

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

Minutes No. 01

05 July 2023

MINUTES

**Minutes of the Annual Meeting of Stockholders of
National Reinsurance Corporation of the Philippines
Held on 05 July 2023, at 2:30 P.M.
at the Carlos P. Romulo Auditorium
RCBC Building, Makati City**

Present:

Total Number of Shares Present in Person, in Absentia and/or Represented by Proxies:	1,542,398,296 shares	72.63%
Absent Shares:	581,207,304 shares	27.37 %
Total Number of Outstanding Shares:	2,123,605,600 shares	100 %

Directors Present in Person:

**EVELINA G. ESCUDERO
YVONNE S. YUCHENGCO
ALLAN R. SANTOS
JOLI CO WU
RAFAEL G. AYUSTE, JR.
MEDEL T. NERA
ANTONIO M. RUBIN
REX MA. A. MENDOZA**

Absent

**JOCELYN DG CABREZA
ALAN R. LUGA
ROBERTO G. MANABAT
REGINALDO ANTHONY B. CARIASO
MARIA CONSUELO A. LUKBAN**

Also Present:

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

1. CALL TO ORDER

Ms. Evelina G. Escudero, the Chairperson of the Board of Directors, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Noel A. Laman, was the Secretary of the meeting and he recorded the proceedings.

2. PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Chairperson requested the Corporate Secretary to confirm if the notice of the meeting was sent to the stockholders of record of the Corporation. The Corporate Secretary responded in the affirmative. He certified that copies of the Notice of the Annual Stockholders' Meeting were distributed in digital format via the company's website and PSE Edge, and also published with QR code of the Company's Information Statement in two newspapers, The Philippine Daily Inquirer and Business World, in both print and digital format on May 25 and May 26, 2023 in accordance with the requirements of the Securities and Exchange Commission.

The Chairperson then inquired if a quorum was present for the transaction of corporate business. The Corporate Secretary declared that out of a total of 2,123,605,600 shares outstanding and entitled to vote, stockholders owning at least 1,542,398,296 shares were present in person, in absentia or by proxies, which represent at least 72.63 % of the total outstanding capital stock entitled to vote of the Corporation. Thus, the Secretary certified that a quorum existed for the transaction of corporate business.

3. APPROVAL OF MINUTES OF THE MEETING OF THE STOCKHOLDERS HELD ON JUNE 30, 2022

Upon inquiry of the Chairperson, the Corporate Secretary certified that a copy of the Minutes of the Annual Stockholders' Meeting held on June 30, 2022 has been posted on the company's website since July 6, 2022. In addition, a summary of the matters taken up during the previous annual meeting was provided in the Definitive Information Statement that was likewise posted on the company's website and on PSE Edge. The Chairperson then opened the floor for any motion for the approval of the Minutes of the Annual Stockholders' Meeting held on June 30, 2022. A stockholder moved that since a copy of the Minutes of the Annual Meeting of the Stockholders held on June 30, 2022 has been made available through the company's website to all stockholders, the said minutes should be deemed read and approved by the stockholders owning at least a majority of the outstanding capital stock.

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

Stockholders' Resolution ASM-2023-01

“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, as they hereby approve the Minutes of the Annual Stockholders' Meeting held on June 30, 2022.”

4. REPORT OF THE PRESIDENT

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

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

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

There being no question raised, upon motion made and duly seconded, the following resolution was approved:

Stockholders' Resolution ASM-2023-02

"RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the "Corporation") approve, as they hereby approve the Management Report which includes the 2022 Audited Financial Statements as presented by the President on July 5, 2023."

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

The meeting proceeded with the ratification of the acts of the Board of Directors and Officers of the Corporation performed or undertaken in the year 2022 and until the date of this meeting as they were recorded in the books and records of the Corporation. It was noted that a summary of the resolutions passed by the Board of Directors was provided in the Definitive Information Statement. There being no objections and upon motion made and duly seconded, the following resolution was formally introduced, seconded and approved by the vote of at least majority of the outstanding capital stock:

Stockholders' Resolution ASM-2023-03

"RESOLVED, that the stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the "Corporation") approve, ratify and confirm, as they do hereby, all the acts, decisions and resolutions of the Board of Directors and Officers made or undertaken in the year 2022 and until the date of this meeting as these are recorded in the books and records of the Corporation."

