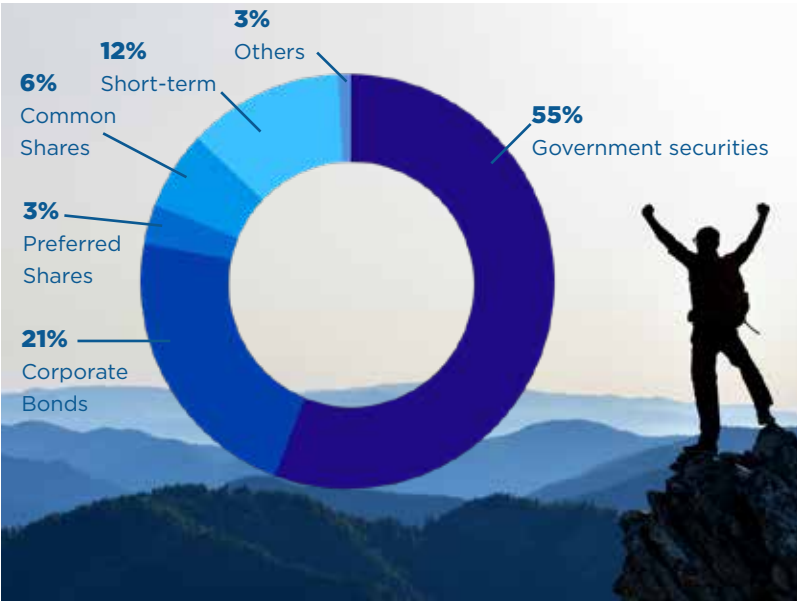
Disclosure Items <i>(in millions of Philippine pesos)</i>	2022	2021
Direct Economic Value Generated	3,202	3,242
Net Written Premium	2,987	2,838
Investment and Other Income, Net	215	404
Direct Economic Value Distributed	3,142	3,113
Claims Paid and Outstanding	1,937	1,962
Reinsurance Commission	827	861
Employee Wages and Benefits	187	160
Payment to External Providers	80	63
Taxes to Government	111	67
Investment to Community	0.23	0.13

Capitalization		
Total Assets	18,338	16,441
Total Liabilities	12,738	10,777
Stockholders' Equity	5,600	5,664

Indirect Economic Impact

(GRI 203-1 / 203-2)

Fifty-five percent (55%) of Nat Re’s Php9.2-billion investment portfolio is invested in government security bonds, allowing the Company to support funding of government infrastructure projects and social services. The remaining 45% of the Company’s investment portfolio consists of corporate bonds, equities, and short-term deposits to support the private sector’s growth. A portion of the total investment in Corporate Bonds amounting to Php62.09 million is invested in ASEAN Sustainability and Green bonds.



Resiliency Through Nat Re’s Business Continuity Plan

(GRI 3-3)

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 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 cyberattack. 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. Critical business processes, associated Recovery Time Objectives and Recovery Point Objectives, critical records and recovery teams are documented in departmental Business Impact Assessments (BIAs). In the event that operations cannot be continued from its main premises, Nat Re can revert to a work-from-home (WFH) arrangement for all its employees as it did during the beginning of the COVID-19 pandemic. Nat Re had been able to successfully operate on a WFH arrangement since the start of the Enhanced Community Quarantine (ECQ) in 2020 until early 2022. The Company now has a hybrid work setup, 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 even as the economy opens up, management decided on a hybrid work arrangement beginning March 2022, utilizing their Company-issued laptops and Internet connection. Access to the Internet is either on a Company-sponsored prepaid arrangement or the employee’s existing personal connection.

Nat Re continues to provide laptops to employees with access to company files, documents, and emails. Employees are able to work remotely as the Company’s systems and emails are in the cloud, making them accessible with only an Internet connection. Redundancy measures, put in place in 2020, remained on back-end services, allowing access to critical systems anytime via virtual private network (VPN).

Under the hybrid work set-up, employees were given the option to redirect office phone calls to employee mobile numbers so as not to miss important business calls. The company has continued its subscription to online services, such as Zoom and Google Meet, to facilitate employees’ collaboration with each other, with clients, and with other business partners. A secure file transfer facility is in place for clients opting to send large electronic documents.

As part of the BCP, the Technology team ensures 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 the necessary software and hardware to process transactions even while employees are working from home.

Nat Re’s Handling of Data Security (GRI 3-3)

With the employees working remotely on scheduled days of the week, cybersecurity risks especially involving data privacy, network vulnerability, and removable storage devices continue to be areas of heightened awareness for Nat Re.

