

## Annual Report

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

Wed, Apr 30, 2025 at 8:48 AM

Dear Sir/Madam:

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

Company Name: National Reinsurance Corporation of the Philippines  
Reference Number: 0013916-2025  
Date and Time: Wednesday, April 30, 2025 08:48 AM  
Template Name: Annual Report  
Report Number: CR02933-2025

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PSE EDGE

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended: **December 31, 2024**
2. SEC Identification Number: **80118** 3. BIR Tax Identification No.: **000-480-869**
4. Exact name of issuer as specified in its charter:  
**National Reinsurance Corporation of the Philippines, doing business under the names and styles of Nat Re; Philippine National Reinsurance Company; PhilNaRe**
5. **Philippines** 6.  (SEC Use Only)

Province, Country or other jurisdiction of incorporation or organization	Industry Classification Code:
--	-------------------------------

7. **31st Floor, BPI-Philam Life Makati,  
6811 Ayala Avenue,  
Makati City, Philippines**  
Address of principal office **1227**  
Postal Code
8. **(632) 8988-7400**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>No. of Shares Outstanding</u>	<u>Amount</u>
Common Shares	2,123,605,600	PHP2,123,605,600.00
TOTAL	2,123,605,600	PHP2,123,605,600.00

11. Are any or all of these securities listed on a Stock Exchange?

Yes [ **X** ] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:  
**Philippine Stock Exchange Common**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒ [ X ]

No ☐ [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒ [ X ]

No ☐ [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

**Shares Held by  
Non-Affiliates**

**Market Value per share  
as of xx/xx/xx**

**Total Market Value**

**xxx**

**xxx**

**xxx**

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission. **N/A**

Yes ☐ [ ]

No ☐ [ ]

**DOCUMENTS INCORPORATED BY REFERENCE**

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders;

(b) Any information statement filed pursuant to SRC Rule 20;

(c) Any prospectus filed pursuant to SRC Rule 8.1.

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## **PART I – BUSINESS AND GENERAL INFORMATION**

### **ITEM 1. BUSINESS**

#### **A. BUSINESS DEVELOPMENT**

National Reinsurance Corporation of the Philippines (the “Company” or the “Corporation”), doing business under the names and styles of Nat Re, Philippine National Reinsurance Company and PhilNaRe, provides life and non-life reinsurance capacity and support to insurance companies in the Philippines and neighboring insurance markets. With the ultimate goal of promoting the development of the Philippine insurance industry, the Company serves as a medium for regional and international cooperation in insurance.

The Company was incorporated in 1978 pursuant to the Corporation Law and Presidential Decree No. 1270, which also designated the Company as the vehicle for the Philippines’ participation in the Asian Reinsurance Corporation, a multilateral reinsurance entity established to foster regional cooperation among insurance companies doing business in Asia.

In 2006, the Company became the country's sole domestic professional reinsurance company following its merger with Universal Malayan Reinsurance Corporation, the country's then-second largest domestic reinsurer.

In 2007, the Company listed its shares with the ticker symbol “NRCP” in the Philippine Stock Exchange, with the Government Service Insurance System (GSIS), the BPI Group, and the Malayan Group as its significant shareholders.

The Company has no subsidiaries, and has not been a party to any bankruptcy, receivership, or similar proceedings.

#### **B. BUSINESS OF ISSUER**

##### **Principal Products & Services**

Nat Re writes both life and non-life reinsurance through treaty and facultative arrangements. Facultative reinsurance refers to individually written and negotiated reinsurance agreements, while treaty contracts are agreements either; to share proportionately in the specific portions of the business written by the insurance company, or, to pay losses incurred by the insurer in excess of an agreed amount up to a specified limit.

The Company writes domestic and foreign reinsurance business with the domestic portfolio making up close to 64% of the Company’s total Gross Premiums Written. The domestic portfolio has a Net Underwriting Income of P436M in 2024 from P519M in 2023.

76% of the domestic Gross Premiums Written comes from the Life Portfolio, which also accounts for 95% of domestic Net Underwriting Income.

Our Life reinsurance business generated P2.9B in gross written premiums (GWP), marking a 13% year-on-year increase. This growth was primarily driven by a 34% rise in Modified Coinsurance, followed by a 20% increase in Group Insurance, supported by newly written lead treaties. The Medical line also grew by 9%, reaching P147M.

However, underwriting income for the Life segment totaled P418M, falling short of expectations. The underperformance was due to higher-than-anticipated loss ratios across all business lines. Additionally, extra experience refund reserves were established to cover contractual obligations based on the most recent data. On the positive side, lower commission expenses helped mitigate some of the impact, resulting in a total combined ratio of 78%.

We continued to advocate for the industry's ongoing push for more streamlined underwriting, especially as traditional methods of obtaining medical evidence became more difficult and newer distribution channels called for simpler processes. In addition, we delivered webinars and tailored training sessions aimed at strengthening the technical skills of underwriting professionals at Life ceding companies. These training programs addressed a range of topics, including individual and group medical underwriting, group insurance pricing, and claims evaluation.

By end of 2024 around 31% of total non-life business came from local risks, with 69% of the portfolio coming from a global book of geographically diversified exposures. Aside from writing global risks to diversify the Company's risks exposures, the Company also purposely reduced its concentration of exposures to Philippine catastrophe risks by entering into reciprocal exchanges with foreign reinsurers to replace its local exposures with globally diversified risks.

In 2024, Nat Re's non-life product lines are Agriculture accounting for 55% of its non-life premiums, followed by Fire at 25%, Casualty at 11%, Marine at 5% and Motor at 4%.

Close to 99% of the total portfolio comes from treaty business, with facultative contracts accounting for the difference. Foreign contracts, on the other hand, are exclusively treaty contracts.

Facultative contracts are limited to domestic risks where they account for close to 10% of the domestic life portfolio and 4% of the domestic non-life Gross Premiums Written.

The Company's non-life products include: Fire Insurance including broad named perils conditions as well as Commercial and Industrial All Risks; Engineering which includes Construction all Risks, Erection All Risks, Electronic Equipment Insurance, Machinery Breakdown and Boiler and Pressure Vessel Insurance; Liability Insurance which includes Comprehensive General Liability, Directors and Officers Liability, Products Liability and Errors and Omission; Terrorism Insurance; Money Securities and Payroll, Fidelity Guarantee; Property and Equipment Floaters; Personal Accident; and other Miscellaneous lines like Hole-In-One.

## **Competition**

The Company is the only domestic professional reinsurance company in the Philippines. It has a privilege granted by law to take up to a 10% share offer of reinsurance business ceded abroad. This allows the Company an exceptional view of the domestic insurers' reinsurance requirements.

The Company competes primarily with Global reinsurers for treaty business. The Company's local character allows it to have a better understanding of market conditions and practices. This enables the Company to engage the market closely and frequently. Its local presence enables it to provide technical guidance more efficiently and address the local market's need for facultative reinsurance support. However, its limited underwriting capacity restricts its ability to write shares of larger risks.

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 most catastrophe exposed countries, Nat Re has been actively involved in development of a Philippine Catastrophe Insurance Facility (PCIF) to

increase the country's resilience by ensuring more inclusive access to catastrophe protection at sustainable rates.

## **Employees**

The Company has eighty-seven (87) employees, of whom thirty-five (35) are in the Non-Supervisory and Supervisory levels; thirty-six (36) are in the Assistant Manager to Sr. Manager levels; sixteen (16) are in the Assistant Vice President and above levels.

Broken down by operations, there are eight (8) employees in the Life Reinsurance Group, nine (9) in the Non-Life Reinsurance Group and seventy (70) employees in the support group, including Office of the President and CEO, Risk and Compliance, Internal Audit, Investments, Finance, Analytics, Human Resources and Office Services, and Data Administration and Technology.

In the next twelve 12 months, the Company projects an increase in the number of employees of around eleven (11).

The Company's employees are not and have never been subject to any Collective Bargaining Agreement

## **Risks**

***The occurrence of severe catastrophic events may have a material adverse effect on the financial results and conditions.***

Catastrophes, both natural and man-made, are one of the major threats to the solvency of an (re)insurance company. This is most important for the Company where majority of the portfolio is in the domestic market, which is highly exposed to natural catastrophes, such as earthquakes, typhoons, and flood. The Company takes several steps in managing its catastrophe exposures. Exposure monitoring and assessment is done on a quarterly basis to quantify the Company's natural catastrophe accumulation. This is done using a probabilistic catastrophe model that the company licenses. The Company has invested in these modeling tools that help the company assess and quantify its exposures to natural catastrophes and extreme events. Currently, the Company has access to RMS earthquake and typhoon models for the Philippines. However, the Company also acknowledges the limitations of these models and further carries out several other processes to better understand and manage these risks. Apart from this, the Company also monitors its exposures to perils that are not available to be analyzed using catastrophe models. The Company acknowledges that while earthquake and typhoon are the main perils in the Philippines, unmodeled perils such as volcanic eruption should not be overlooked. Detailed risk information is obtained for each ceded risk to allow for detailed location mapping and risk identification. Analysis using Geographic Information Systems (GIS) is then done to assess exposures to these perils.

The Company also secures several retrocession programs to further limit the Company's exposure to large losses and catastrophes. In 2024, for the Fire and Engineering portfolio, an Excess of Loss protection was bought to up P3.8B (3.45B xs 350M) which limits its catastrophe exposure to only P350M per event. The Company also bought protection for its Marine and Motor portfolios to up to P110M (60M xs 50M) and P350M (300M xs 50M), respectively. For Life Reinsurance portfolio, a catastrophe retrocession XL cover with a total limit of P500M (470M xs 30M) was also purchased to protect the Company against extreme events.

The Company obtains these excess of loss protections from a panel of global reinsurers with investment grade financial strength ratings higher than its own rating. The cost is material and varies from year-to-year depending upon, among other things, the amount of cover purchased, the Company's history of claims and losses, catastrophe exposure, as well as the state of the global reinsurance market. In 2024, the Company paid its excess of loss reinsurers a total minimum deposit of P293.5M for Non-Life and P5.25M for Life.



***A significant amount of the Company's invested assets will be subject to changes in interest rates, exchange rates and market volatility.***

The strategic asset allocation of the Company's investment portfolio was 90% Fixed income and 10% equities. This is in line with the company's long-term strategy to de-risk its investment portfolio. As of December 31, 2024, 91% of the total assets under management was invested in fixed income, while the balance of 9% was invested in equities traded in the Philippine Stock Exchange. As of year-end December 31, 2024, total invested assets amounted to PHP10.09B, of which 12% was invested in U.S Dollar denominated securities, and the remaining 88% in the local currency. The Company maintains a portion of its assets in USD denominated investments to reduce portfolio volatility (risk) through diversification and to capture opportunities not domiciled in the Philippines.

In 2024, inflation, which was still the top economic concern continued to stay elevated across the globe, while central banks navigated through the year closely monitoring inflation's decline while keeping in mind employment stability.

2024 was the start of the expansionary monetary policy of central banks as they began to see progress towards target inflation (declining). It was initially thought that the first rate cut would be executed in 1Q2024. However, there were upside risks to inflation as geopolitical concerns in the Middle East and Eastern Europe kept commodity prices elevated. The Fed and the BSP exercised caution as they monitored economic data for cues to begin cutting rates. The much slower decline in inflation and the gradual shift in language and direction of central banks during the year led market participants to remain cautious and kept its portfolio close to neutral duration versus benchmark for most of the year, shuttling back and forth across the yield curve. As disinflation finally became more evident, the Fed executed its first rate cut amounting to 50bps in their September meeting with the BSP following suit but with only 25bps. In the 4Q2024, Mr. Trump's re-election as President, along with his prospective tariff policies reignited fears of higher inflation and once again tempered yield curve movements and upside on EM equity markets. By the end of the year, the Fed had cut 100bps while the BSP 75bps in total.

The Company kept a slight overweight duration on its fixed income portfolio for most of the year while rebalancing to improve the portfolio's YTM.

On the equities space, the Company was underweight in its equity portfolio at 8% of its total investment portfolio as the local equity market remained sluggish all year. Fund managers remained weighted in high dividend yielding stocks given the outlook.

Since a substantial amount of the Company's invested assets are classified as available-for-sale securities, changes in the market value of these securities are mostly reflected in shareholders' equity.

The Company's Board of Directors has established investment guidelines which involve diversifying the investment portfolio, limiting investments to instruments not exposed to significant risks, performing rigorous analysis of potential investments, and establishing suitable benchmarks for targeted returns, among others. Part of its longer-term strategy includes reassessing the current strategic allocation of its investible funds and generating more stable income in the portfolio.

The Company currently invests only in instruments allowable under Chapter 3, Title 4, Investments of the Amended Insurance Code and by related issuances of the Insurance Commission. The Board of Directors of the Company has established an Investment Committee to implement the Company's investment strategy in accordance with the approved investment guidelines.

***The Company's financial condition may be affected by delays in the payment of premiums by cedants.***

As of December 2024, reinsurance balance receivable amounted to P5,379.9 million, compared to P4,422.0 million in 2023, net of Allowance for Impairment of P499.2 million, and P535.8 million respectively.

To mitigate the risk of non-payment of premiums, the Company regularly reviews and evaluates the financial capacity and payment history of the companies from which it accepts business. On facultative acceptances, the Company generally provides its cedants a grace period of 120 days and settlement of premiums. Within this 120-day premium payment warranty term, the Company is obligated to pay legitimate claims arising from its acceptance of risk, even though it may not have yet received any premiums

***The Company's financial performance may be affected by the inability of its retrocessionaires to pay their share of losses.***

For the period ending December 31, 2024, the Company retroceded P1,525.9 million or 25% of its gross written premiums to retrocessionaires. The Company retroceded part of the gross premiums in order to transfer part of the risks to its retrocessionaires. As certain loss events occur, the Company is obliged to pay the legal claims made by its clients. The Company will then be entitled to recover part of the losses it paid to its clients from the retrocessionaires in accordance with the retrocession agreement. However, if any retrocessionaires is not able to pay the claims made by the Company, the latter will shoulder the losses it paid to its clients and this will negatively impact the Company's financials. As of end of 2024, reinsurance recoverable on paid and unpaid claims amounted to P2.15 billion compared to P2.56 billion in 2023, net of Allowance for Impairment of P512.19 million and P526.37 million respectively.

In choosing its retrocessionaires, the Company takes into consideration the retrocessionaires' financial capacity, credit rating (which should not be lower than an A-rating), technical knowledge/expertise, and industry reputation. The Company also considers the retrocessionaires record of paying claims and adverse balances. The Company adheres to these guidelines to ensure that this risk is mitigated and/or avoided.

## ITEM 2. PROPERTIES

The net property and equipment of the Company as of December 31, 2024 amounted to P38.2 million, broken down as follows:

	Cost	Accumulated depreciation	Net book value
<b>Condominium unit</b>	101,310	84,988	16,322
<b>Transportation equipment</b>	13,175	4,574	8,601
<b>Office improvements</b>	25,285	17,809	7,476
<b>EDP equipment</b>	22,216	16,548	5,668
<b>Office furniture and equipment</b>	11,350	11,176	174

in thousands (Philippine Pesos)

There are no liens, mortgages or encumbrance over the aforementioned properties of the Company. There is likewise no limitation on the ownership or usage of the said properties, except under standard rules of their respective condominium corporations.

There is no litigation or claims of material importance known to the Company to be pending or threatened against the Company's properties.

### ITEM 3. LEGAL PROCEEDINGS.

The Company is currently a party to the following pending litigation cases and as of this reporting period, no new legal case is filed against or by the National Reinsurance Corporation of the Philippines:

**1. Oriental Assurance Corp. v. National Reinsurance Corporation of the Philippines and CBR Asia Insurance Brokers, Inc.**

Civil Case No. 73975

Regional Trial Court, Branch 157, Pasig City

This is a complaint for a sum of money and damages filed by Oriental Assurance Corp. ("OAC") against National Reinsurance Corporation of the Philippines ("NRCP") and CBR Asia Reinsurance Brokers, Inc. ("CBR Asia").

While NRCP has paid the P100,000,000.00 maximum limit under the Reinsurance Policy, OAC has demanded a further sum of P7,986,422.67 representing "Sue and Labor" expenses allegedly incurred for the salvage of the vessel. NRCP has denied liability, citing the fact that its liability under the Reinsurance Policy cannot exceed P100,000,000.00.

On June 24, 2024, NRCP received a Decision dated March 12, 2024 from the court, holding NRCP liable to OAC for the Sue and Labor Expenses amounting to Php7,986,422.27, plus 6% interest per annum from the date of judicial demand on July 9, 2013. In its Decision, the court held that sue and labor expenses were to be considered an interest separate and distinct from the hull and machinery. Thus, it was recoverable under the Facultative Reinsurance Policy. The court also dismissed the complaint against CBR Asia and held it free from liability, as it only acted as a broker and not a reinsurer that would be liable to OAC.

NRCP filed a Notice of Appeal on July 8, 2024. In an Order dated July 11, 2024, the court gave due course to NRCP's Notice of Appeal and directed the records of the case to be elevated to the Court of Appeals. Upon transmitting the records to the Court of Appeals, NRCP will be directed to file its appellant's brief within 45 days from receipt of the order. To date, NRCP has not received the directive to file its brief.

**2. National Reinsurance Corporation of the Philippines v. Oriental Assurance Corp.**

Civil Case No. R-MKT-23-00049-CV

Regional Trial Court, Branch 56, Makati City

This pertains to OAC's outstanding liability to NRCP pursuant to the Marine Hull Retro Binder No. RB/F/ MH2008-00409 where OAC confirmed its facultative retrocession acceptance of USD500,000.00 under RI Policy No. MH/2008-00500 in the name of CBR Asia/China United/Gentle Seasons Worldwide Limited (collectively, "Policies").

One of the vessels covered by the insurance, M/ V Full King, met a marine accident in the Sea of Sumatra on or about July 23, 2008, or within the period covered by the insurance. The total compensation due to the insured was USD7,885,577.67, USD2,819,578.86 of which was for NRCP's account. In turn, OAC's share was USD396,565.24.

On January 29, 2011, NRCP served OAC a Final Loss Advice dated January 11, 2011 (1) informing OAC of a loss to a risk retroceded to it pursuant to the Policies, which happened on July 23, 2008 within the retrocession term from June 1, 2008 to June 1, 2009 when the covered vessel Full King met a maritime accident in the Sea of Sumatra; and (2) demanding payment of OAC share of the insurance paid to the insured by NRCP in the amount of USD396,565.24. From this amount, a balance of USD 394,142.97 remains to be settled by OAC with NRCP.

NRCP has completed the presentation of the respective testimonies of two of its three witnesses. NRCP will present its last witness on May 6, 2025.

### 3. Deficiency Tax Assessments and Tax Cases

a) July to December 2012

On September 14, 2016, the Company received the Final Decision on Disputed Assessment (FDDA) for the 2012 VAT assessment dated September 13, 2016 from the Bureau of Internal Revenue (BIR). The Company filed a request for reconsideration with the Office of the Commissioner of the Internal Revenue on October 14, 2016. As of date, the request is still pending resolution.

b) Taxable year 2016

On December 29, 2021, the Company received the Final Decision on Disputed Assessment (FDDA) for Value Added Tax (VAT) deficiency in the amount of P53.1 million for the taxable year 2016, inclusive of interest amounting to P20.6 million, signed by the Commissioner of Internal Revenue. The Company continues to dispute the assessment and has filed a Petition for Review dated February 2, 2022 with the Court of Tax Appeals (CTA), which was docketed as CTA Case No. 10791.

The case has been submitted for decision on 31 May 2024. To date, no decision has been rendered by the CTA in this case.

c) Taxable year 2017

On March 24, 2023, the Company received the FDDA for the deficiency VAT assessment for the taxable year 2017 in the aggregate amount of P54.04 million, inclusive of surcharges, interests, and penalties computed until April 30, 2023. This led to the Company's filing of a Petition for Review with Urgent Motion To Suspend Tax Collection (With Prayer for the Issuance of Status Quo Ante Order and/or Writ of Preliminary Injunction) dated May 16, 2023, which was docketed as CTA Case No. 11156, to dispute the assessment and to seek the suspension of the BIR's tax collection efforts in the interim.

As of date, no decision has been rendered by the CTA in this case.

d) Taxable year 2018

On September 28, 2021, the Company received a Letter of Authority (LOA) from the BIR to examine the Company's books of accounts and other accounting records for all internal revenue taxes for the taxable year 2018.

On September 1, 2023, the Company received the FDDA amounting to P39.32 million for which the Company has offered to settle the alleged tax deficiencies through an Offer Letter of Compromise in the amount of P15.00 million with the BIR Large Taxpayers – Collection Enforcement Division (LT-CED) which was paid on September 29, 2023.

On October 2, 2023, the Company filed a Petition for Review disputing P19.22 million of the total amount specified in the FDDA, which was docketed as CTA Case No. 11276.

On November 12, 2024, the Company received a Notice of Denial for Compromise Settlement.

The CTA case is scheduled for hearing from April to August 2025.

e) Taxable years 2021 and 2022

On September 12, 2023 and April 2, 2024, the Company received the LOA from the BIR to examine the Company's books of accounts and other accounting records for all internal revenue taxes for the taxable years 2021 and 2022, respectively. Management has provided all the documents required by the BIR for taxable years 2021 and 2022 on November 30, 2023 and April 30, 2024, respectively.

#### **ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

No matters were submitted to a vote of the stockholders during the fourth quarter of the fiscal year ending December 31, 2024.