6. APPOINTMENT OF THE EXTERNAL AUDITORS

The Chairperson informed the stockholders that upon proper recommendation of the Audit Committee, the Board of Directors, at a regular meeting held on March 30, 2023, approved and recommended for stockholders' ratification the appointment of *R.G. Manabat & Company (KPMG Philippines)* ("*R.G. Manabat & Co.*") as the external auditors of the Corporation for the year 2023. The appointment of *R.G. Manabat & Co.* as the independent auditors of the Corporation was then formally presented to the stockholders for approval. It was disclosed that Mr. Tireso Randy F. Lapidez of *R.G. Manabat & Co. (KPMG Philippines)* shall be the partner-in-charge of the Corporation's

account for the current fiscal year. Upon motion made and duly seconded, *KPMG Philippines* was appointed as external auditors of the Corporation for the year 2023, and the following resolution was formally introduced, seconded and adopted:

Stockholders' Resolution ASM-2023-04

“RESOLVED, that the stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, ratify, and confirm, as they do hereby, the appointment of R.G. Manabat & Co. as the external auditors of the Corporation for the year 2023.”

7. ELECTION OF DIRECTORS

The meeting proceeded to the election of members of the Board of Directors of the Corporation for the year 2023-2024. Upon the directive of the Chairperson, the Corporate Secretary informed the stockholders of the provisions of the Articles of Incorporation relating to the nomination and election of the members of the Board of Directors. He said that Article Sixth of the Amended Articles of Incorporation of *National Reinsurance Corporation of the Philippines* provides for thirteen (13) seats in the Board of Directors, at least three (3) of whom should be independent directors.

Thereafter, the Corporate Secretary informed the stockholders that the *Nomination Committee* received ten (10) nominees for Regular Directors and three (3) nominees for Independent Directors. Said Committee has prepared a Final List of Candidates for Independent Directors in accordance with *SRC Rule 38 (Nomination and Election of Independent Directors)*. The Corporate Secretary also said that in accordance with Section 23 of the *Revised Corporation Code of the Philippines*, every stockholder is entitled to vote in person (or in absentia) or by proxy the number of stock standing in his own name on the stock books of the Corporation as of the “*Record Date*” which “*Record Date*” had been fixed by the Board on May 22, 2023 and in the manner set forth in said Section 23 of the *Revised Corporation Code*.

At this point, the Chairperson announced that the Board of Directors and *Nomination Committee* received the names of thirteen (13) candidates to the Board of Directors of the Corporation for the year 2023-2024, to wit:

For Regular Directors:

**EVELINA G. ESCUDERO
YVONNE S. YUCHENGCO
ALLAN R. SANTOS
JOLI CO WU
ANTONIO M. RUBIN
MARIA CONSUELO A. LUKBAN
REGINALDO ANTHONY B. CARIASO
JOCELYN DG CABREZA
ALAN R. LUGA
RAFAEL G. AYUSTE, JR.**

For Independent directors:

**MEDEL T. NERA
REX MARIA A. MENDOZA**

ROBERTO G. MANABAT

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

Stockholders' Resolution ASM-2023-05

“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) elect, as they hereby elect the following, as directors of the Corporation for year 2023-2024, and until their successors are duly elected and qualified:

Regular Directors

**EVELINA G. ESCUDERO
YVONNE S. YUCHENGCO
ALLAN R. SANTOS
JOLI CO WU
ANTONIO M. RUBIN
MARIA CONSUELO A. LUKBAN
REGINALDO ANTHONY B. CARIASO
JOCELYN DG CABREZA
ALAN R. LUGA
RAFAEL G. AYUSTE, JR.**

Independent directors:

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

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

The meeting proceeded to the re-election of Mr. Medel T. Nera as independent director. The Chairperson informed the stockholders that Mr. Nera has been an Independent Director of the Corporation since 2011. As such, he has gained a comprehensive understanding of the specialized business of a professional reinsurance company and has been providing meaningful insights and perspectives which are very helpful during the board and committee meetings. He actively Chairs the Audit Committee and he actively participates in committee meetings where he is a member, and these include the Risk Oversight Committee, the Governance and Related Party Transaction, and the Investment and Budget Committees. The Audit Committee which he chairs consistently obtained an excellent performance rating mainly because the Committee provides valuable insights and direction to Management and exercises effective oversight over the Company's financial reporting, internal and external audit. The justification for the re-election of Mr. Nera is more extensively discussed in the Definitive Information Statement in accordance with SEC

Memorandum Circular No. 4, series of 2017. There being no objection, upon motion made and duly seconded, the following resolution was formally introduced, seconded and adopted:

Stockholders' Resolution ASM-2023-06

*“RESOLVED, that the stockholders of **NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES** (the “Corporation”) approve, ratify, and confirm, the re-election of Mr. Medel T. Nera as independent director for year 2023-2024, and until his successor is duly elected and qualified.*

9. OTHER MATTERS

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

10. ADJOURNMENT

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

ATTEST:

EVELINA G. ESCUDERO
Chairperson of the Stockholders' Meeting

NOEL A. LAMAN
Secretary of the Stockholders' Meeting

ANNEX A

President's Report

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.

While many reinsurers saw their capital eroded by as much as 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.

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.

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