Nat Re continues to conduct its regular Privacy Impact Assessment (PIA), helping the company understand personal data flows within the organization and take any necessary action to address privacy risks. 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, and recommendations for specific action plans to minimize or mitigate risks. The PIA revealed some risk exposures and management has identified related mitigating action plans. These are monitored and reported upon to ensure implementation of plans.

Nat Re also continues to conduct a Vulnerability Assessment and Penetration Testing (VAPT), aimed to review the security posture of Nat Re’s network and systems. The results of the VAPT identified 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.

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 (all external storage devices shall be disabled, only authorized devices up to the level of the President/CEO will be permitted) to ensure there is no unauthorized copying of data and to prevent the spread of malware.

Finally, Nat Re implemented a Clean Desk Policy to ensure all sensitive and restricted information (whether it be on paper, on a storage device, or on a hardware device), are properly stored when a workstation is not in use. Nat Re also strengthened its CCTV (closed circuit television) system, primarily for security and safety purposes.

Climate-related opportunities: Initiatives with external partners (GRI 2-28)

Nat Re values forging meaningful relationships with both 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 know-how, 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 Oasis Platform for Climate and Catastrophe Risk Assessment in Asia 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 modeling and use of 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 President and CEO Mr. Allan R. Santos served as EAIC President until 2022. In the same year, Nat Re served as an organizer for the EAIC 2022 Diamond Jubilee conference, which was attended by various insurers and reinsurers across the region and worldwide. In his welcome address, Mr. Santos reiterated that the aim of the Congress was to further develop international collaboration among insurance practitioners in the region.



ASEAN Reinsurance Working Committee (ARWC)

The ASEAN Reinsurance Working Committee (ARWC), 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.



In 2022, Nat Re (represented by Mr. Allan R. Santos, who served as ARWC Chairman from 2018 to 2020) attended the 5th ARWC meeting (part of the 48th ASEAN Insurance Council Meeting) in Bangkok, Thailand, with Mr. Santos sharing with regional peers key country updates on market developments in the Philippines.

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. Nat Re President and CEO Mr. Allan R. Santos is a member of this Task Force composed of members of the public and private sectors. Nat Re also serves as a 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, hence its active membership in 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. Nat Re President and CEO Mr. Allan R. Santos is the immediate past 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.



Company Profile	Message to Shareholders	Financial Highlights	Governance	Milestones	Materiality Topics	Economy	Environment	People	Contributions to UN SDGs	Company Profile	Message to Shareholders	Financial Highlights	Governance	Milestones	Materiality Topics	Economy	Environment	People	Contributions to UN SDGs
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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.

Other Organization Memberships

Nat Re is a member of the Technical Working Group (TWG) and the Oversight Committee 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, while the Oversight Committee was formed in September 2022.

Nat Re is also a TWG member 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), of which Nat Re President and CEO Mr. Allan R. Santos and other Nat Re employees serve as committee members. Nat Re is also a member of the Management Association of the Philippines (MAP), Association of Insurers and Reinsurers in Developing Countries (AIRDC), the Federation of Afro-Asian Insurers & Reinsurers (FAIR), and the Insurance Institute for Asia and the Pacific (IIAP), where Nat Re President and CEO Mr. Allan R. Santos served as a board member and where Nat Re supported the IIAP in its various events and seminars, including sponsorship of the 2nd Virtual Philippine Insurance Summit.

Nat Re Recognitions and Ratings for 2022

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 awarded at the 2022 Annual Golden Arrow Awards for Insurance Companies last September 23, 2022, being a 2-Golden Arrow Awardee, and as one of the Top-Performing Insurance Companies in the Philippines, and as the Top-Performing Company in the the Non-Life Insurance Sector in the Philippines, both under the 2021 ASEAN Corporate Governance Scorecard.

Nat Re was also named by the *Philippine Daily Inquirer* and Statista as a 2022 Growth Champion. The Philippines’ Growth Champions 2022 is a list of Top 25 Philippine companies that have achieved the highest percentage growth in revenues between 2016 and 2019.

Nat Re was also held in high regard by major rating institutions such as the Philippine Rating Services 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. The 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 the following: a) Nat Re’s solid market franchise; b) the important role it plays in the development of the domestic and regional insurance industry; c) its shareholders of good standing; d) its experienced management; e) its sound investment portfolio; f) its more than adequate capital; and g) external headwinds.