## **PART II – OPERATIONAL AND FINANCIAL INFORMATION**

### **ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

#### **MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

##### **1. Market Information**

The common shares of the Company have been listed on the Philippine Stock Exchange since April 27, 2007. The high and low prices for each quarter of the last two years are as follows:

	2024		2023	
	High	Low	High	Low
1st Quarter	0.56	0.350	0.67	0.56
2nd Quarter	0.56	0.335	0.57	0.45
3rd Quarter	0.92	0.415	0.46	0.39
4th Quarter	0.89	0.51	0.43	0.36

The closing price information as of the latest practicable trading date, April 28, 2025, was P0.58 per share.

##### **2. Holders**

*Approximate Number of Holders as of 31 December 2024*

There were approximately 267 common shareholders of the Company as of December 31, 2024. The Top 20 shareholders as of December 31, 2024, with their corresponding shares and percentage ownership of the Company, are as follows:

	<b>Name of Record Owner</b>	<b>No. of Shares Held</b>	<b>Percentage</b>
1	PCD Nominee Corporation (Filipino) (Non-Filipino)	1,686,781,086 8,426,510	79.43% 0.40%
2	Bank of the Philippine Islands	290,795,500	13.69%
3	FGU Insurance Corporation	36,126,000	1.70%
4	Philippines First Insurance Co., Inc.	11,075,200	0.52%
5	Pa, Ana Go &/or Go Kim	7,500,000	0.35%
6	Phil. Int'l Life Insurance Co., Inc	4,450,200	0.21%
7	South Sea Surety & Ins. Co., Inc.	4,152,700	0.20%
8	Federal Phoenix Assurance Company Inc.	3,786,300	0.18%
9	The Premier Life & General Assurance Corporation	3,597,700	0.17%
10	Oriental Assurance Corporation	3,560,800	0.17%
11	Visayan Surety & Insurance Corp.	3,545,500	0.17%
13	BPI/MS Insurance Corp.	3,347,500	0.16%
14	Beneficial Life Insurance Company Inc	3,193,500	0.15%
15	Manila Surety & Fidelity Co., Inc.	3,168,400	0.15%
16	Romualdez, Ferdinand Martin G.	3,000,000	0.14%
17	Stronghold Insurance Co., Inc.	2,817,600	0.13%
18	United Life Assurance Corp.	2,518,100	0.12%
19	Sterling Insurance Co., Inc.	2,453,900	0.12%
20	People's Trans-East Asia Ins. Corp	2,435,300	0.11%



#### *Minimum Public Ownership as of 31 December 2024*

The Public Ownership Report as of December 31, 2024 showed the Company's public float at 47.56%. This was computed in accordance with the guidelines provided under the Amended Rule on Minimum Public Ownership.

### **3. Dividends**

It is the Company's policy to declare dividends with the pay-out determined by the Company's performance as well as by the availability of unappropriated retained earnings for distribution. On May 16, 2013, the Company declared cash dividends of P0.02 per share for a total amount of P42, 472,112 which was paid on June 14, 2013. The payment of dividends by insurance companies is governed in the Philippines by Section 201 of the Amended Insurance Code as well as by Section 43 of the Corporation Code, both of which establish the appropriate amount of retained earnings, which may be paid out for dividend distribution. Under the Amended Insurance Code, *'no domestic insurance corporation shall declare or distribute any dividend on its outstanding stocks unless it has met the minimum paid-up capital and net worth requirements under Section 194 and except from profits attested in a sworn statement to the Commissioner by the president or treasurer of the corporation to be remaining on hand after retaining unimpaired: (a) The entire paid-up capital; (b) The solvency requirements defined by Section 200; (c) In the case of life insurance corporations, the legal reserve fund required by Section 217; (d) In the case of corporation other than life, the legal reserve fund required by Section 219; and (e) A sum sufficient to pay all net losses reported, or in the course of settlement, and all liabilities for expenses and taxes'*. Beyond these inherent limitations, there are no known restrictions or impediments to the Company's ability to pay dividends on common equity or are there likely to be any in the future.

### **4. Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction**

The Company had no recent sales of unregistered or exempt securities, including recent issuances of securities constituting an exempt transaction.

**ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS**

**REVIEW OF 2024 VERSUS 2023**

**Results of Operations**

In Millions PhP	For the years ended		Inc(dec)	
	31 Dec 2024	31 Dec 2023	Amount	%
<b>REINSURANCE PREMIUM INCOME</b>				
Reinsurance premiums – net of returns	P6,024.4	P6,193.5	(P169.1)	-3%
Retroceded premiums	(1,525.9)	(1,428.4)	(97.5)	7%
Net premiums retained	4,498.5	4,765.1	(266.6)	-6%
Movement in premium reserves – net	357.0	(483.7)	840.7	-174%
	<b>4,855.5</b>	<b>4,281.4</b>	<b>574.1</b>	<b>13%</b>
<b>UNDERWRITING DEDUCTIONS</b>				
Claims and claims reserves – net	3,427.8	2,921.9	505.9	17%
Commissions – net	956.0	834.6	121.4	15%
	<b>4,383.8</b>	<b>3,756.5</b>	<b>627.3</b>	<b>17%</b>
Other underwriting income	26.3	47.6	(21.3)	-45%
<b>NET UNDERWRITING INCOME</b>	<b>498.0</b>	<b>572.5</b>	<b>(74.5)</b>	<b>-13%</b>
Interest	483.8	418.3	65.5	16%
(Loss) gain on sale of AFS	(24.0)	18.1	(42.1)	-233%
Foreign currency gains	13.4	18.0	(4.6)	-26%
Others	59.9	22.0	37.9	172%
<b>INVESTMENT AND OTHER INCOME AND EXPENSES– net</b>	<b>533.1</b>	<b>476.4</b>	<b>56.7</b>	<b>12%</b>
<b>PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES</b>	<b>1,031.1</b>	<b>1,048.9</b>	<b>(17.8)</b>	<b>-2%</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	353.7	365.1	(11.4)	-3%
<b>PROFIT BEFORE TAX</b>	<b>677.4</b>	<b>683.8</b>	<b>(6.4)</b>	<b>-1%</b>
<b>TAX EXPENSE</b>	126.1	147.7	(21.6)	-15%
<b>NET PROFIT</b>	<b>P551.3</b>	<b>P536.1</b>	<b>P15.2</b>	<b>3%</b>

The Company recorded a net profit of P551.3 million for the year ended December 31, 2024, P15.2 million or 3% more than the net profit recognized in 2023. The Net profit resulted from generating Net underwriting income of P498.0 million and Investment and other income and expenses of P533.1 million while incurring General and administrative expenses of P353.7 million and Tax expense of P126.1 million.

## **Underwriting Results**

Net underwriting income amounted to P498.0 million in 2024, lower by P74.5 million or 13% from P572.5 million in 2023. Lower net underwriting income resulted from the Life business, partially negated by higher net underwriting income from the Non-life business.

Lower net underwriting income from the Life business resulted mainly from higher experience refund and unfavorable claims development for past underwriting years.

Higher net underwriting income from the Non-life business resulted mainly from the (a) Absence of large losses during the year from the foreign business; and (b) Lower fire losses from the domestic business.

## **Reinsurance premium income**

Reinsurance premium income amounted to P4,855.5 million in 2024, higher by P574.1 million or 13% from P4,281.4 million in 2023. This resulted mainly from (a) Higher earned premiums from Non-life foreign business; and (b) Higher reinsurance premium income generated from the growth in the Life business. These were partially negated by (c) Lower reinsurance premium income generated mainly from Fire under Non-life domestic business; and (d) Higher experience refund for past underwriting years from Life business.

## **Claims and claims reserves – net**

Claims and claims reserves – net amounted to P3,427.8 million in 2024, higher by P505.9 million or 17% from P2,921.9 million in 2023, resulting to loss ratios of 71% in 2024 versus 68% in 2023 (relative to earned premiums).

Higher claims ratio in 2024 resulted mainly from the impact of higher experience refund and the unfavorable claims development for past underwriting years from the Life business. These were partially negated by (a) Lower fire losses from Non-life domestic business; and (b) Absence of large losses from Non-life foreign business.

## **Commissions – net**

Commissions – net amounted to P956.0 million in 2024, higher by P121.4 million or 15% than from P834.6 million in 2023, resulting to commission ratios of 20% in 2024 and 19% in 2023 (relative to earned premiums). This resulted mainly from the impact of higher experience refund in the Life business.

**Other underwriting income** amounted to P26.3 million in 2024, lower by P21.3 million or 45% from P47.6 million in 2023 resulting from lower net benefits received from a certain group life treaty participating in a pooling arrangement.

**Investment and other income and expenses – net** amounted to P533.1 million in 2024, higher by P56.7 million or 12% from P476.4 million in 2023. Higher investment income in 2024 resulted mainly from (a) Higher interest income from government securities as discussed in Loans and Receivables below; (b) Favorable change in the net fair value of held-for-trading securities; and (c) Reversal of allowance for impairment losses related to Reinsurance balances receivable and Reinsurance recoverable on reported claims.

These were partially negated by (a) Loss on sale of available-for-sale financial assets in 2024 as compared to the gain on sale in 2023; and (b) Higher impairment losses recognized for the Company's available-for-sale equity securities.

**General and administrative expenses** amounted to P353.7 million in 2024, lower by P11.4 million or 3% from P365.1 million in 2023. This resulted mainly from the absence of allowance for impairment losses from Reinsurance balances receivable and Reinsurance recoverable on reported claims in 2024 as compared to 2023, partially negated by higher manpower costs.

**Tax expense** amounted to P126.1 million in 2024, lower by P21.6 million or 15% from P147.7 million in 2023. This resulted mainly from lower net underwriting income partially negated by higher interest income recognized in 2024 as discussed above.

**Financial Condition***(includes explanation on material changes in the financial statements)*

In Millions PhP	Audited	Audited	Inc(dec)	
	31 Dec 2024	31 Dec 2023	Amount	%
CASH AND CASH EQUIVALENTS	P449.7	P271.8	P177.9	65%
REINSURANCE BALANCES RECEIVABLE - net	5,379.9	4,422.1	957.8	22%
HELD-FOR-TRADING (HFT) SECURITIES	448.0	532.7	(84.7)	-16%
AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS	5,279.7	5,300.2	(20.5)	0%
HELD-TO-MATURITY (HTM) SECURITIES	4,024.5	3,912.1	112.4	3%
OTHER INVESTMENTS	-	252.8	(252.8)	-100%
LOANS AND RECEIVABLES	127.6	109.6	18.0	16%
PROPERTY AND EQUIPMENT - net	38.2	42.2	(4.0)	-9%
REINSURANCE RECOVERABLE ON REPORTED CLAIMS AND CLAIMS RESERVES – net	2,847.5	3,268.4	(420.9)	-13%
DEFERRED ACQUISITION COSTS	1,096.6	761.4	335.2	44%
DEFERRED REINSURANCE PREMIUMS	647.7	652.7	(5.0)	-1%
DEFERRED TAX ASSETS – net	582.3	523.3	59.0	11%
OTHER ASSETS – net	116.1	75.0	41.1	55%
<b>TOTAL ASSETS</b>	<b>P21,037.8</b>	<b>P20,124.3</b>	<b>P913.5</b>	<b>5%</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
REINSURANCE BALANCES PAYABLE	P2,089.9	P2,301.6	(P211.7)	-9%
FORWARD LIABILITY	0.2	92.2	(92.0)	-100%
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	387.9	521.7	(133.8)	-26%
CLAIMS AND CLAIMS RESERVES	9,832.4	8,729.7	1,102.7	13%
PREMIUM RESERVES	1,860.6	2,222.6	(362.0)	-16%
DEFERRED REINSURANCE COMMISSIONS	2.3	3.5	(1.2)	-34%
<b>TOTAL LIABILITIES</b>	<b>14,173.3</b>	<b>13,871.3</b>	<b>302.0</b>	<b>2%</b>
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	(60.0)	(57.3)	(2.7)	5%
REVALUATION RESERVES	14.8	(48.1)	62.9	-131%
RETAINED EARNINGS	1,809.0	1,257.7	551.3	44%
<b>TOTAL EQUITY</b>	<b>6,864.5</b>	<b>6,253.0</b>	<b>611.5</b>	<b>10%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P21,037.8</b>	<b>P20,124.3</b>	<b>P913.5</b>	<b>5%</b>

The Company's shareholders' equity amounting to P6,864.5 million as at December 31, 2024 increased by P611.5 million from the balance as at December 31, 2023 of P6,253.0 million. The increase resulted mainly from the net income of P551.3 million as discussed above and increase in revaluation reserves by P62.9 million mostly from the favorable market value movements of Available-for-Sale securities.

**Cash and cash equivalents** amounting to P449.7 million as at December 31, 2024 increased by P177.9 million or 65% from the balance as at December 31, 2023 of P271.8 million. The increase in the balance resulted mainly from the interest received from fixed income securities and proceeds from the net disposals/maturities of other investments and AFS financial assets. These were partially negated by the net cash used in operating activities due to settlements made during the year.

**Reinsurance balances receivable – net** amounting to P5,379.9 million as at December 31, 2024 increased by P957.8 million or 22% from the balance as at December 31, 2023 of P4,422.1 million. The increase in the balance resulted mainly from the accrual of reinsurance premiums, net of commissions from Non-life foreign business, partially negated by collections during the year.

**Held-for-trading (HFT) securities** amounting to P448.0 million as at December 31, 2024 decreased by P84.7 million or 16% from the balance as at December 31, 2023 of P532.7 million. The decrease in balance resulted mainly from the net disposals amounting to P92.4 million (acquisitions net of disposals).

**Available-for-sale (AFS) financial assets** amounting to P5,279.7 million as at December 31, 2024 decreased by P20.5 million from the balance as at December 31, 2023 of P5,300.2 million. The movement in the account balance can be explained by the following:

	2024	2023
<b>Cost</b>		
Balance at beginning of year	<b>P5,318.0</b>	P4,910.9
Acquisitions	<b>2,144.3</b>	1,808.4
Disposals/maturities	<b>(2,216.2)</b>	(1,397.5)
Impairment losses	<b>(22.2)</b>	(2.5)
Unrealized foreign currency gains (losses)	<b>24.8</b>	(1.3)
	<b>5,248.7</b>	5,318.0
<b>Fair value adjustment</b>		
Balance at beginning of year	<b>(17.8)</b>	(102.9)
Changes in fair value	<b>2.6</b>	100.7
Fair value losses (gains) on disposal	<b>24.0</b>	(18.1)
Impairment losses	<b>22.2</b>	2.5
	<b>31.0</b>	(17.8)
Balance at end of year	<b>P5,279.7</b>	P5,300.2

The decrease in the balance resulted mainly from the net disposal of fixed income and equity securities amounting to P47.9 million (acquisitions net of disposals/maturities including fair value gains on disposals). This was partially negated by foreign currency gains amounting to P24.8 million in 2024 as compared to foreign currency losses of P1.3 million in 2023.

**Held-to-maturity (HTM) securities** amounting to P4,024.5 million as at December 31, 2024 increased by P112.4 million from the balance as at December 31, 2023 of P3,912.1 million. The increase in the balance resulted mainly from the purchase of government bonds amounting to P670.4 million, partially negated by maturities amounting to P571.5 million.

**Other investments** amounting to nil as at December 31, 2024 decreased by P252.8 million from the balance as at December 31, 2023 of P252.8 million. The decrease in the balance resulted from the maturities of short-term time deposits during the year.

**Loans and receivables** amounting to P127.6 million as at December 31, 2024 increased by P18.0 million or 16% from the balance as at December 31, 2023 of P109.6 million. The increase in the balance resulted mainly from the increase in accrued interest receivable amounting to P11.1 million due to the increase in government securities.

**Property and Equipment - net** amounting to P38.2 million as at December 31, 2024 decreased by P4.0 million or 9% from the balance as at December 31, 2023 of P42.2 million. The decrease in the balance resulted mainly from the depreciation expense recognized during the year amounting to P10.3 million, partially negated by the acquisitions amounting to P6.3 million.

**Reinsurance recoverable on reported claims and claims reserves - net** amounting to P2,847.5 million as at December 31, 2024 decreased by P420.9 million or 13% from the balance as at December 31, 2023 of P3,268.4 million. The decrease in the balance resulted mainly from the collections of losses recoverable from retrocessionaires during the year.

**Deferred acquisition costs** amounting to P1,096.6 million as at December 31, 2024 increased by P335.2 million or 44% from the balance as at December 31, 2023 of P761.4 million. The increase in the balance resulted mainly from acquiring new Life modified co-insurance business, net of amortizations during the year.

**Deferred tax assets – net** amounting to P582.3 million as at December 31, 2024 increased by P59.0 million or 11% from the balance as at December 31, 2023 of P523.3 million. The increase in the balance resulted mainly from increase in claims reserves as discussed under Claims and claims reserves account.

**Other assets – net** amounting to P116.1 million as at December 31, 2024 increased by P41.1 million or 55% from the balance as at December 31, 2023 of P75.0 million. The increase in the balance mainly pertains to the acquisition of system solution for the adoption of PFRS 17 in 2027.

**Reinsurance balances payable** amounting to P2,089.9 million as at December 31, 2024 decreased by P211.7 million or 9% from the balance as at December 31, 2023 of P2,301.6 million. The decrease in the balance resulted mainly from settlements of retroceded premiums, partially offset by the accrual of retroceded premiums during the year.

**Forward liability** amounting to P0.2 million as at December 31, 2024 decreased by P92.0 million from the balance as at December 31, 2023 of P92.2 million resulting from maturities of forward contracts during the year.

**Accounts payable and accrued expenses** amounting to P387.9 million as at December 31, 2024 decreased by P133.8 million or 26% from the balance as at December 31, 2023 of P521.7 million. The decrease in the balance resulted mainly from the settlements, net of expenses incurred during the year.

**Claims and Claims reserves** amounting to P9,832.4 million as at December 31, 2024 increased by P1,102.7 million or 13% from the balance as at December 31, 2023 of P8,729.7 million. The increase in the balance resulted mainly from recognizing loss reserves from earned premiums during the year as discussed under Reinsurance Premium Income and claims incurred during the year as discussed under Claims and claims reserves – net, negated by the settlement of claims during the year.

**Premium reserves** amounting to P1,860.6 million as at December 31, 2024 decreased by P362.0 million or 16% from the balance as at December 31, 2023 of P2,222.6 million. The decrease in the balance resulted mainly from the premiums earned during the year as discussed in Reinsurance Premium Income.

## REVIEW OF 2023 VERSUS 2022

### Results of Operations

In Millions PhP	For the years ended		Inc(dec)	
	31 Dec 2023	31 Dec 2022	Amount	%
<b>REINSURANCE PREMIUM INCOME</b>				
Reinsurance premiums – net of returns	P6,193.5	P4,690.2	P1,503.3	32%
Retroceded premiums	(1,428.4)	(1,721.5)	293.1	-17%
Net premiums retained	4,765.1	2,968.7	1,796.4	61%
Movement in premium reserves – net	(483.7)	12.6	(496.3)	-3939%
	<b>4,281.4</b>	<b>2,981.3</b>	<b>1,300.1</b>	<b>44%</b>
<b>UNDERWRITING DEDUCTIONS</b>				
Claims and claims reserves – net	2,921.9	1,936.9	985.0	51%
Commissions – net	834.6	826.7	7.9	1%
	<b>3,756.5</b>	<b>2,763.6</b>	<b>992.9</b>	<b>36%</b>
Other underwriting income	47.6	18.5	29.1	157%
<b>NET UNDERWRITING INCOME</b>	<b>572.5</b>	<b>236.2</b>	<b>336.3</b>	<b>142%</b>
Interest	418.3	291.6	126.7	43%
Gain on sale of AFS	18.1	23.6	(5.5)	-23%
Foreign currency gains	18.0	14.0	4.0	29%
Others	22.0	(113.8)	135.8	-119%
<b>INVESTMENT AND OTHER INCOME AND EXPENSES– net</b>	<b>476.4</b>	<b>215.4</b>	<b>261.0</b>	<b>121%</b>
<b>PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES</b>	<b>1,048.9</b>	<b>451.6</b>	<b>597.3</b>	<b>132%</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	365.1	330.4	34.7	11%
<b>PROFIT BEFORE TAX</b>	<b>683.8</b>	<b>121.2</b>	<b>562.6</b>	<b>464%</b>
<b>TAX EXPENSE</b>	147.7	65.5	82.2	125%
<b>NET PROFIT</b>	<b>P536.1</b>	<b>P55.7</b>	<b>P480.4</b>	<b>862%</b>

The Company recorded a net profit of P536.1 million for the year ended December 31, 2023, P480.4 million more than the net profit recognized in 2022. The Net profit resulted from generating Net underwriting income of P572.5 million, and Investment and other income and expenses of P476.4 million, negated by General and administrative expenses of P365.1 million and Tax expense of P147.7 million.



## **Underwriting Results**

The Company generated P6,193.5 million, P4,765.1 million and P4,281.4 million of Reinsurance premiums – net of returns, Net premiums retained and Net earned premiums, respectively, in 2023, higher by P1,503.3 million, P1,796.4 million and P1,300.1 million, respectively, compared to 2022. The favorable variance resulted mainly from growth and improved profitability of the Non-life foreign and Life businesses.

Claims and claims reserves – net amounted to P2,921.9 million, higher by P985.0 million compared to 2022 resulting to a claims ratio of 68% in 2023 versus 65% in 2022. The higher claims ratio resulted mainly from higher claims ratios from Non-life domestic business partially negated by lower claims ratio from Non-life foreign and Life businesses.

Commissions – net amounted to P834.6 million, higher by P7.9 million compared to 2022 resulting to a commission ratio of 19% versus 28% in 2022. The improvement in the commission ratio resulted mainly from growth generated from Non-life foreign and Life businesses with low commission costs, partially negated by higher commission costs from Non-life domestic business.

