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## Press Release

1 message

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Philippine Stock Exchange <no-reply@pse.com.ph>

Fri, Jun 11, 2021 at 8:34 AM

Dear Sir/Madam:

Your disclosure was approved as Company Announcement. Details are as follows:

Company Name: National Reinsurance Corporation of the Philippines  
Reference Number: 0019836-2021  
Date and Time: Friday, June 11, 2021 08:34 AM  
Template Name: Press Release  
Report Number: C04054-2021

Best Regards,  
PSE EDGE

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The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

# COVER SHEET

8 0 1 1 8

SEC Registration Number

NATIONAL REINSURANCE

CORPORATION OF THE PHILIPPINES

(Company's Full Name)

3 1 F B P I - P H I L A M L I F E M A K A T I

6 8 1 1 A Y A L A A V E N U E M A K A T I

(Business Address: No., Street City / Town / Province)

Regina S. Ramos

Contact Person

(02) 988-7400

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-C  
Press Release

FORM TYPE

4<sup>th</sup> Wednesday of  
June

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_

LCU

Document ID

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Cashier

STAMPS

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**AM Best Affirms Credit Ratings of National Reinsurance Corporation of the Philippines**

AM Best has affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of “bbb” (Good) of National Reinsurance Corporation of the Philippines (Nat Re) (Philippines). The outlook of these Credit Ratings (ratings) is stable.

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

Attached is a copy of the Press Release.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized, in the City of Makati on 11 June 2021.

**National Reinsurance Corporation of the Philippines,  
doing business under the names and styles of Nat Re;  
Philippine National Reinsurance Company; PhilNaRe**  
Issuer

  
**REGINA S. RAMOS**  
Vice President, Head of Risk & Compliance



## AM Best Affirms Credit Ratings of National Reinsurance Corporation of the Philippines

June 10, 2021 11:20 AM Eastern Daylight Time

SINGAPORE--(BUSINESS WIRE)--**AM Best** has affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of “bbb” (Good) of National Reinsurance Corporation of the Philippines (Nat Re) (Philippines). The outlook of these Credit Ratings (ratings) is stable.

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

Nat Re’s balance sheet strength is underpinned by its risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR), which remained at the strongest level in 2020. The company is viewed to have a moderate risk investment portfolio. Despite some exposure to corporate bonds and equity investments, the majority of the portfolio is composed of fixed income securities issued by the Philippines government. The company’s allocation to equity investments has reduced gradually over recent years, with the expectation of continued portfolio de-risking over the medium term. Nat Re maintains a moderate dependence on retrocession, and exposure to counterparties that are non-rated on an international financial strength rating scale. The company’s balance sheet also remains sensitive to natural catastrophe exposure in the Philippines, albeit this risk is mitigated in part through the use of retrocession.

Nat Re’s operating performance is assessed as adequate, with a five-year average return-on-equity ratio of 2.1% (2016-2020). Underwriting performance improved to a profitable position in 2020, driven mainly by reduced losses from the company’s non-life portfolio and robust profitability from its life reinsurance business. Prospective underwriting performance is expected to be supported by ongoing portfolio remediation measures, including reduced participation and/or exit from loss-making non-life treaties, as well as business growth in the more profitable domestic life reinsurance segment. Investment income arising mainly from interest and dividend income continues to contribute positively to operating earnings, despite being negatively impacted by impairment losses in 2020 given the volatility in capital markets caused by COVID-19.

AM Best views Nat Re’s business profile as neutral given its strong relationships with local cedants and access to business through mandatory local cessions. As the only domestic reinsurer in the Philippines, Nat Re is well-positioned for business opportunities emanating from local government objectives, with Nat Re engaged in the design/launch of underwriting facilities for the Philippines market. The company maintains a portfolio that is diversified by geography through reciprocal business arrangements with regional and global reinsurers, and whilst still remaining weighted toward catastrophe-exposed property business, recent growth in the domestic life reinsurance segment is viewed to have supported an improvement in portfolio diversification.

AM Best considers Nat Re’s ERM framework as appropriate given the size and complexity of its operations. The company’s risk management framework and corporate governance capabilities are viewed to have strengthened over recent years.

Ratings are communicated to rated entities prior to publication. Unless stated otherwise, the ratings were not amended subsequent to that communication.

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper media use of Best's Credit Ratings and AM Best press releases, please view [Guide for Media - Proper Use of Best's Credit Ratings and AM Best Rating Action Press Releases](#).

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