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 continued challenges of the COVID-19 pandemic, Nat Re worked hard in 2022 in pursuit of various external engagements that offered added value to its stakeholders.

2022 marked the return of the much-anticipated Nat Re Annual Technical Forum (ATF). The ATF is a key industry event that gathers CEOs, actuaries, underwriters, and marketing officers of Nat Re clients, as well as Insurance Commission representatives. During the 2022 ATF, industry experts shared important insights on two relevant topics: sustainable underwriting, modeling, and climate risk pricing, as well as opportunities in cyber risk insurance.

In 2022, Nat Re hosted three relevant learning sessions, namely Health Coverage: A More Customer-Centric & Inclusive Approach, Rethinking Mental Health, as well as a Catastrophe Modeling Workshop.

These sessions offered a wealth of knowledge and insights to insurance industry participants (public and private sector alike) from top Nat Re officers. In addition, these webinars also allowed insurance industry players to network and learn from each other in a safe and convenient manner.

As an award-winning company, Nat Re (represented by Compliance team members) also shared valuable knowledge and best practices on corporate governance at the 2022 ASEAN Corporate Governance Scorecard Workshop for Insurance Companies, hosted by the Institute of Corporate Directors last March 18, 2022.

For the third time, Nat Re also virtually conducted its Annual Stockholders Meeting, gathering the company’s valued stockholders in a safe online space in order for them 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 Mr. 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.



(From left) Insurance Commissioner Atty. Dennis B. Funa and Nat Re President and CEO Mr. Allan R. Santos at the 2022 Nat Re Annual Technical Forum held at the New World Makati, Makati City



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), Nat Re employee volunteers planted 500 seedlings at the University of the Philippines Laguna-Quezon land grant in the Sierra Madre Mountains last November 2022. Several vegetables were also planted in the grant’s vegetable gardens.

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 2016 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.

Previously, Nat Re had already planted 370 trees in 2019 and 500 trees in 2021 - bringing the company’s total contribution to 1,370 trees planted to-date (with an estimated 95% survival rate).

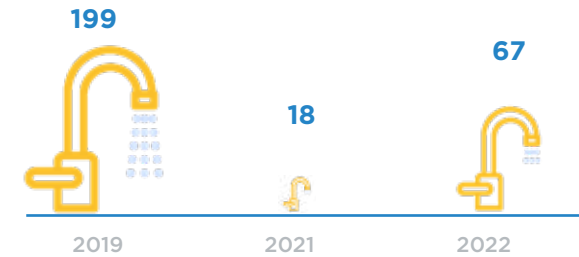
Care for the Environment Through Resource Management

The Company implemented measures of conserving supplies that will contribute to the preservation of natural resources.

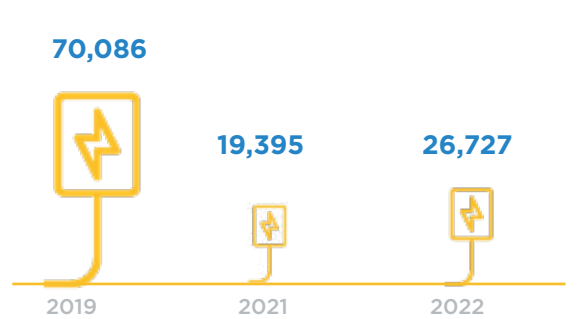
Fuel consumption rose by 38% in 2022, in line with the implementation of a hybrid work arrangement that replaced the work-from-home arrangement in 2021. However, this is still 10% lower than 2019 fuel figures.

Similarly, electricity and water consumption also increased year-on-year by 38% and 272%, respectively, but also remained below 2019 figures (62% and 66%, respectively).

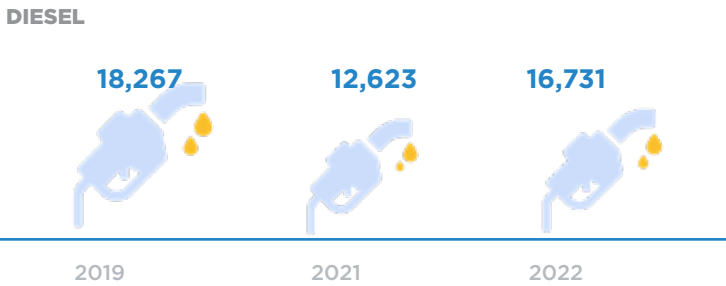
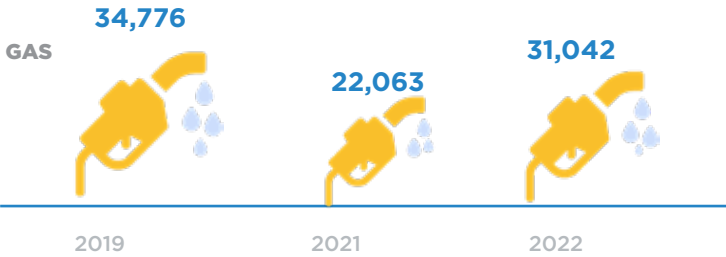
Water Consumption (in cu.m.)