### **Reinsurance premium income**

Higher reinsurance premiums – net of returns, Net premiums retained and Net earned premiums resulted mainly from (a) New agricultural contracts from the Non-life foreign business with better underwriting results than certain property contracts that were not renewed in 2023; and (b) Growth of the Life business resulting mainly from substantial growth experience in the Group portfolio.

### **Claims and claims reserves – net**

Higher claims ratio in 2023 resulted mainly from significant property losses from the Non-life domestic business. These were partially negated by the absence of catastrophe losses under Non-life foreign business resulting from the termination of certain property contracts as discussed in Reinsurance Premium Income and lower claims ratio from the Life business resulting from favorable claims development.

### **Commissions – net**

Lower commission ratio in 2023 resulted mainly from higher earned premiums from Non-life foreign and Life businesses with low commission costs.

**Other underwriting income** amounted to income of P47.6 million, higher by P29.1 million or 157% from P18.5 million in 2022. This pertains to the net benefits received from a certain group life treaty participating in a pool arrangement.

**Investment and other income and expenses – net** amounted to P476.4 million in 2023, higher by P261.0 million or 121% from P215.4 million in 2022. Higher investment income in 2023 resulted mainly from (a) Higher interest income by P126.7 million due to the impact of higher coupon rates and increase in investments in bonds as discussed in Loans and Receivables below; (b) Lower impairment losses recognized on the Company's available-for-sale equity securities by P121.5 million; and (c) Favorable change in the net fair value of held-for-trading securities amounting to P20.2 million. These were partially negated by lower dividend income of P4.6 million.

**General and administrative expenses** amounted to P365.1 million in 2023, higher by P34.7 million or 11% compared to 2022 of P330.4 million, resulting mainly from provision of impairment losses. This was partially negated by lower taxes, licenses and fees.

**Tax expense** amounted to P147.7 million in 2023, higher by P82.2 million or 125% compared to 2022 of P65.5 million. This resulted mainly from (a) Higher net underwriting income; and (b) Higher interest income recognized in 2023.

## **Financial Condition**

(includes explanation on material changes in the financial statements)

In Millions PhP	Audited	Audited	Inc(dec)	
	31 Dec 2023	31 Dec 2022	Amount	%
CASH AND CASH EQUIVALENTS	P271.8	P724.7	(P452.9)	-62%
REINSURANCE BALANCES RECEIVABLE - net	4,422.1	3,125.4	1,296.7	41%
HELD-FOR-TRADING (HFT) SECURITIES	532.7	289.5	243.2	84%
AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS	5,300.2	4,808.0	492.2	10%
HELD-TO-MATURITY (HTM) SECURITIES	3,912.1	3,058.5	853.6	28%
OTHER INVESTMENTS	252.8	442.3	(189.5)	-43%
LOANS AND RECEIVABLES	109.6	86.2	23.4	27%
PROPERTY AND EQUIPMENT - net	42.2	45.2	(3.0)	-7%
REINSURANCE RECOVERABLE ON REPORTED CLAIMS AND CLAIMS RESERVES – net	3,268.4	3,801.0	(532.6)	-14%
DEFERRED ACQUISITION COSTS	761.4	701.3	60.1	9%
DEFERRED REINSURANCE PREMIUMS	652.7	606.1	46.6	8%
DEFERRED TAX ASSETS – net	523.3	264.8	258.5	98%
OTHER ASSETS – net	75.0	108.3	(33.3)	-31%
<b>TOTAL ASSETS</b>	<b>P20,124.3</b>	<b>P18,061.3</b>	<b>P2,063.0</b>	<b>11%</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
REINSURANCE BALANCES PAYABLE	P2,301.6	P2,054.5	P247.1	12%
FORWARD LIABILITY	92.2	89.3	2.9	3%
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	521.7	303.0	218.7	72%
CLAIMS AND CLAIMS RESERVES	8,729.7	8,309.2	420.5	5%
PREMIUM RESERVES	2,222.6	1,692.3	530.3	31%
DEFERRED REINSURANCE COMMISSIONS	3.5	12.5	(9.0)	-72%
<b>TOTAL LIABILITIES</b>	<b>13,871.3</b>	<b>12,460.8</b>	<b>1,410.5</b>	<b>11%</b>
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	(57.3)	(74.2)	16.9	-23%
REVALUATION RESERVES	(48.1)	(147.6)	99.5	-67%
RETAINED EARNINGS	1,257.7	721.6	536.1	74%
<b>TOTAL EQUITY</b>	<b>6,253.0</b>	<b>5,600.5</b>	<b>652.5</b>	<b>12%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P20,124.3</b>	<b>P18,061.3</b>	<b>P2,063.0</b>	<b>11%</b>

The Company's shareholders' equity amounting to P6,253.0 million as at December 31, 2023 increased by P652.5 million from the balance as at December 31, 2022 of P5,600.5 million. The increase resulted mainly from the net income of P536.1 million as discussed above and increase in revaluation reserves by P99.5 million mostly from the favorable market value movements of Available-for-Sale securities.

**Cash and cash equivalents** amounting to P271.8 million as at December 31, 2023 decreased by P452.9 million or 62% from the balance as at December 31, 2022 of P724.7 million. The decrease in the balance resulted mainly from the net cash used in investment activities amounting to P626.2 million. These were partially negated by the net cash provided by operating activities amounting to P200.9 million.

**Reinsurance balances receivable - net** amounting to P4,422.1 million as at December 31, 2023 increased by P1,296.7 million or 41% from the balance as at December 31, 2022 of P3,125.4 million. The increase in the balance resulted mainly from new agricultural contracts written under the Non-life foreign business as discussed in Reinsurance Premium Income above. This was partially negated by the termination of certain property contracts in the Non-life foreign business and collections during the period.

**Held-for-trading (HFT) securities** amounting to P532.7 million as at December 31, 2023 increased by P243.2 million or 84% from the balance as at December 31, 2022 of P289.5 million. The increase in balance resulted mainly from the net acquisitions amounting to P244.9 million (acquisitions net of disposals).

**Available-for-sale (AFS) financial assets** amounting to P5,300.2 million as at December 31, 2023 increased by P492.2 million or 10% from the balance as at December 31, 2022 of P4,808.0 million. The movement in the account balance can be explained by the following:

	2023	2022
<b>Cost</b>		
Balance at beginning of year	<b>P4,910.9</b>	P5,923.5
Acquisitions	<b>1,808.4</b>	2,316.3
Disposals/maturities	<b>(1,397.5)</b>	(3,213.3)
Impairment losses	<b>(2.5)</b>	(124.0)
Unrealized foreign currency gains (losses)	<b>(1.3)</b>	8.4
	<b>5,318.0</b>	4,910.9
<b>Fair value adjustment</b>		
Balance at beginning of year	<b>(102.9)</b>	29.2
Changes in fair value	<b>100.7</b>	(232.5)
Fair value gains on disposal	<b>(18.1)</b>	(23.6)
Impairment losses	<b>2.5</b>	124.0
	<b>(17.8)</b>	(102.9)
Balance at end of year	<b>P5,300.2</b>	P4,808.0

The increase in the balance resulted mainly from the net acquisition of fixed income and equity securities amounting to P392.8 million (acquisitions net of disposals/maturities including fair value gains on disposals) and increase in fair value of P100.7 million.

**Held-to-maturity (HTM) securities** amounting to P3,912.1 million as at December 31, 2023 increased by P853.6 million or 28% from the balance as at December 31, 2022 of P3,058.5 million. The increase in the balance resulted mainly from the purchase of corporate bonds amounting to P1,175.5 million, partially negated by maturities amounting to P324.1 million.

**Other investments** amounting to P252.8 million as at December 31, 2023 decreased by P189.5 million or 43% from the balance as at December 31, 2022 of P442.3 million. The decrease in the balance resulted from the maturities of short-term deposits during the year.

**Loans and receivables** amounting to P109.6 million as at December 31, 2023 increased by P23.4 million or 27% from the balance as at December 31, 2022 of P86.2 million. The increase in the balance resulted mainly from the increase in accrued interest receivable amounting to P28.9 million due to the increase in investments in bonds and the impact of higher coupon rates and longer tenor.

**Property and Equipment - net** amounting to P42.2 million as at December 31, 2023 decreased by P3.0 million or 7% from the balance as at December 31, 2022 of P45.2 million. The decrease in the balance resulted mainly from the depreciation expense recognized during the year amounting to P9.5 million, partially negated by the net acquisitions amounting to P6.5 million (acquisitions net of disposals).

**Deferred acquisition costs** amounting to P761.4 million as at December 31, 2023 increased by P60.1 million or 9% from the balance as at December 31, 2022 of P701.3 million. The increase in the balance is due mainly to the deferred acquisition cost recognized from Life modified co-insurance contracts.

**Deferred reinsurance premiums** amounting to P652.7 million as at December 31, 2023 increased by P46.6 million or 8% from the balance as at December 31, 2022 of P606.1 million. The increase in the balance resulted mainly from higher retroceded premiums from the Life business.

**Deferred tax assets – net** amounting to P523.3 million as at December 31, 2023 increased by P258.5 million or 98% from the balance as at December 31, 2022 of P264.8 million. The increase in the balance resulted mainly from increase in claims reserves as discussed under Claims and claims reserves account.

**Other assets – net** amounting to P75.0 million as at December 31, 2023 decreased by P33.3 million or 31% from the balance as at December 31, 2022 of P108.3 million. The decrease in the balance mainly pertains to decrease in prepaid income taxes amounting to P27.4 million.

**Reinsurance balances payable** amounting to P2,301.6 million as at December 31, 2023 increased by P247.1 million or 12% from the balance as at December 31, 2022 of P2,054.5 million. The increase resulted mainly from (a) timing difference of settlements of retroceded premiums for the Life business; and (b) retroceded premiums from new agricultural contracts from the Non-life foreign business.

**Accounts payable and accrued expenses** amounting to P521.7 million as at December 31, 2023 increased by P218.7 million or 72% from the balance as at December 31, 2022 of P303.0 million. The increase in the balance resulted mainly from the increase in income tax payable.

**Claims and Claims reserves** amounting to P8,729.7 million as at December 31, 2023 increased by P420.5 million or 5% from the balance as at December 31, 2022 of P8,309.2 million. The increase in the balance resulted mainly from the growth in the business as discussed under Reinsurance Premium Income and claims incurred during the year as discussed under Claims and claims reserves – net, partially negated by the settlement of claims during the year.

**Premium reserves** amounting to P2,222.6 million as at December 31, 2023 increased by P530.3 million or 31% from the balance as at December 31, 2022 of P1,692.3 million. The increase in the balance resulted mainly from the growth in the business as discussed under Reinsurance Premium Income.

**Deferred reinsurance commissions** amounting to P3.5 million as at December 31, 2023 decreased by P9.0 million or 72% from the balance as at December 31, 2022 of P12.5 million resulting mainly from the reduction of business retroceded through our proportional treaty with foreign reinsurers.

## REVIEW OF 2022 VERSUS 2021

### Results of Operations

In Millions PhP	For the years ended		Inc(dec)	
	31 Dec 2022	31 Dec 2021	Amount	%
<b>REINSURANCE PREMIUM INCOME</b>				
Reinsurance premiums – net of returns	P4,690.2	P4,196.2	P494.0	12%
Retroceded premiums	(1,721.5)	(1,357.3)	(364.2)	27%
Net premiums retained	2,968.7	2,838.9	129.8	5%
Movement in premium reserves – net	12.6	33.1	(20.5)	-62%
	<b>2,981.3</b>	<b>2,872.0</b>	<b>109.3</b>	<b>4%</b>
<b>UNDERWRITING DEDUCTIONS</b>				
Claims and claims reserves – net	1,936.9	1,962.5	(25.6)	-1%
Commissions – net	826.7	861.3	(34.6)	-4%
	<b>2,763.6</b>	<b>2,823.8</b>	<b>(60.2)</b>	<b>-2%</b>
Other underwriting income (loss)	18.5	(1.0)	19.5	-1950%
<b>NET UNDERWRITING INCOME</b>	<b>236.2</b>	<b>47.2</b>	<b>189.0</b>	<b>400%</b>
Interest	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%
<b>INVESTMENT AND OTHER INCOME AND EXPENSES– net</b>	<b>215.4</b>	<b>404.1</b>	<b>(188.7)</b>	<b>-47%</b>
<b>PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES</b>	<b>451.6</b>	<b>451.3</b>	<b>0.3</b>	<b>0%</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	330.4	260.0	70.4	27%
<b>PROFIT BEFORE TAX</b>	<b>121.2</b>	<b>191.3</b>	<b>(70.1)</b>	<b>-37%</b>
<b>TAX EXPENSE</b>	65.5	49.6	15.9	32%
<b>NET PROFIT</b>	<b>P55.7</b>	<b>P141.7</b>	<b>(P86.0)</b>	<b>-61%</b>

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, negated 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 loss and commission ratios relative to earned premiums compared to 2021. Lower net underwriting income from the Life business in 2022 resulted mainly from higher loss ratio from the non-modified co-insurance business relative to earned premium, partially negated by higher net underwriting income from the modified co-insurance business. Higher net underwriting loss in 2022 from the Non-life foreign business resulted mainly from higher loss and commission ratios relative to earned premiums compared to 2021.

**Reinsurance premium income** amounted to P2,981.3 million in 2022, higher by P109.3 million compared to 2021 of P2,872.0 million. This resulted from (a) Higher reinsurance premium income from the Life business due to higher reported premiums; and (b) Higher reinsurance premium income from the Non-life domestic business due to higher earned premiums from renewal business, higher reinstatement premiums and release of unexpired risk reserves. These were partially negated by (a) Lower reinsurance premium income from the Non-life foreign business resulted mainly from the renewal of certain treaties at a lower share and unfavorable adjustment in the estimated premium income for past underwriting years; and (b) Higher cost on the Company's excess of loss cover from the Non-life domestic business.

**Claims and claims 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 claims ratios of 65% in 2022 and 68% in 2021. Lower claims ratio in 2022 resulted mainly from the favorable claims development for past underwriting years from 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 for treaties covering North America; (c) Impact of higher foreign exchange rates on claims reserves denominated in foreign currencies; and (d) Unfavorable claims development for past underwriting years for Life business.

	For the year ended		Inc (dec)	
	2022	2021	Amount	%
<b>Change in reported claims – net (A)</b>	<b>P2,225.4</b>	P1,696.6	P528.8	31%
<b>Change in claims reserves – net (B)</b>	<b>(288.5)</b>	265.9	(554.4)	-208%
<b>Total Claims and claims reserves – net (C) [A+B]</b>	<b>1,936.9</b>	1,962.5	(25.6)	-1%
<b>Total earned premiums (D)</b>	<b>P2,981.3</b>	P2,872.0	P109.3	4%
<b>Claims ratios (C/D)</b>	<b>65%</b>	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) Lower acquisition costs from the Non-life foreign business due to the renewal of certain treaties at a lower share; and (b) Lower commission costs from the Non-life domestic business due to the favorable adjustment in the commissions for past underwriting years. These were partially negated by the higher commission expense incurred from the Life modified co-insurance business.

**Other underwriting income** amounted to income of P18.5 million, higher by P19.5 million compared to the other underwriting loss of P1.0 million in 2021. This pertains to the net benefits received from a certain group life treaty participating in a pool arrangement.

**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) Higher impairment losses recognized on the Company's available-for-sale equity securities by P117.2 million; (b) Lower gain on sale from available-for-sale securities by P70.8 million; and (c) Unfavorable change in the net fair value of 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 P260.0 million, resulting mainly from higher manpower costs, taxes, and professional fees.

**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

(includes explanation on material changes in the financial statements)

In Millions PhP	Audited	Audited	Inc(dec)	
	31 Dec 2022	31 Dec 2021	Amount	%
CASH AND CASH EQUIVALENTS	P724.7	P658.2	P66.5	10%
REINSURANCE BALANCES RECEIVABLE - net	3,125.4	3,388.6	(263.2)	-8%
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 CLAIMS AND CLAIMS RESERVES – net	3,801.0	2,461.7	1,339.3	54%
DEFERRED ACQUISITION COSTS	701.3	658.3	43.0	7%
DEFERRED REINSURANCE PREMIUMS	606.1	434.5	171.6	39%
DEFERRED TAX ASSETS – net	264.8	264.6	0.2	0%
OTHER ASSETS – net	108.3	60.8	47.5	78%
<b>TOTAL ASSETS</b>	<b>P18,061.3</b>	<b>P16,379.9</b>	<b>P1,681.4</b>	<b>10%</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
REINSURANCE BALANCES PAYABLE	P2,054.5	P1,599.0	P455.5	28%
FORWARD LIABILITY	89.3	-	89.3	-
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	303.0	319.5	(16.5)	-5%
CLAIMS AND CLAIMS RESERVES	8,309.2	7,254.6	1,054.6	15%
PREMIUM RESERVES	1,692.3	1,533.3	159.0	10%
DEFERRED REINSURANCE COMMISSIONS	12.5	9.3	3.2	34%
<b>TOTAL LIABILITIES</b>	<b>12,460.8</b>	<b>10,715.7</b>	<b>1,745.1</b>	<b>16%</b>
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	(74.2)	(73.4)	(0.8)	1%
REVALUATION RESERVES	(147.6)	(29.0)	(118.6)	409%
RETAINED EARNINGS	721.6	665.9	55.7	8%
<b>TOTAL EQUITY</b>	<b>5,600.5</b>	<b>5,664.2</b>	<b>(63.7)</b>	<b>-1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P18,061.3</b>	<b>P16,379.9</b>	<b>P1,681.4</b>	<b>10%</b>

The Company's shareholders' equity amounting to P5,600.5 million as at December 31, 2022 decreased by P63.7 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 mostly from the unfavorable market value movements of Available-for-Sale securities, 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 mainly pertains to the net acquisition of equity securities, unit investment trust fund (UITF) and forward asset amounting to P282.0 million and foreign currency gains of P15.6 million. These were partially negated by fair value losses amounting to P8.1 million.

**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:

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

**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) 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) 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 claims and Claims reserves – net** amounting to P3,801.0 million as at December 31, 2022 increased by P1,339.3 million or 54% from the balance as at December 31, 2021 of P2,461.7 million. The increase in the balance is aligned with the increase in Claims and claims reserves account.

**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 deferred acquisition cost recognized from 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 in the balance resulted mainly from entering into a multi-year excess of loss contract with coverage period of three years for a particular layer and higher retroceded premiums from Life and Non-life domestic businesses.

**Other assets – net** amounting to P108.3 million as at December 31, 2022 increased by P47.5 million or 78% from the balance as at December 31, 2021 of P60.8 million. The increase in the balance 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 P2,054.5 million as at December 31, 2022 increased by P455.5 million or 28% from the balance as at December 31, 2021 of P1,599.0 million. The increase in the balance resulted mainly from the accrual of excess of loss retroceded premiums from Non-life business and accrual of retroceded premiums from Life business.

**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.

**Claims and Claims reserves** amounting to P8,309.2 million as at December 31, 2022 increased by P1,054.6 million or 15% from the balance as at December 31, 2021 of P7,254.6 million. The increase in the balance resulted mainly from recognizing 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.

### **KEY PERFORMANCE INDICATORS**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Net Profit	P551 million	P536 million	P56 million
Earnings per share	P0.260	P0.252	P0.026
Retention ratio	75%	77%	63%
Combined ratio	97%	95%	103%
Return on average equity	8.41%	9.05%	0.99%

The company's key performance ratios for the last three years are described hereunder:

**Net Profit** – The Company's net income amounted to P551 million in 2024, P536 million in 2023 and P56 million in 2022.

**Earnings per share (EPS)** - EPS is computed by dividing net profit by the weighted average number of shares issued and outstanding. The company's EPS was P0.260, P0.252 and P0.026 for the years ended December 31, 2024, 2023 and 2022, respectively.

**Retention ratio** - indicates the total amount of business risk retained by the company, computed by dividing reinsurance premiums retained by reinsurance premiums (Gross Premiums Written or GPW). Retention ratio in 2024 is 75%, lower than retention ratio of 77% in 2023 and higher than retention ratio of 63% in 2022.

**Combined ratio** - a measure of performance used by the Company to measure the profitability of its insurance operations. A ratio below 100% indicates that the company is making underwriting income while a ratio above 100% means that it is paying more claims and expenses than it should be receiving from premiums. Combined ratio is the sum of loss ratio, commission ratio and expense ratio. The combined ratios for the last three years were 97% in 2024, 95% in 2023 and 103% in 2022.

**Return on average equity (ROE)** - measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners, computed by dividing net income by average equity. ROE for the last three years were 8.41%, 9.05% and 0.99%, for 2024, 2023, and 2022, respectively.

### **FINANCIAL SOUNDNESS INDICATORS\***

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Current Ratio	2.14	1.84	1.92
Asset to Equity Ratio	3.06	3.22	3.23
Total Liabilities/Equity	2.06	2.22	2.23

\* Note 35 of the Audited Financial Statements

### **Material Event/s and Uncertainties:**

Other than the disclosures described in the preceding sections, the Company has nothing to report on the following:

- a. Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
- b. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

- c. Material off balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- d. Any material commitments for capital expenditures.
- e. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- f. Any significant elements of income or loss that did not arise from the issuer's continuing operations.
- g. Any seasonal aspects that had a material effect on the financial condition or results of operations.

## **ITEM 7. FINANCIAL STATEMENTS**

Please refer to the attached Audited Financial Statements for 2024, audited by the accounting firm of R.G. Manabat & Co. (KPMG Philippines.), and signed by partner Ms. Florizza C. Simangan

## **ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

R.G. Manabat & Co. has served as the independent auditor of the Company's financial statements since 2020. The Company has not had any material disagreements on accounting or financial disclosure matters with R.G. Manabat and Co.

