



NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

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March 15, 2011

THE PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: Impact of Recent Earthquake in Japan on NRCP's Operations

Gentlemen:

National Reinsurance Corporation of the Philippines (NRCP) does not have any direct business relationship with insurance companies in Japan.

However, it has accepted reinsurance business with two reinsurance companies in the Asean region which have incidental coverage of Japanese insurance business.

The NRCP estimated maximum losses on the recent Japan earthquake are as follows:

Asia Capital Re's Asian Catastrophe Pool Quota Share Retrocession Treaty. NRCP share is 1 unit equivalent to US\$500,000.00 liability. Per telephone enquiry, NRCP was advised to put up a loss reserve equivalent to our participation (1 unit or US\$500,000).

Singapore Reinsurance Co. Non-Marine Pro-rata Quota Share Treaty. NRCP share of the Treaty is 2%. Based on the treaty information submitted, the Earthquake Catastrophe Aggregate is around S\$9.06 million for 100% of which NRCP share at 2% is S\$181,200.00 or roughly Pesos 6 million.

In view of these indirect exposures to the Japan earthquake, the management plans to review the renewal of business from these two companies and/or arrange for the necessary protection.

Sincerely,

ARMANDO S. MALABANAN
Executive Vice President/COO