Electricity Consumption (in KWh)



Fuel Consumption (in liters) Managers and up





Employee Management (GRI 2-7)

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.

Employee Data

By Gender

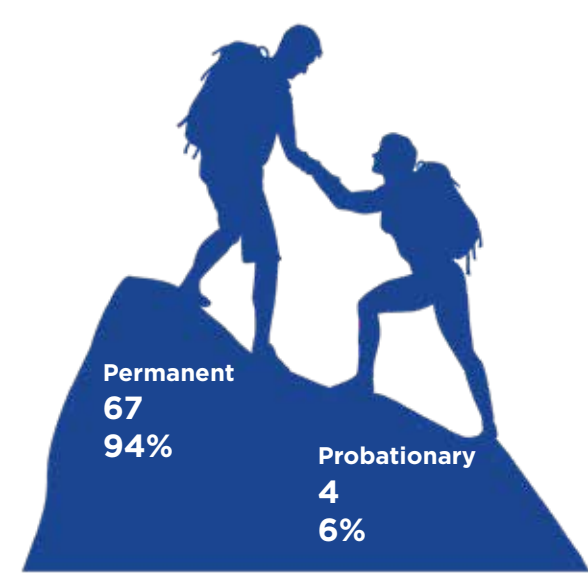
Total Employees			Senior Leaders		New Hires		Employee Separations	
Category	Count	%	Count	%	Count	%	Count	%
Male	26	37%	4	40%	5	23%	3	18%
Female	45	63%	6	60%	17	77%	14	82%
Total	71	100%	10	100%	22	100%	17	100%

By Age

Total Employees			Senior Leaders		New Hires		Employee Separations	
Age	Count	%	Count	%	Count	%	Count	%
< 30	21	30%	0	0%	10	45%	8	47%
31 - 50	41	58%	6	60%	12	55%	5	29%
> 50	9	12%	4	40%	0	0%	4	24%
Total	71	100%	10	100%	22	100%	17	100%

By Employment Status

Total Employee Count: 71



The Senior Leaders are composed of department heads directly reporting to the President and CEO. Nine (9) of 10 Senior Leaders were hired locally.

There is no employee from an indigenous community and/or vulnerable sector nor a part-time/temporary employee. The Company engages service providers for its janitorial, messengerial, and other technical services requirements. Currently, there are eight (8) employees of these service providers who are providing services to the Company.

List of Employee Benefits

Statutory Benefits Description	# of female employees who availed for the year	# of male employees who availed for the year
13th Month Pay	59	28
PhilHealth Medical Benefits	2	1
Maternity/Paternity Leaves	0	1
Gynecological Leaves	0	-
Pag-IBIG Benefits	0	0
Solo Parent Leaves	0	0
SSS Maternity Benefits	0	-
SSS Sickness Benefits	0	0
SSS - Other Benefits*	0	0

**Disability, Retirement, Death, Funeral, Employee Compensation Program*

Additional Employee Benefits Description	# of female employees who availed for the year	# of male employees who availed for the year
14th Month Pay	51	28
Rice Allowance	51	28
Medical Allowance	51	28
Uniform Allowance	51	28
Leave Conversion	51	28
Vacation Leaves	42	22
Sick Leaves	36	16
Emergency Leaves	6	1
Flexible working hours	49	28
HMO (aside from PhilHealth)	51	28
Executive Check Up for AVPs and above	4	3
Maternity benefits	0	-
Group Term Life Insurance	49	28
Retirement Fund (aside from SSS)	3	1
Bereavement Assistance	2	1
Calamity Assistance	0	0
Gas Allowance (for managers and up)	22	15
Officer’s Mobility Program (managers and up)	16	8
Company Car Program (SVP to President/CEO)	0	2

Company benefits are only provided to permanent employees. Probationary employees may enjoy these benefits as soon as their employment status becomes permanent.