### **External Audit Fees**

The following are the aggregate fees (in Philippine Pesos) billed for each of the last three fiscal years by R.G. Manabat & Co. (KPMG Philippines), our independent auditors for professional services rendered:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Audit and audit-related fees	P1,252,900	P1,407,800	P1,146,200
Other assurance and related services	30,000	30,000	30,000
<b>Total</b>	<b>P1,282,900</b>	<b>P1,437,800</b>	<b>P1,176,200</b>

The Audit Committee reviewed the external auditor's engagement letter covering their scope of work and the reasonableness of the related professional fee. The Audit Committee recommended for approval of the Board the appointment of R.G. Manabat & Co. (KPMG Philippines) as the external audit service provider for the subject audit year. The Board approved the appointment subject to ratification by the stockholders during the Company's annual stockholders meeting, held on 26 June 2024.

## PART III – CONTROL AND COMPENSATION INFORMATION

### ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

#### 1. Directors, Including Independent Directors, and Executive Officers

The Company's Articles of Incorporation provide for a 13-seat Board of Directors. Following is the list of the members of the Board:

Name	Position	Age	Citizenship
Evelina G. Escudero	Chairperson	82	Filipino
Yvonne S. Yuchengco	Vice Chairperson	71	Filipino
Allan R. Santos	President and Chief Executive Officer	58	Filipino
Joli Co Wu	Treasurer	58	Filipino
Maria Consuelo A. Lukban	Director	60	Filipino
Lester Ong	Director	42	Filipino
Jocelyn DG Cabreza	Director	68	Filipino
Alan R. Luga	Director	66	Filipino
Rafael G. Ayuste, Jr.	Director	61	Filipino
Antonio M. Rubin	Director	74	Filipino
Medel T. Nera	Lead Independent Director	69	Filipino
Rex Maria A. Mendoza	Independent Director	62	Filipino
Roberto G. Manabat	Independent Director	78	Filipino

Following is the list of the Corporation's key executive officers:

Name	Position	Age	Citizenship
Allan R. Santos	President and Chief Executive Officer	58	Filipino
Noel A. Laman	Corporate Secretary	85	Filipino
Ma. Pilar M. Pilaes-Gutierrez	Assistant Corporate Secretary	48	Filipino
Joli Co Wu	Treasurer	58	Filipino
Jaime Jose M. Javier	Senior Vice President and Head of Life Reinsurance	58	Filipino
Jose Augurio N. De Vera, Jr.	First Vice President and Head of Non-Life Reinsurance	51	Filipino
Joel Claro A. Perlado	First Vice President, Chief Actuary and Head of Data Analytics	53	Filipino
Cinderella M. Gernan	Vice President and Head of Data Administration and Technology	46	Filipino
Daisy C. Salonga	Vice President and Head of Investments	58	Filipino
Santino U. Sontillano	Vice President and Head of Finance	48	Filipino
Jacqueline Michelle C. Dy	Vice President and Head of Risk & Compliance	44	Filipino

#### Term of Office

The term of office of the Directors and executive officers is one (1) year from their election as such until their successors are duly elected and qualified.

***Business experience of the Directors and Officers during the past five (5) years/  
Other directorships held in reporting companies naming each company***

**Evelina G. Escudero, Filipino, 82 yrs. old, Chairperson of the Board and Director of the Corporation since March 2023.**

Ms. Escudero is currently serving as a member of the Board of Trustees of the Government Service Insurance System (GSIS). Prior to her appointment to the GSIS, she was a member of the House of Representatives of the Philippines, representing the 1st District of Sorsogon from 2013 to 2022. While serving in the legislature, she held the position of Deputy Speaker from 2018 to 2022.

A dedicated educator, Ms. Escudero taught at the OB Montessori Center from 1987 to 2012. Even before her election to Congress, she was already actively involved in public service. In 2004, she served as an Accredited Assessor for the Technical Education and Skills Development Authority (TESDA). She was also the Treasurer of the University of the Philippines Alumni Association – Hostel and Canteen Services in 2009. In 2011, she co-anchored Wais Spend, a DZUP radio program aimed at promoting financial literacy and helping Filipino consumers make informed spending decisions. The following year, in 2012, she was appointed as a Member of the Board of Regents of the University of the Philippines.

Ms. Escudero earned her Bachelor of Science degree in Home Economics, majoring in Food and Nutrition, from the University of the Philippines in 1964. She later completed both her Master's in Education Administration and Doctorate in Philosophy in Education at the same institution.

**Yvonne S. Yuchengco, Filipino, 71 yrs. old, 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., Royal Commons, Inc. and XYZ Assets Corporation; Chairman of Y Realty Corporation and RCBC Capital 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 Trustee, Chairperson and President of 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) program.

**Allan R. Santos, Filipino, 58 yrs. old, Director, President and Chief Executive Officer since August 2018.**

Mr. Allan R. 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 such as AIA Philippines (formerly Philam Life), Cigna International and Allied World Assurance Company.

He currently serves as an ex-officio Board member of the Actuarial Society of the Philippines and a Board Trustee of the Insurance Institute for Asia and the Pacific (IIAP). He is a recipient of the Outstanding CEO of the Year (Philippines) by the InsuranceAsia News Country Awards for Excellence in 2023 and 2024.

He previously served as President of the ASP (2024), 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).

**Joli Co Wu, Filipino, 58 yrs.old, Treasurer from January 2017, Director of the Corporation from 2013-2014 and since July 2015.**

Ms. Joli Co Wu is the Chief Underwriting Officer of Paramount Life and General Insurance Corporation. Prior to this, she was the President and CEO of QBE Seaboard Insurance Philippines, Inc. until its acquisition by Paramount. She started her insurance career with Seaboard Eastern Insurance where she eventually led 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 graduated with a degree in Bachelor of Arts, Major in Financial Management from the Catholic University of America, Washington DC.

**Maria Consuelo A. Lukban, Filipino, 60 yrs. old, 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 also oversees the Bank's Sustainability Office. She has over 38 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. She is currently a Director of ICCP Holdings Corporation and Beacon Ventures & Holdings, Inc.

Ms. Lukban completed her MBA at the University of Chicago in 1992 and BS Management Engineering in 1986 at the Ateneo de Manila University.



**Antonio M. Rubin, Filipino, 74 yrs. old, Director of the Corporation 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 (MacPool), 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, Filipino, 68 yrs. old, Director of the Corporation 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 Sealnsure General Insurance Co., Inc. (formerly, AA Guaranty Assurance Co., Inc.), Sealnsure Life Insurance Co. Inc., and Sea Money Credit Finance Corp. Ms. Cabreza was a former Executive Vice President of the Land Bank of the Philippines, Director of the Land Bank Resources Development Corp and the 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.

She holds a Masters degree in Public Administration from the Manual L. Quezon University, and she obtained her Bachelor of Science degree major in Commerce from the University of Nueva Caceres.

**Alan R. Luga, Filipino, 66 yrs. old, Director of the Corporation from December 2016 to January 2019 and since February 2023.**

Alan R. 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 - 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 former 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 Master 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.

**Rafael G. Ayuste, Jr., Filipino, 61 yrs. old, Director of the Corporation since June 2012.**

Mr. Rafael G. Ayuste, Jr. is the chairman of the Investment Committee of the Company since July 2015. Prior to his retirement, he was the Senior Vice President and Group Head of the Trust and Investments Group of BDO Unibank, Inc. Prior to this, he was the 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 – 2013. He was also the 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 multi-term 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 Santo Tomas.

**Lester Ong., Filipino, 42 yrs.old, Director of the Corporation since January 2024.**

Mr. Ong is the Vice President and Head of Corporate Finance of BPI Capital Corporation (BPI Capital), the investment banking arm and wholly-owned subsidiary of the Bank of the Philippine Islands (BPI). He oversees the business development and origination of various investment banking products and services for BPI Capital including debt, equity, strategic advisory and M&A. He is also concurrently the Head of Equity Products of BPI Capital. In the course of over 20 years, Mr. Ong has held key management positions in retail banking, equities brokerage, and corporate finance covering both retail and institutional clients.

Mr. Ong completed his bachelor's degree in Business Administration from the University of the Philippines-Diliman

**Medel T. Nera, Filipino, 69 yrs. old, Lead Independent Director since June 2021, Independent Director since July 2011.**

Mr. Medel T. Nera is a Director of the House of Investments, Inc., iPeople Inc., and Seafront Resources Corp. He is an Independent Director of Ionics, Inc., and Metro Retail Stores Group, 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 attended the International Management Program from the Manchester Business School, UK, and the Pacific Rim Bankers Program from the University of Washington, USA.

**Roberto G. Manabat, Filipino, 78 yrs. old, 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., Unionbank Financial Services & Insurance Brokerage, Inc., and Pluxee Philippines, Inc.. 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. 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 has not been a part of KPMG R.G. Manabat & Co. since January 1, 2018. 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 2023, he was recognized as one of the Top 100 CPAs of the century by the Board of Accountancy. 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.

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, Filipino, 62 yrs. old, Independent Director since June 2019.**

Mr. Rex Mendoza is the Chairman of Rampver Financials, 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 Ayala Land Logistics Holdings Corporation, and an independent director of the Ayala Land, Inc., all publicly listed companies.

He is the chairman of the board of the Soldivo Bond Fund, Inc. and the Soldivo Strategic Growth Fund, Inc. He is the Lead Independent Director of G Exchange Inc. (GXI, or GCash). Mr. Mendoza is a director of the following companies: Anvaya Cove Beach and Nature Club, Inc., , FLT Prime Insurance Corp., Cullinan Group, Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., Healthway Philippines, Inc., Globe Fintech Innovations, Inc., Seedbox Technologies, 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.

**Noel A. Laman, Filipino, 85 yrs. old, Corporate Secretary since June 2007.**

Atty. Noel A. Laman is a founder and a Senior Partner of Castillo Laman Tan Pantaleon & San Jose Law Offices. He specializes in foreign investments, corporate and business law and intellectual property law. He serves as Corporate Secretary of DMCI Holdings, Inc. and its various subsidiaries.

He obtained his Bachelor of Jurisprudence and Bachelor of Laws degrees from the University of the Philippines College of Law. He obtained a Master of Laws degree from the University of Michigan Law School as a De Witt scholar.

**Ma. Pilar M. Pilares-Gutierrez, Filipino, 48 yrs. old, Assistant Corporate Secretary since December 2002.**

She is presently a Senior Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices. She is the Assistant Corporate Secretary of DMCI Holdings, Inc. and its various subsidiaries. She holds the position of Corporate Secretary/Assistant Corporate Secretary in several other Philippine corporations. She is currently a Senior Lecturer at the University of the Philippines, College of Law.

She obtained her Bachelor of Science degree major in Legal Management from the Ateneo de Manila University and her Bachelor of Laws Degree from the University of the Philippines, College of Law.

**Jaime Jose M. Javier, Filipino, 58 yrs. old, Senior Vice President & Head of Life Reinsurance.**

Mr. Jaime Jose “Jimmy” M. Javier is Nat Re 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).

Mr. Javier 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.

**Jose Augurio N. De Vera, Jr., Filipino, 51 yrs. old, First Vice President & Head of Non-Life Reinsurance.**

Mr. De Vera, Jr. has nearly 30 years of extensive experience in the insurance industry, with notable exposure in underwriting, sales, branches management, planning, training, and operations.

Prior to joining Nat Re, Mr. De Vera was Head of Underwriting and Reinsurance Division at BPIMS Insurance Corporation. He has dealt with both local and foreign reinsurers and reinsurance brokers since 2009 as Reinsurance (RI) Officer.

Mr. De Vera has served among the Board of Directors of the Insurance Institute for Asia and the Pacific, Inc. and the Philippine Machinery Management Services Corporation (PMMSC). He is also a member of the Philippine Insurers and Reinsurers Association (PIRA) Technical Committee on Fire and Engineering.

Mr. De Vera has a Bachelor’s degree in Business Economics from the University of the Philippines School of Economics. He started his professional career as a management trainee in FGU Insurance Corporation and completed multiple training courses in business, insurance, and reinsurance locally and overseas.

**Joel Claro A. Perlado, Filipino, 53 yrs. old, Vice President, Chief Actuary and Head of Data Analytics.**

Joel has over 30 years of extensive experience in the different fields of actuarial work. He specializes in group insurance pricing and valuation, retirement and other long-term benefits Actuarial Valuation, and Risk Management Framework (Financial, Investment, Insurance and Operational Risks).

Prior to joining Nat Re, he was the Resident Actuary of Institutional Synergy, Inc. where he assisted clients in the areas of retirement plan design and valuation, as well as the set-up of other employee benefit programs.

He also held senior positions with the Philippine offices of multinational and local companies, such as Chief Risk Officer of AXA Philippines, Consulting Actuary for Towers Watson Philippines, and AVP and Actuary for Insular Life Assurance Company.

Joel attained his Fellowship of the Actuarial Society of the Philippines in 2004, and was elected as its President in 2021. He holds a Bachelor of Science degree in Mathematics major in Actuarial Science, cum laude, from the University of Santo Tomas.

**Cinderella M. Gernan, Filipino, 46 yrs. old, Vice President and Head of Technology and Data Administration.**

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 to 2022) and Head of Business Solutions and Process Re-engineering (2019 to 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 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.

Ms. Gernan 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.

**Daisy C. Salonga, Filipino, 58 yrs. old, Vice President and Head of Investments.**

Ms Daisy Salonga joined the Company in 2011 as portfolio manager and was promoted as Head of Investments in 2017. Prior to joining the Company, Daisy 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 3 consecutive years from 2012 to 2014.

Daisy earned her degree in Bachelor of Science in Commerce, major in Business Management from De LA Salle University.

**Santino U. Sontillano, Filipino, 48 yrs. old, Vice President and Head of Finance.**

Mr. Santino 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.

**Jacqueline Michelle C. Dy, Filipino, 44 yrs. old, Vice President and Head of Risk and Compliance.**

Ms. Jacqueline Dy, Vice President and Head of Risk and Compliance, 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 Accountancy from De La Salle University, Manila.

#### **Directorships in Other Listed Companies**

<b>Evelina G. Escudero</b>	Philippine National Construction Corporation
<b>Yvonne S. Yuchengco</b>	iPeople Inc. Seafront Resources Corporation, House of Investments, Inc. Petro Energy Resources Corporation
<b>Alan R. Luga</b>	Philippine National Construction Corporation
<b>Rex Maria A. Mendoza</b>	AyalaLand Logistics Holding Corporation Ayala Land, Inc.
<b>Roberto G. Manabat</b>	Union Bank of the Philippines
<b>Medel T. Nera</b>	House of Investments, Inc iPeople, Inc. EEI Corporation Ionics, Inc. Metro Retail Stores Group, Inc.

#### **2. Significant Employees**

Although the Corporation has and will likely continue to rely significantly on the continued individual and collective contributions of its senior management team, the Corporation is not dependent on the services of any particular employee. It does not have any special arrangements to ensure that any employee will remain with the Corporation and will not compete with the Company upon termination.

#### **3. Family Relationships**

There is no family relationship up to the fourth civil degree, either by consanguinity or affinity, among directors, executive officers, or nominees for election as directors.

#### **4. Involvement in Certain Legal Proceedings**

To the best of the Corporation's knowledge, there has been no occurrence during the past 5 years up to the present date of this report of any of the following events that are material to an evaluation of the ability and integrity of any director, any nominee for election as director, executive officer, or controlling person of the Corporation:

- Any bankruptcy petition filed by or against any business of which the person was a general partner or executive officer, either at the time of the bankruptcy or within 2 years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, traffic violations and other minor offenses.

- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

#### **5. Annual Continuing Training of Directors and Key Officers**

<b>Name of Director/Officer</b>	<b>Date of Training</b>	<b>Program</b>	<b>Name of Training Institution</b>
1. Evelina G. Escudero (Chairperson)	December 10, 2024	Board of Trustees Strategic Planning Conference	People Ignite
	September 19, 2024	Targeted Financial Sanction	Anti-Money Laundering Council
	September 13, 2024	Annual Technical Forum: Empowering Health: Building a Collaborative Insurance Ecosystem	Nat Re
	August 29, 2024	Strategic Planning Seminar Workshop	People Ignite
	May 8, 2024	AML/CTF Fundamentals	Anti-Money Laundering Council
	December 12, 2023	Board of Trustees Strategic Planning Conference	GSIS Through People Ignite
	August 16-17, 2023	Board of Trustees Strategic Planning Conference	GSIS Through People Ignite
	October 1-2, 2022	Corporate Governance Orientation Program for GOCCs	Institute of Corporate Directors
2. Yvonne S. Yuchengco (Vice Chairperson)	December 5, 2024	Emerging Markets Key Themes for 2025	BMI
	November 21, 2024	Securing Your Legacy by: Prof. Enrique Soriano	RCBC Wealth
	October 10, 2024	2024 Asian Banking & Finance Energy Transition- A Path to Net Zero	Insurance Asia
	October 1, 2024		BMI
	September 13, 2024	8th NatRe Annual Technical Forum	Nat Re
	July 23, 2024	AMLC Registration and Reporting Guidelines	Anti-Money Laundering Council



	July 6, 2024	2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption	Yuchengco Group of Companies
	June 20, 2024	Target Financial Sanctions	Anti-Money Laundering Council
	June 4, 2024	AML/CTF Fundamentals	Anti-Money Laundering Council
	May 3, 2024	PIRA Innovating to Include Expanding Financial Inclusion Through Agent Network Development	PIRA
	March 15, 2024	Board Strategy Planning Session	RCBC
	February 6 & 13, 2024	Cyberviser Executive Training Program on Cybersecurity Fundamentals	YGC-RCBC
	October 3, 2023	2023 Ayala Integrated Governance and Sustainability Summit	Institute of Corporate Directors
	September 9, 2023	Building Trust and Ethical Leadership: Enhancing Corporate Governance for Sustainable Success	Yuchengco Group of Companies
	October 18, 2022	The Board's Agenda: Mindset Shifts for a Sustainable and Equitable Future	Institute of Corporate Directors
	November 19, 2022	2022 YGC Annual Corporate Governance Seminar "Going From Good to Great" via zoom	Yuchengco Group of Companies
	May 14, 2021	Risk Management in the age of Covid	Institute of Corporate Directors
	October 29, 2020	Economic Briefing for Insurance Industry Executives	Insurance Institute of Asia and the Pacific
	September 23, 2020	Developing a Roadmap for the Future of Insurance Business	PIRA
	August 28, 2020	Legal Form: Too Good to Be True – A Discussion on Investment Scams and How to Avoid and Deal with them	Malayan Insurance Company
	August 3, 2020	Opportunities in the Changing Insurance Landscape	Nat Re

	July 7, 2020	Survive and Thrive: Digital Transformation Necessary in the New Normal	Institute of Corporate Directors
3. Allan R. Santos (Director, President and CEO)	September 25, 2024	Targeted Financial Sanction	Anti-Money Laundering Council
	September 14, 2024	Annual Technical Forum: Empowering Health: Building a Collaborative Insurance Ecosystem	Nat Re
	August 20, 2024	AML/CTF Fundamentals	AMLC
	November 16-17, 2023	ASP Annual Convention	Actuarial Society of the Philippines
	October 30 to November 2, 2023	Singapore International Reinsurance Conference	Singapore Reinsurers Association
	September 22, 2023	7th Annual Technical Forum	Nat Re
	April 26, 2023	Philippine Insurance Summit	PIRA
	June 23, 2022	Philippine Insurance Summit	Insurance Institute for Asia and the Pacific
	October 27, 2022	Sustainability and Ethics (Anti-Bribery & Fraud Prevention)	Willis Towers Watson and GGAPP
	October 31 to November 3, 2022	Singapore International Reinsurance Conference	Singapore Reinsurers' Association
	October 15, 2021	4 <sup>th</sup> ASEAN Reinsurance Working Committee Meeting	ASEAN Reinsurance Working Committee
	October 26, 2021	4 <sup>th</sup> ASEAN Insurance Summit	ASEAN Insurance Council
	October 28-30, 2020	46th ASEAN Insurance Council and Regulators Meeting	ASEAN Insurance Council
	October 8, 2020	ASEAN Reinsurance Working Committee Meeting	ASEAN Reinsurance Working Committee
4. Joli Co Wu (Director, Treasurer)	September 7, 2024	AML Registration & Reporting Guidelines	AMLC
	July 22, 2024	AML/CTF Fundamentals	AMLC
	July 11, 2024	Targeted Financial Sanction	AMLC

	October 30 to November 2, 2023	Singapore International Reinsurance Conference	Singapore Reinsurers Association
	October 27, 2022	Sustainability and Ethics (Anti-Bribery & Fraud Prevention)	Willis Towers Watson and GGAPP
	July 15, 2021	Building Better Bankers: Fostering a Stronger KYE Program	Association of Bank Compliance Officers, Inc.
	September 23, 2020	Developing a Roadmap for the Future of Insurance Business	PIRA
	August 26, 2020	Best Practices to Manage ML/TF Risks Arising from Online Sexual Exploitation of Children Coursed Thru Banks / MSBs (Webinar Series on ML/TF Typologies)	Association of Bank Compliance Officers, Inc.
5. Rafael G. Ayuste, Jr. (Director)	September 24, 2024	Targeted Financial Sanction	AMLC
	September 23, 2024	AML/CTF Fundamentals	AMLC
	August 2, 2023	2023 Annual Corporate Governance Seminar/Global Trends in Banking: Business and Technology Generative Artificial Intelligence	BDO Unibank, Inc.
	July 20, 2022	2022 Annual Corporate Governance Seminar: Sustainability and the Role of Boards and Geopolitical Risks	BDO Unibank, Inc
	August 16, 2021	Technology Governance for Directors: Small Mistakes. Big Consequences. What Boards Can Do Against Ransomware Attacks	Institute of Corporate Directors
	September 20, 2020	Anti-Money Laundering – AML and Counter Terrorism Financing	SGV
	March 6, 2020	2020 Corporate Governance Seminar	BDO Unibank, Inc.
6. Antonio M. Rubin (Director)	July 23-24, 2024	AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines	Anti-Money Laundering Council
	July 25, 2023	Enriching Public Governance in GOCCs	Financial Executives Institute of the Philippines
	October 27, 2022	Sustainability and Ethics (Anti-Bribery & Fraud Prevention)	Willis Towers Watson and GGAPP

