

# COVER SHEET

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SEC Registration Number

N A T I O N A L R E I N S U R A N C E

C O R P O R A T I O N O F T H E P H I L I P P I N E S

(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)

Jacqueline Michelle C. Dy

Contact Person

(02) 8988-7400

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

\_\_\_\_\_  
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.

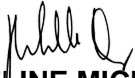
The ratings reflect Nat Re’s balance sheet strength, which AM Best assesses as strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management (ERM).

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 13 July 2023.

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



**JACQUELINE MICHELLE C. DY**  
Vice President, Head of Risk & Compliance

JULY 13, 2023 10:08 AM (EDT)

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

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### FOR IMMEDIATE RELEASE

SINGAPORE - JULY 13, 2023 10:08 AM (EDT)

**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 2022. AM Best views the company’s investment portfolio as having moderate risk. Despite some exposure to corporate bonds and equity investments, the majority of Nat Re’s 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. The company’s balance sheet is sensitive to natural catastrophe exposure, although this risk is partially mitigated through the use of retrocession.

Nat Re’s operating performance is assessed as adequate, with a five-year average return-on-equity ratio of 2.3% (2018-2022). Net profit declined in 2022 compared to the prior year. While the company reported lower underwriting losses in 2022 compared to 2021, the improvement was outweighed by lower investment income, which was partially impacted by investment impairment and fair value losses on equity investments. Although underwriting performance improved in 2022, it continued to show a lack of profitability, mainly driven by unfavourable reserve development in its foreign non-life portfolio and higher than expected COVID-19 related claims. Investment income arising mainly from interest and dividend income continue to contribute positively to operating earnings despite declining in 2022. AM Best expects Nat Re’s prospective underwriting performance to be supported by ongoing portfolio remediation measures, including reduced participation and/or exiting from loss-making non-life treaties, as well as business growth in the more profitable domestic life reinsurance segment and other specialty lines.

AM Best views Nat Re’s business profile as neutral. The company is the only domestic reinsurer in the Philippines, benefiting from strong relationships with local cedants and access to business through mandatory local cessions. Nat Re is well-positioned for business opportunities emanating from local government initiatives, this includes its engagement in the design and launch of underwriting facilities in the Philippines market, which enables it to write greater business volumes in excess of the level stipulated by the mandatory cessions. The company’s underwriting portfolio is viewed to be moderately diversified by geography and it writes both non-life and life reinsurance. In recent years, Nat Re’s shift in product mix towards the domestic life reinsurance segment has supported its improvement in portfolio diversification.

AM Best considers Nat Re’s ERM approach to be appropriate given the current 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.**

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AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

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## Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

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AMB#	Company Name
086771	<a href="#">National Reinsurance Corp of Philippines</a>

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