All employees are entitled to take a maternity or paternity leave. One (1) employee availed of a paternity leave for the period ended 2022.

Salaries and Wages (GRI 2-21)

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)	4.66
Percentage increase in the top five (5) highest-paid individuals’ compensation from prior period to the reporting period	2.31%
Percentage increase of the median annual total compensation from the previous reporting period to the current reporting period	1.50%
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	1.55

GRI 405-2

Ratio of Basic Salary and Remuneration of Women to Men (as of December 31, 2022)	%
Officers (AVP and above levels)	
Male	46
Female	54
Rank and File (Sr. Manager and below levels)	
Male	40
Female	60

Training and Education
(GRI 404- 1 to 404-3)

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.

Health, Safety, and Welfare of Employees
(GRI 3-3 / 403-1 to 403-5 / 403-7 / 403-8 / 403-9, 403-10)

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 any accidents, conditions, or practices that are deemed unsafe, whether or not these may result in a personal injury.

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.

Amid easing pandemic restrictions, the Company implemented a hybrid work arrangement, with specific guidelines that include on-site masking and bimonthly free COVID-19 antigen tests. This ensures employees remain safe and secure, with minimum exposure to the virus, even as the economy reopens.

Nat Re promotes positive mental health and general well-being among its employees through the issuance of safety reminders and health guidelines. 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 the social well-being concerns of its employees through various activities facilitated by the Human Resources and Office Services (HROS) Team. 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

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	1,212	hours
b. Male employees	517	hours
Average training hours provided to employees		
a. Female employees	30.29	hours/employee
b. Male employees	20.68	hours/employee

Average hours of training per year per employee (as of December 31, 2022)	
Officers	17.47
Male employees	15.75
Female employees	18.61
Rank and File	29.33
Male employees	22.24
Female employees	33.68

good wishes, and keeping employees up-to-date on relevant current news and events. Virtual meet ups were also continued, allowing employees to hold virtual meetings or group chats, even in a hybrid work set-up. 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.

Nat Re continued to celebrate annual events that employees were accustomed to such as the Company Anniversary, TeamBuilding, Trick or Treat, Year-End Party, and the Year-End Toast.

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 15 vacation leaves a year and are expected to work only on weekdays.

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

Succession Planning
(GRI 3-3)

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
(GRI 403-6)

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 or even improve the overall health and well-being of its staff especially during the pandemic, the Company:

- Partnered with a reputable non-government organization and hosted a Sexual Orientation and Gender Identity Expression (SOGIE) webinar for employees.
- Disseminated medical bulletins, updates, advisories, and information from Maxicare, the Department of Health and the World Health Organization on different health topics.
- Provided advisory updates on Maxicare Helpdesk Sites, Schedules, Teleconsulting, COVID-19 testing and vaccination, Free Flu Vaccination, and hospitals on full capacity due to COVID-19.; and
- Monitored and followed up employee COVID-19 booster shots.

2022 Employee Engagement Survey Results

Nat Re employee engagement continued to be a significant force in the company’s day-to-day operations. Nat Re employees’ perception of the company, reflected in an employee engagement score, remains an important benchmark in the company’s journey toward a more resilient tomorrow.

Despite the dip in Nat Re’s engagement score (2022 versus 2021), Nat Re employees’ perception of the company in 2022 remains more favorable versus 2019 (pre-pandemic). This reflects the long-term impact of Nat Re’s robust investments in programs and developments affecting employees over a period of time. This also mirrors the global trend toward mixed engagement results in the past years, as described by various reputable human resource solutions providers in the past two years.

As the world embraces a new normal amid the pandemic, Nat Re has continued to innovate and fine-tune its engagement approach to meet employee needs.

In 2022, Nat Re’s Mental Health in the Workplace Policy was finalized and approved, in a bid to actualize the company’s approach to mental health and wellness. Accordingly, Nat Re has engaged a group of psychologists to help plan and implement the company’s mental health-related programs in 2023.

Improved relationships and better communication among teams continued to contribute to a more harmonious work environment, especially in a hybrid work set-up. The company’s virtual engagement activities such as the virtual Nat Re Kwentuhan and Trick or Treat, the hybrid Year-End Toast, and the physical Team-Building Activity continued to sustain employees by providing a venue for much-desired social interaction among colleagues.