	August 16, 2021	Technology Governance for Directors: Small Mistakes. Big Consequences. What Boards Can Do Against Ransomware Attacks	Institute of Corporate Directors
	September 23, 2020	Developing a Roadmap for the Future Insurance Business	PIRA
7. Maria Consuelo A. Lukban (Director)	September 8, 2024	Targeted Financial Sanction	AMLC
	October 3, 2023	Ayala Group Integrated Corporate Governance, Risk Management and Sustainability Summit	Institute of Corporate Directors
	October 27, 2022	Sustainability and Ethics (Anti-Bribery & Fraud Prevention)	Willis Towers Watson and GGAPP
	September 27, 2021	The Philippines FATF Journey: from Technical Compliance to Effectiveness	Association of Bank Compliance Officers, Inc.
	September 2020	Refresher on Anti-Money Laundering and Terrorist Financing	SGV – EY
8. Alan R. Luga (Director)	December 10, 2024	Board of Trustees Strategic Planning Conference	People Ignite
	September 13, 2024	Annual Technical Forum: Empowering Health: Building a Collaborative Insurance Ecosystem	Nat Re
	September 11, 2024	Targeted Financial Sanction	AMLC
	September 9, 2024	AML/CTF Fundamentals	AMLC
	August 29, 2024	Strategic Planning Seminar Workshop	People Ignite
	December 12, 2023	Year-End Board Planning Conference	People Ignite
	August 14-15, 2023	Strategic Planning Seminar and Workshop	People Ignite
	March 30-31, 2022	Corporate Governance Orientation Program for GOCCs	Institute of Corporate Directors
9. Jocelyn DG Cabreza (Director)	December 10, 2024	Board of Trustees Strategic Planning Conference	People Ignite
	September 13, 2024	Annual Technical Forum: Empowering Health: Building a Collaborative Insurance Ecosystem	Nat Re

	August 29, 2024	Strategic Planning Seminar Workshop	People Ignite
	July 22, 2024	AML/CTF Fundamentals	AMLC
	April 9, 2024	Targeted Financial Sanction	AMLC
	December 12, 2023	Year-End Board Planning Conference	People Ignite
	August 14-15, 2023	Strategic Planning Seminar and Workshop	People Ignite
	February 16, 2022	AMLA Seminar	Institute of Corporate Directors
	April 22, 2022	Enhanced Corp. Governance Guidelines	BAIPHIL
	June 28, 2021	IC-ICD-GGAPP Roundtable Discussion for IC Regulated Entities	Institute of Corporate Directors
	July 28, 2020	GSIS Strategic Planning	GSIS
10.. Lester Ong	July 29, 2024	AML/CTF Fundamentals	AMLC
	July 19, 2024	Targeted Financial Sanctions	AMLC
	February 6-7, 2024	Corporate Governance Orientation Program	Institute of Corporate Directors
11. Medel T. Nera (Lead Independent Director)	August 29, 2024	Targeted Financial Sanctions	AMLC
	August 27, 2024	AML/CTF Fundamentals	AMLC
	September 9, 2023	Building Trust and Ethical Leadership: Enhancing Corporate Governance for Sustainable Success	Yuchengco Group of Companies
	August 23, 2022	Advance Corporate Governance Training (for Holcim Phils., Inc.)	Institute of Corporate Directors
	October 18, 2022	The Board's Agenda: Mindset Shift for a Sustainable and Equitable Future	Institute of Corporate Directors
	November 19, 2022	2022 YGC Corporate Governance Seminar "Going from Good to Great"	Yuchengco Group of Companies
	December 13, 2022	Corporate Governance Seminar (for Ionics, Inc.)	SGV & Co.

	June 1, 2021	Annual Corporate Governance Training Program for Holcim Phils.	Institute of Corporate Directors
	September 23, 2020	BSP Supervisory Assessment Framework to Replace the CAMELS and ROCA Rating Systems for BSP-Supervised Financial Institutions	Association of Bank Compliance Officers, Inc.
12. Roberto G. Manabat (Independent Director)	October 10, 2024	DOSRI and Related Party Transactions (RPT)	Bankers Institute of the Philippines
	September 9, 2024	Compliance & Governance Summit Series4: Creating your own personal roadmap	Unionbank / Institute of Corporate Directors
	September 6, 2024	6-in-1 Seminar on AML	Dante T. Fuentes
	July 29, 2024	Compliance & Governance Summit Series 3: From Compliance to Performance: Elevating Union Bank's Corporate Governance	Unionbank/ Institute of Corporate Directors
	June 18, 2024	AML/CTF Course for Board of Directors and Senior Management	Bankers Institute of the Philippines
	October 27, 2023	Transforming Companies with Digital-Disruption-Ready Boards of Directors	Institute of Corporate Directors
	September 21, 2023	GRI Sustainability and Strategy Reporting	Institute of Corporate Directors
	May 17, 2023	Risk Management in the Post Covid Age	Institute of Corporate Directors
	April 18, 2023	Chat GPT Navigating AI Ethics for a Responsible Future	Institute of Corporate Directors
	March 30, 2023	Distinguished Corporate Governance Speaker Series – ESG Monitoring and Goals Tracking: Integrating ESG in Everyday Operations	Institute of Corporate Directors
	March 28, 2023	Related Party Transaction	Bankers Institute of the Philippines
	August 5, 2022	Technology for Directors	Institute of Corporate Directors
	October 20, 2022	Distinguished Corporate Governance Speaker Series: Getting the Right Tool for ESG Compliance and Governance	Institute of Corporate Directors

	September 3, 2021	Distinguished Corporate Governance Speaker Series for Unionbank - Singapore Institute of Corporate Directors	Institute of Corporate Directors
	September 29, 2021	Corporate Governance Orientation Program	Institute of Corporate Directors
	October 6-8, 2021	21st Annual National Convention	Association of Certified Public Accountants in Private Practice
	November 22, 2021	Corporate Governance	Institute of Corporate Directors
13. Rex Maria A, Mendoza (Independent Director)	September 9, 2024	AML/CTF Fundamentals	AMLC
	September 4, 2024	Targeted Financial Sanctions	AMLC
	October 3, 2023	Ayala Group Integrated Corporate Governance, Risk Management and Sustainability Summit	Institute of Corporate Directors
	October 18, 2022	The Board's Agenda: Mindset Shifts for a Sustainable and Equitable Future	Institute of Corporate Directors
	October 21, 2021	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit	Institute of Corporate Directors
	November 10, 2020	2020 Integrated Corporate Governance, Risk Management and Sustainability Summit of Ayala Corporation	Ayala Corporation
	August 9, 2019	Advanced Corporate Governance Training	Ayala Group
14. Atty. Noel A. Laman (Corporate Secretary)	July 22, 2024	AML/CTF Fundamentals	AMLC
	July 19, 2024	Targeted Financial Sanctions	AMLC
	July 9, 2024	AML Registration & Reporting Guidelines	AMLC
	April 11-14, 2023	MCLE (Mandatory Continuing Legal Education) 7th Compliance Period	Online FLEXISYNCH MCL Lecture Series 19   via Zoom
	March 21, 2022	Fundamentals of Money Laundering and Terrorism Financing and Overview of Risk Management System and Preventive Measures	Anti-Money Laundering Council

	July 14, 2021	Continuing Agency Education Program Webinar	POEA
15. Atty. Ma. Pilar P. Gutierrez (Asst. Corporate Secretary)	July 23, 2024	AML Registration & Reporting Guidelines	AMLC
	July 18, 2024	Targeted Financial Sanctions	AMLC
	July 7, 2024	AML/CTF Fundamentals	AMLC
	July 17, 2023	SEC Amnesty Program Made Easier (Streamlined Requirements and Procedure)	SEC
	April 12, 2023	SEC CAN! Webinar on the Grant of Amnesty (MC 2, s. 2023)	SEC
	March 30, 2023	Seminar on BIR and SEC Updates	Tax Management Association of the Philippines, Inc.
	March 21, 2022	Capacity Building Top Level Learning Module Designated Non-Financial Businesses and Professions Fundamentals of Money Laundering and Terrorism Financing and Overview of Risk Management System and Preventive Measures	Mr. Dante Fuentes, accredited Anti-Money Laundering Council (AMLC) trainer
	May 27, 2022	2022 SEC Communication, Advocacy and Network Webinar Series – As Easy as SEC: How to File Annual Reports	Securities and Exchange Commission (SEC)
	June 13, 17, 20 & 24, 2022	2022 SEC-GRI Workshop Series	SEC & GRI
	October 27, 2022	Anti-Fraud Session	GGAPP
	November 25, 2022	9th SEC-PSE Corporate Governance Forum	SEC & PSE
	August 18, 2021	Updates and Guidance on Sustainability Reporting for Philippine Publicly-Listed Companies	SEC & GRI
	November 19, 2020	7th SEC-PSE Corporate Governance Forum	SEC and PSE
	September 9, 2020	POEA Continuing Agency Education Program Seminar	POEA
	August 12, 2020	SECuring the Philippine Capital Market and Business Sector	SEC



	March 19, 2020	The Who's, What's, When's, and Why's of SEC Reportorial Requirements of Corporations	SEC
16. Jaime Jose M. Javier (Senior Vice President)	September 13, 2024  July 23, 24 & 29, 2024  September 22, 2023  October 27, 2022  November 9-10, 2021	8 <sup>th</sup> Annual Technical Forum  AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines  7 <sup>th</sup> Annual Technical Forum  Anti-Fraud Session  Corporate Governance Orientation Program	Nat Re  AMLC  Nat Re  GGAPP  Institute of Corporate Directors
17. Jose Augurio N. De Vera, Jr. (First Vice President)	September 13, 2024  August 28-29, 2024  April 23-24, 2024	8 <sup>th</sup> Annual Technical Forum  AML/CTF Fundamentals/ Targeted Financial Sanction  Corporate Governance Orientation Program	Nat Re  AMLC  Institute of Corporate Directors
18. Joel Claro A. Perlado (First Vice President)	September 13, 2024  July 23 & 24, 2024  November 7-8, 2023	8 <sup>th</sup> Annual Technical Forum  AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines  Corporate Governance Orientation Program	Nat Re  AMLC  Institute of Corporate Directors
19. Jacqueline Michelle C. Dy (Vice President)	November 28, 2024  September 13, 2024  July 23, 24, & 29, 2024  May 3, 2024  November 24, 2023  October 17, 2023  July 6, 2023	11 <sup>th</sup> Annual SEC-PSE CG Forum  8 <sup>th</sup> Annual Technical Forum  AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines  Tax Treaty Relief Availment and Application Process  10 <sup>th</sup> SEC-PSE Corporate Governance Forum  Navigating AI Governance and ESG reporting for the future  2023 Board and Audit Committee Priorities	SEC & PSE  Nat Re  AMLC  PICPA  SEC & PSE  KPMG  KPMG

	April 25, 2022	Corporate Governance Seminar	Philippine Chamber of Commerce and Industry
	July 22, 2022	Targeted Financial Sanctions (TFS) Webinar for Covered Persons	Anti-Money Laundering Council
	October 27, 2022	Anti-Fraud Session	GGAPP
	November 22, 2022	9th SEC PSE Corporate Governance Forum	SEC & PSE
20. Cinderella M. Gernan (Vice President)	September 13, 2024	8 <sup>th</sup> Annual Technical Forum	Nat Re
	July 4 & 30, 2024	AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines	AMLC
	November 21, 2023	Addressing Low Insurance Penetration in the Philippines: Strategies, Microinsurance Surge, and Implications The rise of the digital insurance platforms and on-demand policies in the Philippines	Insuretech Connect Asia
	October 25-26, 2023	Building the Foundations of a Digital Health Insurance Ecosystem	4th Health Insurance Innovation Congress Asia Pacific
	September 22, 2023	Insurance Industry event on Embracing Innovation: Humans and Technology	CPI and AWS in collaboration with PIRA and IIAP
	September 1, 2023	Cyber Security Awareness	Globe Telecom
	August 29, 2023	IFRS Training	EY Singapore
	October 27, 2022	Anti-Fraud Session	GGAPP
	November 14, 15, 17, 18 and 21 2022	Customized Microsoft Excel 2019	Mapua University
	September 21 and 22, 2022	East Asian Insurance Congress 2022	Asia Insurance Review
	September 23, 2022	Annual Technical Forum	Nat Re
21. Daisy C. Salonga (Vice President)	September 13, 2024	8 <sup>th</sup> Annual Technical Forum	Nat Re
	July 2 & July 8, 2024	AML/CTF Fundamentals/ Targeted Financial Sanctions	AMLC

	September 28, 2023	Fourth Quarter Outlook	ATRAM
	September 27, 2023	Global Macroeconomic Update	BMI
	July 19, 2023	Midyear Economic & Capital Markets Briefing	FMIC
	June 20, 2023	Green and Beyond: Building Wealth Through Sustainable Investments	BPI Wealth
	May 31, 2023	Macro Outlook	Nomura
	April 27, 2023	Asset Manager Code of Professional Conduct	CFA Institute
	March 30, 2023	Sustainability and Innovation	BPI Wealth
	February 23, 2023	Employee Burnout: Balancing Work and family roles	Nat Re
	February 18, 2022	The Path Forward: Future-proof your portfolio with sustainable investing	BPI-AMTC
	October 19, 2021	16th Philippine Summit: Reviving Paths To Recovery	The Asset
	December 10, 2020	The 4 Essential Roles of Leadership	Franklin Covey
	August 5, 2020	Managing in the Recession – The Challenge for Economic Resilience Amidst Covid-19	Ateneo de Manila University

22. Santino U. Sontillano (Vice President)	September 13, 2024	8 <sup>th</sup> Annual Technical Forum	Nat Re
	July 4 & 30, 2024	AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines	AMLC
	various 2023 dates	IFRS 17 and IFRS 9 Trainings	SGV
	September 22, 2023	7th Annual Technical Forum	Nat Re
	April 25, 2022	Corporate Governance Seminar	PCCI
	Aug. 22-23, 25-26, Sep 1-2, 2022	PFRS 17	SGV & Co.
	October 17, 2022	PFRS 9	SGV & Co.
	October 27, 2022	Anti-Fraud Session	GGAPP
	August 6, 2021	Technology Governance for Directors: Small Mistakes. Big	Institute of Corporate Directors

		Consequences. What Boards Can Do Against Ransomware Attacks	
	December 10, 2020	The 4 Essential Roles of Leadership	Franklin Covey

## ITEM 10. EXECUTIVE COMPENSATION

### ANNUAL COMPENSATION IN PHILIPPINE PESOS

Name	Year	Salary	Bonus	Other annual compensation
CEO and key executive officers named	2021	25,472,275.00	9,370,129.16	11,280,367.56
All other officers and directors as a group unnamed		6,699,115.83		1,326,934.00
CEO and key executive officers named*	2022	28,592,631.00	4,798,352.00	5,870,784.00
All other officers and directors as a group unnamed		12,513,112.85		1,634,018.83
CEO and key executive officers named*	2023	30,673,235.76	5,112,205.96	6,241,200.00
All other officers and directors as a group unnamed		6,429,482.26		245,700.00
CEO and key executive officers named*	2024	34,012,692.72	5,668,782.12	7,849,771.67
All other officers and directors as a group unnamed		14,707,213.64		957,250.00
CEO and key executive officers named*	2025 (Estimates)	35,869,764.00	5,978,294.00	9,435,585.00
All other officers and directors as a group unnamed		16,028,330.50		1,605,992.00

\*Officers and directors named for 2024 include the following:

1. Allan R. Santos, President and CEO
2. Jaime Jose M. Javier, Senior Vice President and Head, Life Reinsurance
3. Joel Claro A. Perlado, First Vice President, Chief Actuary and Head of Analytics
4. Santino U. Sontillano, Vice President and Head, Finance
5. Jacqueline Michelle C. Dy, Vice President and Head, Risk and Compliance

The Corporation's Amended By-Laws (Article III, Section 8) provide that such per diem as the Board of Directors may approve shall be paid to each director for attendance at any meeting of the Board; provided however, that nothing herein contained shall be construed to preclude any director from receiving such bonuses, other than per diems, as provided elsewhere in the Corporation's Amended By-Laws, or from serving in any other capacity and receiving compensation there from, subject to approval thereof by the vote of stockholders representing at least a majority of the outstanding capital stock at a regular or special stockholders' meeting. In this connection, Section 30 of the Corporation Code of the Philippines states that "in no case shall the total yearly compensation of directors, as such directors, exceed ten percent (10%) of the net income after tax of the corporation during the preceding year.

Each director of the Corporation receives per diem based on their attendance to Board and Committee Meetings.

For board meetings, P50,000 for the Chairperson; P45,000 for the Vice Chairperson; P37,500 for the Treasurer; and P30,000 for Regular and Independent Directors.

For committee meetings, P25,000 for the Committee Chairperson and P20,000 for the Committee Members.

Pursuant to the above provisions, the total compensation for 2024 for the members of the Board of Directors amounted to P8,331,649.09. The total compensation for each director for 2024 is disclosed in the 2024 Definitive Information Statement.

Aside from the disclosed compensation, no other resolution relating to director's remuneration has been adopted by the Board of Directors.

As of date, none of the Corporation's common shares are subject to outstanding options or warrants to purchase, or securities convertible into common shares of the Corporation.

**ITEM 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND  
BENEFICIAL OWNERS AND MANAGEMENT**

**1. Security Ownership of Certain Record and Beneficial Owners**

The following table sets forth as of December 31, 2024, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Corporation and the amount of such record and/or beneficial ownership.

<b>Title of Class</b>	<b>Name, Address of Record Owner and Relationship with Issuer</b>	<b>Name and Address of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>Number of Shares Held</b>	<b>Percent of Class</b>
Common	Bank of Philippine Islands, Ayala Avenue corner Paseo de Roxas, Makati City	Bank of Philippine Islands, Ayala Avenue corner Paseo de Roxas, Makati City	Filipino	290,795,500	13.69%
Common	PCD Nominee Corporation (Filipino) <sup>1</sup> , G/F MSE Building, 6754 Ayala Avenue, Makati City	Government Service Insurance System <sup>2</sup> , New GSIS Headquarters, Financial Center, Pasay City	Filipino	547,465,396 <sup>1</sup>	25.78%
Common	PCD Nominee Corporation (Filipino) <sup>1</sup> , G/F MSE Building, 6754 Ayala Avenue, Makati City	MICO Equities Inc. <sup>2</sup> Yuchengco Bldg., 484 Quintin Paredes Street Manila	Filipino	273,716,100 <sup>2</sup>	12.89%

<sup>1,2</sup>The PCD is not related to the Company. The 547,465,396 shares and 273,716,100 shares beneficially owned by GSIS and MICO Equities, respectively, form part of the 1,686,781,086 shares registered in the name of PCD Nominee Corporation (Filipino).

## 2. Security Ownership of Management

The following table sets forth as of December 31, 2024 the record or beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Evelina G. Escudero	1 Record	Filipino	0.00%
Common	Yvonne S. Yuchengco	100 Record 26,000 Beneficial	Filipino	0.00%
Common	Allan R. Santos	5,000 Record 953,000 Beneficial	Filipino	0.05%
Common	Joli Co Wu	344,100 Record 260,000 Beneficial	Filipino	0.03%
Common	Maria Consuelo A. Lukban	50 Record	Filipino	0.00%
Comon	Lester Ong	50 record	Filipino	0.00%
Common	Antonio M. Rubin	1,000 Record 10,000 Beneficial	Filipino	0.00%
Common	Jocelyn DG Cabreza	1 Record	Filipino	0.00%
Common	Alan R. Luga	1 Record	Filipino	0.00%
Common	Rafael G. Ayuste, Jr.	100,000 Record	Filipino	0.00%
Common	Medel T. Nera	1,000 Record	Filipino	0.00%
Common	Roberto G. Manabat	1,000 Record	Filipino	0.00%
Common	Rex Maria A. Mendoza	1,000 Record	Filipino	0.00%
	<b>TOTAL FOR DIRECTORS</b>	<b>1,702,303</b>		<b>0.08%</b>
	<b>GRAND TOTAL</b>	<b>1,702,303</b>		<b>0.08%</b>

All the above-named directors and officers of the Corporation are the record and beneficial owners of the shares of stock set forth opposite their respective names.

### Voting Trust Holders of 5% or more

The Corporation is not aware of any person holding more than 5% of the shares of the Corporation under a voting trust or similar agreement which may result in a change in control of the Corporation.



## Changes in Control

From January 1, 2024 to date, there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

## ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's corporate governance manual provides that related party transactions shall be fully disclosed and conducted on terms that are comparable to normal commercial practices to safeguard the best interest of the Corporation and its stakeholders.

The following table show (in millions of Philippine Pesos) **premiums, retrocession and related income and expense accounts** between the Corporation, its Principal Shareholders, related parties under common ownership and companies represented by other members of the Board of Directors. For 2024 and 2023 information (refer to Note 28 of the accompanying audited financial statements):

Shareholder/Related Party/Director Corporation	2024				
In Million PHP	Premiums	Commission Expenses	Retroceded premiums	Claims Incurred (Reversal)	Claims Recoveries (Reversal)
<b>GSIS</b>	-	-	-	<b>4.3</b>	<b>(1.6)</b>
BPI AIA	127.4	(0.3)	5.4	14.1	-
BPI/MS Insurance	26.0	7.9	-	-	-
<b>Total BPI Group</b>	<b>153.4</b>	<b>7.6</b>	<b>5.4</b>	<b>14.1</b>	<b>-</b>
Sunlife Grepa Financial	28.1	-	-	6.6	-
Malayan Insurance	70.6	7.7	-	-	-
<b>Total Malayan Group</b>	<b>98.7</b>	<b>7.7</b>	<b>-</b>	<b>6.6</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>252.1</b>	<b>15.3</b>	<b>5.4</b>	<b>25.0</b>	<b>(1.6)</b>

Shareholder/Related Party/Director Corporation	2023				
In Million PHP	Premiums	Commission Expenses	Retroceded premiums	Claims Incurred (Reversal)	Claims Recoveries (Reversal)
<b>GSIS</b>	<b>45.6</b>	-	-	<b>0.7</b>	<b>(2.7)</b>
BPI AIA	130.9	(1.3)	-	28.3	-
BPI/MS Insurance	23.7	11.5	-	(29.9)	-
<b>Total BPI Group</b>	<b>154.6</b>	<b>10.2</b>	<b>-</b>	<b>(1.6)</b>	<b>-</b>
Sunlife Grepa Financial	21.9	-	-	15.0	-
Malayan Insurance	41.9	4.1	-	(7.1)	-
<b>Total Malayan Group</b>	<b>63.8</b>	<b>4.1</b>	<b>-</b>	<b>7.9</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>264.0</b>	<b>14.3</b>	<b>-</b>	<b>7.0</b>	<b>(2.7)</b>

The following tables show (in millions of Philippine Pesos) **reinsurance balances receivable from and payable to related parties** as a result of the above transactions as of December 31, 2024 and 2023 (refer to Note 28 of the accompanying audited financial statements):

Shareholder/ Related Party/Director Corporation	2024			
In Million PHP	Due from Ceding Companies	Reinsurance recoverable on reported claims	Claims	Due to Retrocessionaire s
GSIS	-	2.0	149.1	0.1
BPI AIA	89.7	-	84.6	12.4
BPI/MS Insurance	9.5	-	346.0	-
Total BPI Group	99.2	-	430.6	12.4
Sunlife Grepa Financial	4.9	-	-	-
Malayan Insurance	48.6	-	255.1	
Total Malayan Group	53.5	-	255.1	-
GRAND TOTAL	152.7	2.0	834.8	12.5

Shareholder/ Related Party/Director Corporation	2023			
In Million PHP	Due from Ceding Companies	Reinsurance recoverable on reported claims	Claims	Due to Retrocessionaire s
GSIS	-	3.6	144.8	0.2
BPI AIA	85.7	-	76.2	7.2
BPI/MS Insurance	14.6	-	354.2	-
Total BPI Group	100.3	-	430.4	7.2
Malayan Insurance	32.4	-	275.3	11.1
Total Malayan Group	32.4	-	275.3	11.1
GRAND TOTAL	132.7	3.6	850.5	18.5

In addition to the foregoing, the Corporation has entered into agreements with the following:

1. *Custodianship Agreement.* The Corporation entered into a Custodianship Agreement with the BPI Wealth for the purpose of opening and maintaining a custodianship account with BPI Wealth over certain securities owned by the Corporation. BPI Wealth acts as a depository of such securities. For services rendered, BPI Wealth is entitled to custodianship fees based on the value of the securities held. The Agreement shall continue in full force and effect unless sooner terminated by either of the parties concerned for any reason whatsoever upon giving the other party at least 30 days' advance written notice of termination.

2. *Investment Management Agreement.* The Corporation entered into separate Investment Management Agreements with BPI Wealth, RCBC Trust Corporation, and China Bank Trust and Asset Management Group for purposes of investing a portion of the Company's investible funds. As Investment Managers, they shall invest and reinvest the funds deposited with them through an investment management account. As compensation for services, BPI Wealth, RCBC Trust Corporation and China Bank Trust and Asset Management Group shall be entitled to collect such reasonable compensation to be paid out of the respective funds maintained. The respective Agreements shall continue in full force and effect unless sooner terminated by either of the parties concerned for any reason whatsoever upon giving the other party at least 30 days advance written notice of termination.

3. *Retirement Fund Agreement.* The Board of Trustees of the National Reinsurance Corporation Employees Retirement Plan entered into a separate Trust Agreement with BPI Wealth and RCBC Trust Corporation, to manage and administer the Corporation's retirement fund and to make such investments or reinvestments of the fund as deemed to be reasonable or advisable. As compensation for its services, BPI Wealth and RCBC Trust Corporation shall be entitled to collect such reasonable compensation to be paid out of the respective funds maintained. The respective Agreements shall continue in full force and effect unless sooner terminated by either of the parties concerned for any reason whatsoever upon giving the other party at least 30 days advance written notice of termination.

There are no other parties, aside from the related parties discussed herein, with whom the Corporation has a relationship, being a stockholder and a related party under common ownership, that enables the parties to negotiate terms of material transactions that may not be available to other more clearly independent parties on an arm's length basis.

## **PART IV – CORPORATE GOVERNANCE AND SUSTAINABILITY**

### **ITEM 13.A CORPORATE GOVERNANCE**

Please refer to the Corporate Governance Section on the Company's Official Website at <https://www.nat-re.com>.

Per SEC Memorandum Circular No. 5, Series of 2013, Item V, The Corporate Governance section in the Annual Report (SEC Form 17-A) may already be deleted.

### **ITEM 13.B SUSTAINABILITY REPORT**

Our Sustainability Report is posted on the Company's Website with this link –

[https://www.nat-re.com/naresite/wp-content/uploads/2025/04/NATRE\\_AFSR24-20250428.pdf](https://www.nat-re.com/naresite/wp-content/uploads/2025/04/NATRE_AFSR24-20250428.pdf)

## **PART V – EXHIBITS AND SCHEDULES**

### **ITEM 14. EXHIBITS AND REPORTS**

**(a) Exhibits** – See accompanying Index of Exhibits

**(b) Reports on SEC Form 17-C**

Items reported under SEC Form 17C during the last six months include the following:

- November 28, 2024 re: Board approval of the company's updated Mission & Vision
- February 20, 2025 re: Board approval on the following:
  - (1) Hold the physical annual stockholders' meeting of the Company, on June 25, 2025;
  - (2) Set the record date for the said annual stockholders' meeting on May 13, 2025, and;
  - (3) Appointment of the audit firm, KPMG Philippines, as board of canvassers for this year's annual stockholders' meeting.
- March 27, 2025 re: Board approval on the following:
  - (The Company's Audited Financial Statements for the period ending December 31, 2024;
  - (2) Upon recommendation of the Governance and Related Party Transaction Committee, the Sustainability Report for 2024; and
  - (3) Venue and Agenda Items for the Annual Stockholders' meeting on June 25, 2025.(4) Promotion of Daisy C. Salonga, from Vice President, Head of Investments to First Vice President , Head of Investments and Treasury effective June 1, 2025.

### EXHIBIT TABLE

	Description	17-A
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	N.A.
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	N.A.
(8)	Voting Trust Agreement	N.A.
(10)	2024 Annual Report (SEC Form 17-A) Financial Statements and Independent Auditors' Report (with notarized Statement of Management Responsibility and SEC Supplementary Schedules)	Attached
(13)	Letter re: Change in Certifying Accountant	N.A.
(15)	Letter re: Change in Accounting Principles	N.A.
(16)	Report Furnished to Security Holders	N.A.
(18)	Subsidiaries of the Registrant	N.A.
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	N.A.
(20)	Consents of Experts and Independent Counsel	N.A.
(21)	(a) Power of Attorney (b) Power of Attorney—Foreign Registrant	N.A.
(29)	Additional Exhibits	N.A.

*N.A. – Not applicable or require no answer.*

## SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on 28th day of April 2025.

### NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES Issuer

By:

(original signed)

**ALLAN R. SANTOS**  
Principal Executive Officer  
(President & CEO)

(original signed)

**SANTINO U. SONTILLANO**  
Designated Principal Accounting Officer  
(Vice President & Head of Finance)

(original signed)

**NOEL A. LAMAN**  
Corporate Secretary

**SUBSCRIBED AND SWORN** to me this 28<sup>th</sup> day of April 2025 affiant(s) exhibiting to me their Passport Nos., as follows:

<u>NAMES</u>	<u>PASSPORT NO.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Allan R. Santos	-	-	-
Santino U. Sontillano	-	-	-
Noel A. Laman	-	-	-

(original notarized)

\_\_\_\_\_  
**Notary Public**

Doc. No.: \_\_\_\_\_;  
Page No.: \_\_\_\_\_;  
Book No.: \_\_\_\_\_;  
Series of 2025.



NATIONAL  
REINSURANCE  
CORPORATION  
OF THE PHILIPPINES

Irene Lozada <irene.lozada@nat-re.com>

## Your BIR AFS eSubmission uploads were received

1 message

**eafs@bir.gov.ph** <eafs@bir.gov.ph>  
To: IRENE.LOZADA@nat-re.com  
Cc: SAN.SONTILLANO@nat-re.com

Wed, Apr 23, 2025 at 10:43 AM

Hi NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES,

### Valid files

- EAFS000480869RPTTY122024.pdf
- EAFS000480869TCRTY122024-01.pdf
- EAFS000480869AFSTY122024.pdf
- EAFS000480869OTHTY122024.pdf
- EAFS000480869ITRTY122024.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-QTZ1Q4N10759H9L5BPSWS213N03XZX4QVZ**  
Submission Date/Time: **Apr 23, 2025 10:43 AM**  
Company TIN: **000-480-869**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.





NATIONAL  
REINSURANCE  
CORPORATION  
OF THE PHILIPPINES

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **National Reinsurance Corporation of the Philippines** (the Company), is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue is a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors (the Board) is responsible for overseeing the Company's financial reporting process.

The Board reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

KPMG Philippines, the independent auditors appointed by the stockholders have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, have expressed its opinion on the fairness of presentation upon completion of such audit.

(original signed)

**EVELINA G. ESCUDERO**  
Chairperson of the Board

(original signed)

**ALLAN R. SANTOS**  
President & Chief Executive Officer

(original signed)

**JOLI CO WU**  
Treasurer

(original signed)

**SANTINO U. SONTILLANO**  
Vice President & Head of Finance

Signed this 27th day of March, 2025.

**SUBSCRIBED AND SWORN TO** before me on 27th day of March 2025 at Makati City, Affiants exhibited to me their passport numbers.

Name	Passport No.	Date Issued	Place of issue
EVELINA G. ESCUDERO			
JOLI CO WU			
ALLAN R. SANTOS			
SANTINO U. SONTILLANO			

(original notarized)

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 2025.

**Notary Public**

# NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

**FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

With Independent Auditors' Report



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet [www.home.kpmg/ph](http://www.home.kpmg/ph)  
Email [ph-inquiry@kpmg.com](mailto:ph-inquiry@kpmg.com)

## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders  
**National Reinsurance Corporation of the Philippines**  
31<sup>st</sup> Floor BPI-Philam Life Makati  
6811 Ayala Avenue, Makati City

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of National Reinsurance Corporation of the Philippines (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of income, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2024, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



## *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### *Revenue Recognition*

(P6.02 billion, see statement of income and Notes 2, 3 and 20 to the financial statements)

#### *The risk*

Reinsurance premium is recognized as revenue over the period of the reinsurance contracts using the "24th method". The Company's reinsurance premiums consists of actual amounts reported by the cedants and accrued reinsurance premiums based on the terms of the reinsurance contracts, historical experience and latest information provided by the cedants. The accrued reinsurance premiums were estimated based on assumptions and are therefore subject to considerable uncertainties and high degree of management judgment.

Due to the material significance of the amount of reinsurance premiums and the associated uncertainties in the estimations made, this matter was of particular significance in the context of our audit.

#### *Our response*

As part of our audit procedures, we evaluated and tested the internal controls over the completeness, existence and accuracy of the reinsurance premiums recognized in the financial statements. We vouched reinsurance contracts on sampling basis, performed cut-off testing including, among others, examining the date of approval and receipt date for reinsurance contracts near period-end and subsequent to period-end. For the reasonableness of recorded accrued reinsurance premiums, we analyzed historical experience and tested management's estimates by comparing the actual premiums received with the previously reported accrual. We assessed the propriety of the assumptions underlying the estimate and determined whether there were any indicators of management bias.

### *Valuation of Reinsurance Balance Receivables and Reinsurance Recoverable on Reported Claims*

(P7.39 billion, see statement of financial position and Notes 2, 3, 6 and 13 to the financial statements)

#### *The risk*

The risk in this area pertains to the valuation of reinsurance balances receivables including recoverability from cedants and retrocessionaires. In determining such valuation and recoverable amount, management exercised significant judgment on the credit risk assessment as well as both on the timing of recognition of impairment losses and the estimation of the amount of the impairment.



### *Our response*

As part of our audit procedures, we evaluated the appropriateness of the Company's accounting policy on impairment, and assessed and challenged the key assumptions used by management whether there were any indicators of management bias in their selection of methods used to compute for the allowance for impairment losses on reinsurance balance receivables and reinsurance recoverable on reported claims. We performed analysis of the adequacy of the impairment allowance by testing the aging of reinsurance balance receivables and reinsurance recoverable on reported claims, and identifying potential troubled accounts considering, among others, past due accounts, accounts under litigation and accounts from closed ceding companies and retrocessionaires.

### *Valuation of Claims Liabilities*

(P4.20 billion, see statement of financial position and Notes 2, 3 and 19 to the financial statements)

### *The risk*

Claims liabilities represent estimates of future payments of reported and unreported claims and related expenses. The valuation of claims reserves involves a high degree of subjectivity and complexity.

The Company uses a range of actuarial methodologies to estimate claims reserves. The expected value takes into account assumptions about premium, ultimate loss ratios and run-off periods that are based on actuarial estimate from historical experience. Other key factors include but are not limited to changes in exposure and business mix as well as inflation trends, claim emergence trends, and legal or regulatory decisions.

### *Our response*

As part of our audit procedures, we tested the design, implementation and effectiveness of key controls established by the Company for estimating claims reserves, and tested the completeness and accuracy of the underlying data used in the estimation. This involved engaging external actuarial specialists to assist us in assessing the reasonableness of the assumptions and methodologies used in the determination of claims reserves. We also recalculated the claims reserves and unexpired risk reserves in accordance with the relevant regulatory requirements, verified the accuracy of the amounts of claims reserves based on stratified sampling, and determined compliance with the liability adequacy test as required by the Insurance Commission and relevant accounting standards.



### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A, both of which do not include the financial statements and our auditors' report thereon, and the Annual Report for the year ended December 31, 2024. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Report on the Supplementary Information Required Under Revenue Regulations  
No. 15-2010 of the Bureau of Internal Revenue**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 36 to the basic financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is Ms. Florizza C. Simangan.

**R.G. MANABAT & CO.**

FLORIZZA C. SIMANGAN

Partner

CPA License No. 0147917

IC Accreditation No. 147917-IC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

SEC Accreditation No. 147917-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 429-267-284

BIR Accreditation No. 08-001987-150-2025

Issued January 8, 2025; valid until January 8, 2028

PTR No. MKT 10467153

Issued January 2, 2025 at Makati City

April 14, 2025

Makati City, Metro Manila



**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2024 and 2023**

*(Amounts in thousands)*

	<i>Notes</i>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>			
Cash and cash equivalents	5	<b>P449,739</b>	P271,803
Reinsurance balances receivable – net	6, 25	<b>5,379,932</b>	4,422,047
Held-for-trading (HFT) securities	7	<b>447,958</b>	532,670
Available-for-sale (AFS) financial assets	8	<b>5,279,741</b>	5,300,222
Held-to-maturity (HTM) securities	9	<b>4,024,499</b>	3,912,145
Other investments	10	<b>–</b>	252,829
Loans and receivables	11	<b>127,614</b>	109,567
Property and equipment – net	12	<b>38,241</b>	42,164
Reinsurance recoverable on reported claims and claims reserves – net	13	<b>2,847,452</b>	3,268,414
Deferred acquisition costs	14	<b>1,096,624</b>	761,412
Deferred reinsurance premiums	15	<b>647,670</b>	652,736
Deferred tax assets - net	25, 26	<b>582,255</b>	523,259
Other assets – net	16	<b>116,053</b>	75,022
<b>TOTAL ASSETS</b>		<b>P21,037,778</b>	P20,124,290
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Reinsurance balances payable	17, 25	<b>P2,089,847</b>	P2,301,613
Forward liability	7	<b>207</b>	92,211
Accounts payable and accrued expenses	18	<b>387,884</b>	521,714
Claims and claims reserves	19, 25	<b>9,832,401</b>	8,729,569
Premium reserves	20	<b>1,860,645</b>	2,222,665
Deferred reinsurance commissions	21	<b>2,321</b>	3,491
<b>Total Liabilities</b>		<b>14,173,305</b>	13,871,263
<b>Equity</b>	27	<b>6,864,473</b>	6,253,027
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P21,037,778</b>	P20,124,290

*See Notes to the Financial Statements*

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

**STATEMENTS OF INCOME**

**For the years ended December 31, 2024, 2023 and 2022**

*(Amounts in thousands, except Earnings Per Share)*

	<i>Notes</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Reinsurance premium income</b>				
Reinsurance premiums – net of returns	20	<b>P6,024,461</b>	P6,193,515	P4,690,167
Retroceded premiums	15	<b>(1,525,895)</b>	(1,428,420)	(1,721,490)
Net premiums retained		<b>4,498,566</b>	4,765,095	2,968,677
Movement in premium reserves – net	15, 20	<b>356,954</b>	(483,709)	12,598
		<b>4,855,520</b>	4,281,386	2,981,275
<b>Underwriting deductions</b>				
Claims and claims reserves – net	23.1, 23.2	<b>3,427,785</b>	2,921,859	1,936,846
Commissions – net	23.3	<b>956,021</b>	834,624	826,710
		<b>4,383,806</b>	3,756,483	2,763,556
Other underwriting income		<b>26,342</b>	47,571	18,477
<b>Net underwriting income</b>		<b>498,056</b>	572,474	236,196
<b>Investment and other income and expenses – net</b>	22	<b>533,081</b>	476,457	215,389
<b>Profit after investment and other income and expenses</b>		<b>1,031,137</b>	1,048,931	451,585
<b>General and administrative expenses</b>	24	<b>353,668</b>	365,120	330,343
<b>Profit before tax</b>		<b>677,469</b>	683,811	121,242
<b>Tax expense</b>	26	<b>126,125</b>	147,664	65,541
<b>Net profit</b>		<b>P551,344</b>	P536,147	P55,701
<b>Earnings per share - basic and diluted</b>	30	<b>P0.260</b>	P0.252	P0.026

*See Notes to the Financial Statements.*

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

**For the years ended December 31, 2024, 2023 and 2022**

*(Amounts in thousands)*

	<i>Notes</i>	2024	2023	2022
<b>Net profit</b>		<b>P551,344</b>	P536,147	P55,701
<b>Other comprehensive income (loss)</b>				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit asset	24.2	(2,766)	16,977	(881)
Items that are and will be reclassified subsequently to profit or loss				
Fair value gains (losses) on AFS financial assets during the year	8	2,553	100,691	(232,505)
Amortization of unrealized gains on reclassified HTM securities to profit or loss		14,851	14,084	13,358
Fair value losses (gains) on disposal of AFS financial assets reclassified to profit or loss	8	23,991	(18,077)	(23,647)
Fair value losses on impairment of AFS financial assets reclassified to profit or loss	8	22,222	2,515	123,998
Income tax effect		(749)	276	180
		<b>62,868</b>	99,489	(118,616)
<b>Total other comprehensive income (loss)</b>		<b>60,102</b>	116,466	(119,497)
<b>Total comprehensive income (loss)</b>		<b>P611,446</b>	P652,613	(P63,796)

*See Notes to the Financial Statements.*

# NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

## STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2024, 2023 and 2022

*(Amounts in thousands)*

	Notes	Revaluation Reserves									
		Capital Stock		Additional Paid-in Capital (Note 27)	Treasury Shares at Cost (Note 27)	AFS Financial Assets	HTM Securities	Defined Benefit Liability (Note 24)	Retained Earnings		Total Equity
		No. of Shares (in thousands)	Amount (Note 27)						Appropriated	Unappropriated	
Balance at January 1, 2024		2,181,955	P2,181,955	P3,019,218	(P100,525)	(P19,943)	(P28,136)	(P57,270)	P128,755	P1,128,973	P6,253,027
Net profit		–	–	–	–	–	–	–	–	551,344	551,344
Other comprehensive income (loss):											
Items that will not be reclassified subsequently to profit or loss		–	–	–	–	–	–	(2,766)	–	–	(2,766)
Item that are and will be reclassified subsequently to profit or loss		–	–	–	–	48,017	14,851	–	–	–	62,868
Total comprehensive income (loss)		–	–	–	–	48,017	14,851	(2,766)	–	551,344	611,446
Appropriated for contingencies	27	–	–	–	–	–	–	–	55,134	(55,134)	–
Balance at December 31, 2024		2,181,955	P2,181,955	P3,019,218	(P100,525)	P28,074	(P13,285)	(P60,036)	P183,889	P1,625,183	P6,864,473
Balance at January 1, 2023		2,181,955	P2,181,955	P3,019,218	(P100,525)	(P105,348)	(P42,220)	(P74,247)	P75,140	P646,441	P5,600,414
Net profit		–	–	–	–	–	–	–	–	536,147	536,147
Other comprehensive income:											
Items that will not be reclassified subsequently to profit or loss		–	–	–	–	–	–	16,977	–	–	16,977
Item that are and will be reclassified subsequently to profit or loss		–	–	–	–	85,405	14,084	–	–	–	99,489
Total comprehensive income		–	–	–	–	85,405	14,084	16,977	–	536,147	652,613
Appropriated for contingencies	27	–	–	–	–	–	–	–	53,615	(53,615)	–
Balance at December 31, 2023		2,181,955	P2,181,955	P3,019,218	(P100,525)	(P19,943)	(P28,136)	(P57,270)	P128,755	P1,128,973	P6,253,027