In a bid to sustain learning and development during the pandemic, relevant international and local trainings continued to be offered to employees online, resulting in a 178% increase in employees’ average training hours, or twenty-five (25) hours in 2022 from a mere nine (9) hours in 2021. Nat Re Senior Leaders were also more than willing to mentor employees, while employees also shared their learnings with one another.

Despite the challenges of the year, Nat Re continued to disburse merit increases and performance incentives to deserving employees. Nat Re also participated in the 2022 WTW Salary Survey for insurance companies, to help management ensure employee salaries remain competitive against the market. These gestures were concrete manifestations of Nat Re’s inherent concern for its employees, the driving force behind the company’s overall success in 2022.

Retirement Benefit
(GRI 201-3)

Nat Re provides retirement benefits to its employees. The normal retirement benefit, which employees can avail upon reaching 60 years old,



Nat Re Team-Building Activity 2022

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 the retirement benefit equivalent to 25% of the normal benefit rate, if one has rendered at least five (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, 2022, the Fair Value of the Plan Asset stood at Php77.7 million while the Net Defined Benefit Liability was at Php2.0 million.

Labor Management Relations
(GRI 2-30)

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.

Contributions to the UN Sustainable Development Goals

Sustainability Development Goal (SDG) and Target	Nat Re's Contributions	
<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> 	<p>Ensure healthy lives and promote well-being for all at all ages (https://sdgs.un.org/goals/goal3)</p>	<p>Expanded product offerings on early and intermediate stages of critical illnesses.</p> <p>Provided reinsurance on travel-related products with COVID-19 coverages.</p> <p>Conducted “Rethinking Mental Health” webinar to reacquaint the industry on the role of the government in Mental Health Care and insights on the private mental clinical practice.</p> <p>Amended Nat Re’s Articles of Incorporation to allow the participation in the HMO Regulatory Sandbox Framework and to take on risks from and provide capacity or financial protection to HMOs and other similar institutions or entities.</p>
<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> 	<p>Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 percent gross domestic product growth per annum in the least developed countries.</p>	<p>Earned total Gross Written Premiums (GWP) of Php4,709 million, of which Php3,798 million came from its local business, Php911 million from its foreign business.</p>
	<p>By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>	<p>Nat Re paid P187million worth of employee wages and benefits.</p> <p>The average length of employees’ tenure is 6.12 years.</p> <p>All Nat Re employees received salaries above the minimum wage. The salary of Nat Re’s lowest-paid employee is 69% higher than the minimum wage. (GRI 202-1).</p> <p>Nat Re employed 71 individuals as of December 31, 2022. All of whom are locally based.</p>
<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> 	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	<p>Invested around Php5.1 billion in government bonds and Php4.1 billion in other local investments.</p>
<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> 	<p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	<p>Invested Php12.09 million in Green Bonds 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>
<div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> 	<p>Make cities and human settlements inclusive, safe, resilient and sustainable.</p>	<p>Invested Php50 million in Sustainability Bonds 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>Paid claims worth Php2,232 million and recorded movement in outstanding claims and claims reserves worth Php295 million.</p>

Sustainability Development Goal (SDG) and Target	Nat Re's Contributions	
<div>13</div> <div>CLIMATE ACTION</div> 	<p>Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries.</p>	<p>Participated in various public and private sector projects and initiatives towards disaster resilience, including The Oasis Platform for Climate and Catastrophe Risk Assessment in Asia Project, or the Oasis Project, a fully funded project by the International Climate Initiative (IKI) of the German federal government.</p> <p>For the past four years, Nat Re, along with Oasis Loss Modelling Framework (Oasis LMF), the Geodetic Engineering Department of the University of the Philippines - 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> <p>Helped derive and introduce a new schedule of minimum tariffs for property catastrophe perils that vary by property risk attributes. Such rating structure incentivizes climate risk reduction, which contributes to climate change adaptation.</p> <p>Helped promote the results of an Earth Security Group study on mangroves’ protective capacity and the strategic value of natural protection toward resilience and climate change adaptation.</p>
<div>15</div> <div>LIFE ON LAND</div> 	<p>By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.</p>	<p>Nat Re implemented the measures of conserving supplies that will contribute to the preservation of natural resources.</p> <p>Planted an additional 500 trees in partnership with non-government organization, FEED, Inc., in the Sierra Madre mountain range. This is in addition to the planted trees in 2019 and 2021. This will contribute to the reduction of future carbon emissions in the country by 2030.</p>



Nat Re Tree-Planting Activity 2022 at the University of the Philippines Laguna-Quezon Land Grant.



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