Forward

	Notes	Revaluation Reserves									Total Equity
		Capital Stock		Additional Paid-in Capital (Note 27)	Treasury Shares at Cost (Note 27)	AFS Financial Assets	HTM Securities	Defined Benefit Liability (Note 24)	Retained Earnings		
		No. of Shares (in thousands)	Amount (Note 27)						Appropriated	Unappropriated	
Balance at January 1, 2022		2,181,955	P2,181,955	P3,019,218	(P100,525)	P26,626	(P55,578)	(P73,366)	P69,570	P596,310	P5,664,210
Net profit		–	–	–	–	–	–	–	–	55,701	55,701
Other comprehensive income (loss):											
Items that will not be reclassified subsequently to profit or loss		–	–	–	–	–	–	(881)	–	–	(881)
Item that are and will be reclassified subsequently to profit or loss		–	–	–	–	(131,974)	13,358	–	–	–	(118,616)
Total comprehensive income (loss)		–	–	–	–	(131,974)	13,358	(881)	–	55,701	(63,796)
Appropriated for contingencies	27	–	–	–	–	–	–	–	5,570	(5,570)	–
Balance at December 31, 2022		2,181,955	P2,181,955	P3,019,218	(P100,525)	(P105,348)	(P42,220)	(P74,247)	P75,140	P646,441	P5,600,414

*See Notes to the Financial Statements.*

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

**STATEMENTS OF CASH FLOWS**

**For the years ended December 31, 2024, 2023 and 2022**

*(Amounts in thousands)*

	<i>Notes</i>	2024	2023	2022
<b>CASH FLOWS FROM</b>				
<b>OPERATING ACTIVITIES</b>				
Profit before tax		<b>P677,469</b>	P683,811	P121,242
Adjustments for:				
Movement in premium reserves – net	15, 20	<b>(356,954)</b>	483,709	(12,598)
Movement in claims and claims reserves – net	23.2	<b>241,716</b>	1,263,082	(343,535)
Commissions – net	14, 21	<b>(336,382)</b>	(69,116)	(39,703)
Interest income	22	<b>(483,802)</b>	(418,289)	(291,563)
Dividend income	22	<b>(26,303)</b>	(31,883)	(36,545)
Fair value (gains) losses on HFT securities	7, 22	<b>(6,780)</b>	(11,778)	8,678
Loss (gain) on sale of AFS financial assets	8, 22	<b>23,991</b>	(18,077)	(23,647)
Movement in deposit liability	18, 22	<b>1,852</b>	3,515	(499)
Unrealized foreign currency losses		<b>1,220</b>	10,446	62,009
Impairment losses	22, 24	<b>921</b>	2,515	125,787
Unrealized loss (gain) from forward contracts		<b>848</b>	(278)	(926)
Gain on sale of non-financial assets	12, 22	<b>–</b>	(417)	–
Depreciation and amortization	24	<b>10,906</b>	13,589	16,455
Operating (loss) income before working capital changes		<b>(251,298)</b>	1,910,829	(414,845)
Decrease (increase) in:				
Reinsurance balances receivable – net	25	<b>(924,128)</b>	(1,313,407)	285,964
HFT securities		<b>92,360</b>	(244,903)	(282,019)
Loans and receivables		<b>(4,124)</b>	4,256	(10,029)
Reinsurance recoverable on reported claims and claims reserves – net		<b>356,717</b>	425,095	(1,292,240)
Other assets – net		<b>(7,655)</b>	24,941	(44,781)
Increase (decrease) in:				
Reinsurance balances payable	25	<b>(213,919)</b>	250,722	446,420
Forward liability		<b>(92,852)</b>	3,157	89,695
Accounts payable and accrued expenses		<b>39,140</b>	(70,312)	(16,912)
Claims and claims reserves	25	<b>879,854</b>	(690,366)	1,238,171
Cash (used in) generated from operations		<b>(125,905)</b>	300,012	(576)
Cash paid for income taxes		<b>(363,551)</b>	(99,128)	(74,020)
<b>Net cash (used in) from operating activities</b>		<b>(P489,456)</b>	P200,884	(P74,596)

*Forward*

	<i>Notes</i>	2024	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal/maturities of:				
AFS financial assets	8	<b>P2,192,203</b>	P1,415,610	P3,236,914
HTM securities	9	<b>571,528</b>	324,062	284,449
Loans and receivable	11	<b>1,991</b>	2,726	3,484
Property and equipment	12	<b>—</b>	752	1,561
Other investments	10	<b>313,351</b>	439,200	—
Interest received		<b>482,015</b>	399,882	286,446
Dividends received		<b>27,221</b>	32,857	34,297
Acquisitions of:				
AFS financial assets	8	<b>(2,144,331)</b>	(1,808,498)	(2,316,303)
HTM securities	9	<b>(670,413)</b>	(1,175,516)	(949,056)
Other investments	10	<b>(61,549)</b>	(248,034)	(442,968)
Loans and receivable	11	<b>(5,845)</b>	(2,379)	(4,420)
Property and equipment	12	<b>(6,338)</b>	(6,837)	(5,370)
Intangible assets		<b>(34,021)</b>	—	—
<b>Net cash provided by (used in) investing activities</b>		<b>665,812</b>	(626,175)	129,034
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>176,356</b>	(425,291)	54,438
<b>EFFECTS OF FOREIGN CURRENCY REVALUATION ON CASH AND CASH EQUIVALENTS</b>		<b>1,580</b>	(27,632)	12,101
<b>CASH AND CASH EQUIVALENTS - January 1</b>	5	<b>271,803</b>	724,726	658,187
<b>CASH AND CASH EQUIVALENTS - December 31</b>	5	<b>P449,739</b>	P271,803	P724,726

*See Notes to the Financial Statements.*

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**  
*(Amounts in thousands)*

**1. CORPORATE INFORMATION**

National Reinsurance Corporation of the Philippines (the Company) was incorporated on June 7, 1978 by virtue of Presidential Decree No. 1270 (the Decree), as a domestic professional reinsurance firm to provide life and non-life reinsurance capacity to the Philippines and neighboring insurance markets. Under the Decree, it became the vehicle for the Philippine insurance industry's participation in the Asian Reinsurance Corporation (ARC), a multi-government-initiated reinsurance entity, based in Bangkok, Thailand, which was established to foster regional cooperation among insurance companies doing business in Asia. The Company's shares are listed in the Philippine Stock Exchange (PSE).

The Company is licensed by the Insurance Commission (IC) to engage in business until December 31, 2027.

The Company's registered office and principal place of business is located at 31<sup>st</sup> Floor BPI-Philam Life Makati, 6811 Ayala Avenue, Makati City.

The financial statements of the Company as at and for the year ended December 31, 2024 (including the comparative financial statements as at December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Company's Board of Directors (BOD) on March 27, 2025.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The material accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. The policies have been consistently applied to all the years presented, unless otherwise stated.

***2.1 Basis of Preparation of Financial Statements***

*(a) Statement of Compliance with Philippine Financial Reporting Standards*

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards are based on International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB). PFRS Accounting Standards which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRS Accounting Standards, Philippine Accounting Standards (PASs), and Philippine Interpretations.



(b) *Basis of Measurement*

The financial statements have been prepared on the historical cost basis except for AFS financial assets and HFT securities which are measured at fair value basis and Defined benefit liability which is measured as the difference of the present value of the defined benefit obligation and fair value of the plan assets at each reporting date.

(c) *Presentation of Financial Statements*

The financial statements are presented in accordance with PAS 1, *Presentation of Financial Statements*. The Company presents the statement of comprehensive income in two statements: a statement of income and a statement of comprehensive income (loss). The Company presents the statement of financial position in order of liquidity.

(d) *Functional and Presentation Currency*

These financial statements are presented in Philippine peso, the Company's functional and presentation currency, and amounts are presented in thousands except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the entity operates.

**2.2 *Adoption of New and Amended PFRS Accounting Standards and Framework***

(a) *Effective in 2024 that are Relevant to the Company*

As at December 31, 2024, there are no new and amended PFRS Accounting Standards that are relevant to the Company.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are new and amended PFRS Accounting Standards effective for annual periods subsequent to 2024, which were adopted by the FSRSC. Management is currently assessing the impact of these new and amended standards on the Company's financial statements.

- PFRS 9, *Financial Instruments* (2014) (adoption deferred to January 1, 2027). This new standard on financial instruments will replace PAS 39, *Financial Instruments* and PFRS 9 (2009, 2010 and 2013 versions).

PFRS 9 is effective for the annual periods beginning on or after January 1, 2018. However, the Company has met the relevant criteria and has applied the temporary exemption from PFRS 9 for annual reporting periods before January 1, 2027. Consequently, the Company will apply PFRS 9 for the first time on January 1, 2027.

The classification of financial assets under PFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. PFRS 9 includes three principal measurement categories for financial assets - measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - and eliminates the previous PAS 39 categories of loans and receivables, AFS financial assets and HTM securities.

In accordance with the financial asset classification principle of PFRS 9, a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Further, a financial asset whose objective is to both collect contractual cash flows and sell the financial assets is classified and subsequently measured at FVOCI.

All other financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Moreover, PFRS 9 allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income. The election is made on an instrument-by-instrument basis.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

The Company has completed its initial operational gap assessment, drafting the PFRS 9 accounting policies and enhancement of the affected systems. The Company plans to select the Retrospective approach without restatement and as of date, the actual impact of applying the PFRS 9 on the financial statements is not known and cannot be reasonably estimated until the transition stage is reached. The Company will disclose both the qualitative and quantitative information regarding the impact of PFRS 9 before its adoption.

- PFRS 17 *Insurance Contracts* (adoption deferred to January 1, 2027). The new standard will eventually replace PFRS 4, that will set out the principles for the recognition, measurement, presentation and disclosure of insurance contracts within its scope.

PFRS 17 introduces a new approach that:

- a) combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
- b) presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
- c) requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates. Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's or reinsurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter (CL) No. 2020-62 issued by the Insurance Commission (IC) which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. On March 10, 2025, IC issued CL No. 2025-04 which set a new effectivity date of the standard to January 1, 2027. Early application is permitted.

Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. There is also a transition option allowing presentation of comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how PFRS 9 will be applied in future reporting periods. Early application is permitted for entities that apply PFRS 9 on or before the date of initial application of PFRS 17.

The Company has completed its initial operational gap assessment and drafting of the PFRS 17 accounting policies. The Company plans to finalize these policies once it is able to fully determine the impact on the underlying reinsurance contracts. Further, the Company has acquired the necessary systems required to comply with the reporting requirements of PFRS 17 while the affected employees have already started the required trainings to use the system.

The Company has determined that its reinsurance and retrocession contracts have no distinct non-insurance components thus treated as single contracts. However, the detailed financial gap assessment arising from the application of the new standard is yet to be performed by management. As of date, the actual impact of applying the PFRS 17 on the financial statements, including the impact on the Company's net worth, in the period of initial application is not known and cannot be reasonably estimated because it is dependent on the final accounting elections and judgements that will be incorporated in the accounting policies and future economic conditions.

- PFRS 18, *Presentation and Disclosure in Financial Statements* replaces PAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

Further, operating expenses are presented directly on the face of the income statement – classified either by nature, by function or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.

PFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs) and eliminates classification options for interest and dividends in the statement of cash flows.

The amendments will apply retrospectively for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. Management is still assessing the impact of this new standard on the Company's financial statements.

## **2.3 Reinsurance Contracts**

### *Product Classification*

Reinsurance contracts are those contracts under which the Company (the reinsurer) has accepted significant insurance risk from insurance and reinsurance companies (the cedants) by agreeing to compensate the cedants if a specified uncertain future event (the insured event) adversely affects the cedants. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid when an insured event occurs with benefits payable if the insured event did not occur.

Reinsurance contracts can also transfer financial risks. Contracts that transfer financial risks which create financial assets or financial liabilities, but do not expose the Company to significant insurance risk, are within the scope of PAS 39 and are recognized as Deposit liability under Accounts payable and accrued expenses.

Once a contract has been classified as reinsurance contract, it remains a reinsurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the period, unless all rights and obligations are extinguished or expired.

### *Retrocession Contracts Held*

Contracts entered into by the Company with retrocessionaires under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for reinsurance contracts above are classified as retroceded contracts held. Contracts that do not meet those classification requirements are classified as financial assets.

Reinsurance recoverable on paid claims are included as part of Reinsurance balances receivable. These balances represent the retrocessionaires' share in the amounts paid to the cedants and are in accordance with the retroceded contract. Reinsurance recoverable on unpaid claims represents balances due from retrocessionaires for its share on the unpaid claims and Reinsurance recoverable on claims reserves represent the retrocessionaires' share for its losses in the claims reserves are both presented under Reinsurance recoverable on reported claims and claims reserves – net in the statements of financial position. The recoverable amounts are estimated in a manner consistent with the claims and claims reserves and are in accordance with the retroceded contract.

Reinsurance balances receivable and Reinsurance recoverable on reported claims and claims reserves are reviewed for impairment at the end of each reporting period or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when objective evidence exists that the Company may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Company will receive from the cedants and retrocessionaires can be measured reliably.

The impairment loss is recognized as part of General and administrative expenses in the statements of income.

Retroceded insurance risk does not relieve the Company from its obligations to ceding companies.

Reinsurance balances payable primarily represent premiums due to retrocessionaires. Amounts payable are estimated in a manner consistent with the associated retrocession contract.

Assets and liabilities arising from reinsurance activities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

#### *Receivables and Payables Related to Reinsurance Contracts and Retrocession Contracts Held*

Financial assets and financial liabilities arising from reinsurance and retrocession contracts held are offset and the resulting net amount is reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right to offset must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

## **2.4 Financial Assets**

Financial assets are recognized when the Company becomes a party to an agreement and agrees to sell goods or services for a fixed amount of money. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the Company commits to purchase the asset.

For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

### *(a) Classification and Measurement of Financial Assets*

Financial assets other than those designated and effective as hedging instruments are classified into the following categories: loans and receivables, financial assets at FVTPL, AFS financial assets and HTM securities. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Financial assets are recognized initially at fair value of the consideration given. Except for financial assets at FVTPL, the initial measurement of financial assets includes transaction costs.

(i) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Company provides money or services directly to a debtor with no intention of trading the receivables.

The Company's financial assets categorized as loans and receivables are presented as cash and cash equivalents, reinsurance balances receivable – net, loans and receivables, reinsurance recoverable on reported claims and claims reserves – net, and other investments.

Loans and receivables are subsequently measured at amortized cost using the effective interest method subject to any impairment loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization, if any, is included as part of Interest income presented under Investment and other income and expenses – net account in the statements of income.

(ii) *Financial assets at FVTPL*

This category consists of financial instruments that are held-for-trading or designated by management on initial recognition. Financial assets at FVTPL are recorded in the statements of financial position at fair value, with changes recorded in the Investment and other income and expenses – net account in the statements of income.

HFT securities are not reclassified subsequent to their initial recognition, unless they are no longer held for the purpose of being sold or repurchased in the near term and the following conditions are met:

- if the financial asset would have met the definition of loans and receivables (if the financial asset had not been required to be classified as held-for-trading at initial recognition), then it may be reclassified if the Company has the intention and the ability to hold the financial asset in the foreseeable future or until maturity; and
- the financial asset may be reclassified out of the held-for-trading securities category only under “rare circumstances”.

As at December 31, 2024 and 2023, the Company does not have any financial asset designated by management as financial instruments at FVTPL. The Company's HFT securities consist of equity securities listed in the PSE, Unit Investment Trust Fund (UITF) and forward assets.

(iii) *AFS Financial Assets*

This category includes non-derivative financial assets that are designated as AFS financial assets or are not classified as loans and receivables, HTM securities or financial assets at FVTPL. The Company's AFS financial assets include listed and unlisted equity securities, and government and corporate bonds.

All financial assets within this category are subsequently measured at fair value, except for certain equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured which are measured at cost less any impairment loss. Fair value gains and losses are recognized in other comprehensive income and are reported as part of the Revaluation reserves account in the equity except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in the statements of income.

(iv) *HTM securities*

This category includes non-derivative financial assets with fixed or determinable payments and fixed maturity, and that the Company has the intention and ability to hold to maturity other than: (a) those that Company designates as financial assets at FVTPL upon initial recognition; (b) those that the Company designates as AFS; and (c) those that meet the definition of loans and receivables. This category includes corporate bonds and government securities.

HTM securities are subsequently measured at amortized cost using the effective interest method subject to any impairment loss. Interest income is recognized under Investment and other income and expenses – net account in the statements of income.

(b) *Impairment of Financial Assets*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Company recognizes impairment loss based on the category of financial assets as follows:

(i) *Carried at Amortized Cost – Loans and Receivables and HTM Securities*

If there is objective evidence that an impairment loss on financial assets carried at cost has been incurred, the amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

Evidence of impairment is the age of the receivable and/or any financial difficulties of the counterparty. Allowances are set up on the net balance, meaning all balances related to the same counterparty are considered. The amount of the allowance is set up in relation to the time a receivable has been due and any financial difficulties of the counterparty and can be as high as the outstanding net balance.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in the statements of income.



If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment is recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date of the impairment is reversed. The amount of the reversal is recognized in the statements of income.

*Reclassification of AFS Financial Assets to HTM Securities*

For a financial asset reclassified from AFS financial assets category to HTM securities, the Company shall reclassify the financial asset at its fair value on the date of reclassification which becomes its new amortized cost. Any previous gain or loss on that asset that has been recognized in other comprehensive income and any difference between the new amortized cost and maturity amount is amortized in profit or loss over the remaining life of the investments using the effective interest method similar to the amortization of a premium and a discount. This is presented as Revaluation reserves – HTM securities in the statements of changes in equity. If the financial asset is subsequently impaired, any gain or loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss.

(ii) *Carried at Fair Value – AFS Financial Assets*

When a decline in the fair value of an AFS financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss – measured as the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in statements of income – is reclassified from Revaluation reserves to statements of income as a reclassification adjustment even though the financial asset has not been derecognized.

Impairment losses recognized in statements of income on equity instruments are not reversed through profit or loss. Reversal of impairment losses is recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss is recognized.

(c) *Items of Income and Expense Related to Financial Assets*

All income and expenses, except for recognition and reversal of impairment loss on reinsurance balances receivable and reinsurance recoverable on reported claims, relating to financial assets that are recognized in the statements of income are presented as part of Investment and other income and expenses – net account.

If the provision is higher than the reversal of impairment losses on reinsurance balances receivable and reinsurance recoverable on reported claims, this is presented at net as part of Impairment losses under General and administrative expenses account in the statements of income. If the reversal of impairment losses is higher than the provision for reinsurance balances receivable and reinsurance recoverable on reported claims, this is presented at net as part of Other income under Investment and other income and expenses – net account.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in the statements of income when earned, regardless of how the related carrying amount of financial assets is measured.

*(d) Derecognition of Financial Assets*

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

*(e) Fair Value Measurement of Financial Assets*

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset measured at fair value has a bid price, then the Company measures assets and long positions at a bid price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

### ***2.5 Deferred Acquisition Costs (DAC)***

The Company incurs costs in connection with acquiring new and renewal reinsurance business. Some of these costs, which consist primarily of commissions, are deferred as these are directly related to the successful acquisition of such business and amortized based on the type of contract. This is accounted as Deferred acquisition costs (DAC) under the Asset section in the statements of financial position. DAC are assessed for recoverability in the year of policy issue to ensure that these costs are recoverable out of the estimated future margins to be earned on the policy. DAC are assessed for recoverability at least annually thereafter.

DAC is recognized as an expense over the coverage period of the policy using the 24th method [see Note 2.14(b)] except for DAC from modified co-insurance arrangements. For modified co-insurance arrangements, DAC is amortized over the expected life of the contracts in which the related premiums are earned. The net change in the account between each end of reporting periods are recognized as part of Commission expense under Commissions – net account in the statements of income.

### ***2.6 Deferred Reinsurance Premiums (DRP)***

The ceded reinsurance premiums that pertain to the unexpired period of the contracts at the end of the reporting period are accounted for as DRP and presented in the Assets section of the statements of financial position. Subsequent to initial recognition, the amount is amortized using the 24<sup>th</sup> method [see Note 2.13(a)]. The net change in the account between each end of reporting periods are recognized in the statements of income under movement in premium reserves – net.

### ***2.7 Reinsurance Recoverable on Reported Claims and Claims Reserves***

Reinsurance recoverable on reported claims and claims reserves represent the amount recoverable from retrocessionaires under retroceded contracts as their share on unpaid claims, including unreported claims and loss adjustment expenses, net of salvage of recoveries.

## **2.8 Other Assets**

Other assets pertain to other present economic resources controlled by the Company as a result of past events. An economic resource is a right that has the potential to produce economic benefits and the asset has a cost or value that can be measured reliably.

This include intangible assets which are composed of acquired software licenses which are accounted for under the cost model. Capitalized costs are amortized on a straight-line basis over five years as the lives of these intangible assets are considered finite. The Company estimates the useful lives of intangible assets based on the period over which assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to technical or commercial obsolescence and legal or other limits on the use of the assets.

## **2.9 Financial Liabilities**

The Company classifies its financial liabilities at initial recognition into the following categories: financial liabilities at FVTPL and other liabilities. The Company determines the classification of its financial liabilities at initial recognition, and were allowed and appropriate, re-evaluates such designation at every reporting date.

Other financial liabilities pertain to financial liabilities that are not designated or classified at FVTPL. Other financial liabilities are initially measured at their fair value and subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statements of income.

The Company's other financial liabilities include Reinsurance balances payable, Claims and claims reserves [excluding Margin for Adverse Deviation (MfAD) and loss adjustment expenses] and Accounts payable and accrued expenses (excluding income tax payable, defined benefit liability and other taxes payable), are recognized when the Company becomes a party to an agreement and agrees to purchase goods or services for a fixed amount of money. All interest-related charges are recognized as part of Investment and other income and expenses – net account in the statements of income.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Company.

Financial liabilities are derecognized from the statements of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognized in the statements of income.

Derivative financial instruments are classified under financial assets and financial liabilities at FVTPL when there is an agreement to settle both assets and liabilities independently. Derivative financial instruments are classified under financial assets or financial liabilities when there is an agreement to settle at net. Derivatives are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair values of derivatives (except those accounted for as cash flow hedges) are taken directly to the statements of income and are included in Investment and other income and expenses – net account (see Note 22).

The Company's outstanding derivative asset and liability arising from forward contracts are presented under HFT securities and Forward liability accounts, respectively, in the statement of financial position (see Notes 7).

### ***2.10 Claims and Claims Reserves***

Claims represent the present value of the estimated cost of all reported claims at the end of the reporting period, together with related claims handling costs and reduced for the expected value of salvage and other recoveries. This includes outstanding claim reserves, loss adjustment expenses payable plus MfAD based on a certain percentage of the total outstanding claim reserves and loss adjustment expenses payable to allow for inherent uncertainty of the best estimate of the policy reserves.

Claims reserves represent the estimated ultimate cost of all incurred but not reported claims (IBNR), including incurred but not enough reported claims plus MfAD at the end of the reporting period. Claims reserves are measured on a discounted basis, using actuarial estimates of historical claims expense, adjusted for current trends and conditions. These estimates are continually reviewed and the ultimate liability may vary significantly from the amount recognized, which are reflected in claims and claims reserves in the statement of financial position in the period in which they are determined.

### ***2.11 Premium Reserves***

Premium reserves refer to unearned premium reserves (UPR) plus any deficiency resulting from the liability adequacy test.

UPR refers to the portion of the premiums attributable to the unexpired risks at the balance sheet date and is recognized as revenue over the coverage period of the policy using the 24<sup>th</sup> method [see Note 2.13(a)].

#### ***Liability Adequacy Test***

Liability adequacy tests are performed at end of each reporting period, to ensure the adequacy of premium reserves. The test is performed by comparing the UPR, net of related DAC, and the present value of the current best estimates of future cash flows including claims handling and policy administration expenses. Any deficiency is charged to the statements of income and is recognized as premium reserves.

### ***2.12 Deferred Reinsurance Commissions (DRC)***

Commissions earned from retrocession contracts are recognized as revenue over the coverage period of the policy using the 24<sup>th</sup> method [see Note 2.13(c)]. The portion of the commissions that relates to the unexpired periods of the contracts at end of the reporting period is accounted for as Deferred reinsurance commissions and is presented in the Liabilities section of the statements of financial position. The net change in the account between each end of reporting periods are recognized as Commission income under Commissions – net in the statements of income.

### ***2.13 Revenue and Income Recognition***

Revenue is recognized only when (or as) the Company satisfies a performance obligation by transferring control of the promised services to the customer. Expenses and costs, if any, are recognized in the statement of income upon utilization of the resources or services or at the date these are incurred. All finance costs are reported on an accrual basis.

The Company's significant revenues pertain to net reinsurance premiums and investment income (loss) which are accounted for by the Company in accordance with PFRS 4 and PAS 39, respectively. The Company also earns other income from sale of non-financial assets, which is recognized as income once the Company transferred the goods. These are accounted for by the Company in accordance with relevant accounting standards.

The following provides information about the specific recognition criteria of revenues recognized in accordance with PFRS 4 and PAS 39:

**Net underwriting income** includes reinsurance premiums, retroceded premiums and commissions describe as follows:

- (a) *Reinsurance premiums* – Reinsurance premiums are recognized as revenue when the Company enters into a contract with cedants assuming insurance risks in exchange for reinsurance premium. Reinsurance premiums include premiums reported by cedants and accrued premiums. The Company records accrued premiums on a cedant-by-cedant basis taking into consideration the terms of the reinsurance treaty, historical experience and latest information from cedants.

Reinsurance premiums are recognized over the coverage period of the contracts using the 24<sup>th</sup> method. The 24<sup>th</sup> method assumes that the average date of issue of all contracts written during any one month is the middle of that month.

Accordingly, 1/24<sup>th</sup> of the net premiums are considered earned in the month the reinsurance contracts are issued and 2/24<sup>th</sup> for every month thereafter (or 1/24<sup>th</sup> for every 15-day period after the issue month). While for specific agriculture treaty contracts where the underlying risk relates to the crops cultivated within India, the Company recognize the earned premium during the harvest period. The portion of the gross reinsurance premiums that relates to the unexpired periods of the contracts at the end of the reporting period is accounted for as Premium reserves and is presented in the Liabilities section of the statements of financial position while the portion of the retroceded reinsurance premiums that relates to the unexpired periods of the contracts at the end of the reporting period is accounted for as Deferred reinsurance premiums (see Note 2.6) and is presented in the Assets section of the statements of financial position.

Uncollected premiums net of deferred CWT and accrued premiums are recognized as due from ceding companies as part of Reinsurance balances receivable – net in the statements of financial position.

The net changes in the Premium reserves and Deferred reinsurance premiums accounts between the end of the reporting periods are recognized in the statements of income as part of Movement in premium reserves – net.

- (b) *Retroceded premiums* – Retroceded premiums are recognized as an expense when the Company enters into a contract with a retrocessionaire transferring insurance risks to the retrocessionaire in exchange for retroceded premiums. Retroceded premiums include premiums reported to the retrocessionaires and accrued retroceded premiums. The Company records accrued retroceded premiums based on individual retrocession treaties taking into consideration the terms of the treaty, historical experience and latest information relevant to the treaty.
- (c) *Commission on retrocession* – Commission is deferred and is subjected to the same amortization as the retroceded reinsurance premiums (see Note 2.12). Deferred portion is presented in the statements of financial position as Deferred reinsurance commission.

**Investment and other income and expenses** includes interest income, dividend income, gain/loss on sale of non-financial assets and foreign currency gain/loss describe as follows:

- (a) *Interest income* – Interest income for all interest-bearing financial instruments are recognized using the effective interest rate method.
- (b) *Dividend income* – Revenue is recognized when the Company's right to receive the dividend is established.
- (c) *Gain/ loss on sale of non-financial assets* – Revenue or expenses is recognized when the risks and rewards of ownership of the investments have passed to the buyer or at a point in time when the control of the non-financial assets transfers to the customer.

*Determining whether the Company is Acting as Principal or an Agent*

The Company assesses its revenue arrangements against the following criteria to determine whether it is acting as a principal or an agent:

- whether the Company has primary responsibility for providing the services
- whether the Company has discretion in establishing prices; and
- whether the Company bears the credit risk.

If the Company has determined it is acting as a principal, the Company recognizes revenue on gross basis with the amount remitted to the other party being accounted as part of cost and expenses. If the Company has determined it is acting as an agent, only the net amount retained is recognized as revenue.

The Company has determined that it is acting as principal in its revenue arrangements.

**2.14 Expense Recognition**

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distribution to equity participants.

*(a) Claims and Claims Reserves*

Claims relating to insurance contracts are accrued when insured events occur. These arise from events that have occurred up to reporting date even if these have not yet been reported to the Company. The claims (including those for IBNR claims) are based on the estimated ultimate cost of settling the claims and are discounted for time value of money. The method of determining such estimates and establishing reserves are continually reviewed and updated.

Claims recoveries are evaluated in terms of the aggregate share of the retrocessionaires on the claims and adjustment expenses of the Company on business retroceded under retrocession arrangements. Recoveries on paid, unpaid claims and claims reserves are recognized in the period the claims are incurred.

Claims paid, the change in claims and claims reserves and the corresponding share of the retrocessionaires are presented under Claims and claims reserves – net in the statements of income.

*(b) Acquisition Costs*

Costs that vary with and are primarily related to the acquisition of new and renewal reinsurance contracts, other than those related to modified co-insurance, such as commissions and certain underwriting costs, are recognized as expense over the period of the contracts using the 24<sup>th</sup> method. Unamortized acquisition costs are presented in the statements of financial position as Deferred acquisition costs (see Note 2.5).



(c) *General and Administrative Expenses*

Costs and expenses are recognized in the statements of income upon utilization of goods or services during the period they are incurred. General and administrative expenses include salaries and employee benefits, taxes related expenses, professional fees and other operational expenses.

***2.15 Foreign Currency Transactions and Translation***

The accounting records of the Company are maintained in Philippine peso. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of income as part of Investment and other income and expenses – net (see Note 22).

***2.16 Income Taxes***

Tax expense recognized in the statements of income comprises the sum of final tax, current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period and any adjustment to tax payable in respect of previous years. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or current tax liabilities are recognized as a component of tax expense in the statements of income.

Deferred tax is accounted for using the asset-liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the asset-liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in the statements of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

## ***2.17 Related Party Transactions and Relationships***

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions for Publicly-listed Companies*, transactions amounting to ten percent (10%) or more of the total assets based on the latest audited financial statements that were entered into by the Company with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of ten percent (10%) of the Company's total assets based on the latest audited financial statements, the same board approval would be required for the transaction(s) that meets and exceeds the materiality threshold covering the same related party.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

## ***2.18 Equity***

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Treasury shares are stated at the cost of reacquiring such shares and are deducted from equity attributable to the Company's holders until the shares are cancelled, reissued or disposed of.

Revaluation reserves comprise gains and losses due to the revaluation of AFS financial assets, unamortized fair value gains and losses from HTM securities, and remeasurements of defined benefit plan.

Retained earnings represent all current and prior period results of operations as reported in the statements of income, reduced by the amounts of dividends declared. The appropriated portion of the retained earnings is intended as additional reserve for contingencies (see Note 27.2).

## ***2.19 Earnings Per Share***

Basic earnings per share is determined by dividing net profit by the weighted average number of shares issued, adjusted for stock dividends and stock split, less shares held in treasury during the period.

Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares.

## ***2.20 Segment Reporting***

For purposes of segment reporting, the Company does not have other reportable segments. The Company has one reportable business segment which is the reinsurance market. The financial information about the sole business segment is presented in the financial statements.

The management monitors the operating results of its business segment for the purpose of making decisions about resource allocation and performance assessment. The segment performance is evaluated based on operating profit or loss and is measured consistently with the income before income tax in the financial statements.

## ***2.21 Events After the End of the Reporting Period***

Any event subsequent to the balance sheet date that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Events subsequent to the balance sheet date that are not adjusting events, if any, are disclosed when material to the financial statements.

### 3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

#### ***3.1 Critical Management Judgments in Applying Accounting Policies***

In the process of applying the Company's accounting policies, management has made the judgments as presented in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

##### *(a) Impairment of Financial Assets*

###### *(i) Financial Assets at Fair Value – AFS Financial Assets*

The Company considers that investments are impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is significant or prolonged decline requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share or market price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

Based on the recent evaluation of information and circumstance affecting the Company's AFS financial assets, management concluded that decline in fair value of certain AFS financial assets amounting to P22.22 million and P2.52 million are considered impairment in value as at December 31, 2024 and 2023, respectively (see Notes 8 and 22). Future changes in those information and circumstance might significantly affect the carrying amount of the assets.

###### *(ii) Financial Assets at Amortized Cost*

The Company reviews its financial assets at amortized cost to assess impairment at least on an annual basis, or as the need arises due to significant movements on certain accounts. These financial assets that are individually significant are assessed to determine whether objective evidence of impairment exists on an individual basis, while those that are not individually significant are assessed for objective evidence of impairment either on an individual or on collective basis.

In determining whether an impairment loss should be recorded in the statements of income, the Company makes judgment as to whether there are any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets before the decrease can be identified with an individual financial asset in that portfolio.

As at December 31, 2024 and 2023, the Company has recognized allowance for impairment loss amounting to P661.52 million and P679.37 million, respectively (see Notes 6 and 13).

*(b) Classification of Financial Instruments*

The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position. In addition, the Company classifies assets by evaluating among others, whether the asset is quoted or not in an active market.

Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether the quoted prices are readily and regularly available and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

As at December 31, 2024 and 2023, the Company classified its financial instruments as financial assets at FVTPL, AFS financial assets, HTM securities, loans and receivables, financial liabilities at FVTPL and other financial liabilities.

*(c) Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Relevant disclosures are presented in Note 31.

**3.2 Key Sources of Estimation Uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period:

*(a) Impairment of Financial Assets Carried at Amortized Cost*

Management uses estimates based on historical loss experience for assets with credit risk characteristics. An adequate amount of allowance for impairment is made for specific and groups of accounts, where objective evidence of impairment exists.

The Company evaluates the amount of allowance for impairment based on available facts and circumstances, including, but not limited to, the length of the Company's relationship with the counterparties, the counterparties' current credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The carrying value of reinsurance balances receivable, reinsurance recoverable on reported claims and the analysis of allowance for impairment on such financial assets are shown in Notes 6 and 13.

The carrying values of HTM securities and loans and receivables are shown in Notes 9 and 11, respectively.

*(b) Fair Value Measurement of AFS Financial Assets*

The Company carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The amount of changes in fair value would differ if the Company utilized different valuation methods and assumptions. Any change in fair value of these financial assets and liabilities would affect profit or loss and other comprehensive income.

The carrying value of the Company's AFS financial assets and the amounts of fair value changes recognized are disclosed in Note 8.

*(c) Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Any deferred tax asset will be re-measured if it might result to derecognition where the expected tax law to be enacted has a possible risk on the realization.

As at December 31, 2024 and 2023, the Company recognized net deferred tax assets amounting to P582.26 million and P523.26 million, respectively (see Note 26), as management has assessed that it is probable that sufficient taxable profit will be available to allow the benefit of the deferred tax assets to be utilized. However, unrecognized deferred tax assets amounted to P546.79 million and P547.20 million as at December 31, 2024 and 2023, respectively (see Note 26).

(d) *Valuation of Reinsurance Premiums*

Reinsurance premiums include premiums reported by cedants and accrued reinsurance premiums. The Company records accrued premiums based on a cedant-by-cedant basis taking into consideration the terms of the reinsurance treaty, historical experience and latest information from cedants.

The Company accrued reinsurance premium amounting to P957.81 million, P1,284.75 million and P127.65 million in 2024, 2023 and 2022, respectively, as part of Reinsurance premiums – net of returns in the statements of income.

(e) *Valuation of Retroceded Premiums*

Retroceded premiums include premiums reported to the retrocessionaires and accrued retroceded premiums. The Company records retroceded premiums based on individual retroceded treaties taking into consideration the terms of the retroceded treaty, historical experience and latest information relevant to the treaty.

The Company amortized retroceded premium amounting to P36.07 million and P106.49 million in 2024 and 2023, respectively, and accrued P78.47 million in 2022, as part of Retroceded premiums in the statements of income.

(f) *Valuation of Reinsurance Contract Liabilities*

The Company's Reinsurance contract liabilities are composed of premium liabilities and claim liabilities. Premium liabilities are the premium reserves while claim liabilities are equal to the present value of Claims and claims reserves account in the statements of financial position which include outstanding claims, IBNR claims, loss adjustment expenses payable plus the MfAD. Claim liabilities are discounted for the time value of money.

The Company estimates the present value of future cash flows, used in performing the liability adequacy test and in determining claims liabilities, through the use of historical claims experience and claims settlement patterns.

The principal assumption underlying the claim liability estimates is that the Company's future claims development will depend on the estimate of the ultimate loss during a period of time for a particular risk exposure and then estimate the percentage of this ultimate loss that was not reported as of the reporting date.

The Company's claim liability estimates, as ascertained by an independent actuary, are determined by calculating the estimated ultimate losses as the sum of reported claims plus IBNR claims. Ultimate losses were estimated using generally accepted actuarial methods such as the Chain Ladder Method, Bornhuetter-Ferguson Method and the Expected Loss Ratio Method. The Company also included MfAD as a percentage of the total outstanding losses, IBNR best estimate and loss adjustment expenses payable, to allow for inherent uncertainty of the best estimate of the policy reserves.

Additional qualitative judgments are used by the independent actuary to assess the extent to which the full tail of the claims development is influenced by the different factors, for example, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix and policy conditions. Judgment is further used to assess the extent to which external factors such as juridical decisions and government legislation affect the estimates.

As at December 31, 2024 and 2023, the carrying value of provision for claims reported and IBNR claims are recognized as Claims and claims reserves in the statements of financial position (see Note 19).

#### **4. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to a variety of financial risks from both its operating and investing activities. The Company's main risk mitigation strategies generally include adoption of underwriting and investment policies and guidelines, annual budget provision and internal audit checks and assessments.

The Company has implemented an Enterprise Risk Management Process, which is an organization-wide approach to the identification, assessment, communication and management of enterprise risks which are, defined as issues which may prevent the Company from achieving its strategic objectives. This process has been fully integrated into the Company's operations and is overseen by a Risk Management Team, who reports the results of the review and risk assessment to members of senior management. At the same time, a Risk Oversight Committee has been established by the Company's BOD to assist them in the development and oversight of the Company's risk management program. The Risk Oversight Committee is required to provide the BOD with a comprehensive enterprise risk assessment at least annually and to establish plans to ensure that risks are being managed and monitored effectively. The Risk Oversight Committee's main task is to oversee that risk management is an integral part of the planning and operations of the Company in order to meet corporate goals and objectives.

The Company's risk management, in close cooperation with the respective duly constituted Board Committees on Underwriting, Investment and Budget, Risk Oversight and Audit, focuses on implementing risk control measures addressing underwriting acceptances, catastrophe exposures, retrocession programs, claims control, and securing short to medium-term cash flows by minimizing financial market risks while managing long-term financial investments to generate expected returns.

The most significant financial risks to which the Company may be exposed to are described below and in the succeeding pages. Moreover, there are no changes in the Company's exposure to these risks, and objective, policies and processes for managing the risks from previous year.



#### **4.1 Underwriting Risk**

As a reinsurer, the Company underwrites reinsurance business from life and non-life insurance and reinsurance companies and intermediaries, with the objective of realizing profits and being a dependable partner to its clients. To attain this objective, it is essential for the Company to have a balanced portfolio, wherein there is diversification of risks. For non-life business, each risk that is accepted or treaty arrangement entered into is carefully evaluated based on the Company's underwriting guidelines, such as maximum limits per type of risk, existing exposures, premium adequacy and financial condition of the client.

The Company's retention on the larger risks that the Company accepts, or possible accumulation of the same in a given area, including losses that could arise from catastrophes such as earthquakes and typhoons, is protected by an excess of loss coverage to limit the Company's exposure up to a specified amount. Significant risk concentrations may result in potential losses not only in certain areas but also within a particular type of business such as property, motor and casualty. The Company monitors and controls its exposures in various lines.

Retroceding what the Company had earlier accepted as reinsurance is resorted to enable the Company to write risk with amounts in excess of its retention, and to reduce the volatility of its results and protect its capital. In doing so, the Company also sets minimum requirements and standards in determining with whom it retrocedes to, foremost of which is the rating of the retrocessionaires by international rating agencies such as Standard and Poor's and A.M. Best.

On the other hand, life business, which constitutes about 49% of gross premium written, follows a schedule of retention per life or group life as set by the Underwriting Committee. Any amount in excess of this is retroceded with reputable foreign reinsurers whose ratings from the same rating agencies are above par and meet the Company's standards.

Starting 2015, the Company repositioned itself as a lead-role reinsurer. Consequently, this triggered a re-evaluation of company retention. The retention limits appropriate for mandatory 10% share are not advantageous to the Company when applied to lead contracts where share is 80% or 100%.

As a lead reinsurer, the Company is pushing for the adoption of underwriting guidelines which may be accessed through the Company's web portal. Also, the Company continues to practice prudent claims management control. In evaluating a claim, the Company follows set of guidelines such as setting up of reserves upon its receipt of a preliminary loss advice and requiring the cedant-claimant to submit other necessary documents such as the adjuster's report, affidavits and proof of loss, among others. In addition, the Company establishes claim reserves to provide for losses that have been incurred but not yet paid. At the end of each reporting date, the Company assesses the adequacy of reserves for future claims that are not yet reported by setting up IBNR best estimate and inclusion of MfAD as ascertained by an independent actuary.

### *Concentration of Insurance Risk*

The tables below set out the concentration of premiums by line of risk.

	December 31, 2024		
	Gross Written Premiums (Note 20)	Retroceded Premiums (Note 15)	Net Written Premiums
Life	P2,946,614	P989,790	P1,956,824
Agriculture	1,700,086	39,930	1,660,156
Fire	773,341	371,817	401,524
Casualty	327,405	89,369	238,036
Marine and aviation	145,974	12,088	133,886
Motor	131,041	22,901	108,140
	<b>P6,024,461</b>	<b>P1,525,895</b>	<b>P4,498,566</b>

	December 31, 2023		
	Gross Written Premiums (Note 20)	Retroceded Premiums (Note 15)	Net Written Premiums
Life	P2,605,658	P777,832	P1,827,826
Agriculture	1,823,334	48,206	1,775,128
Fire	1,176,209	537,557	638,652
Casualty	335,412	30,626	304,786
Marine and aviation	130,188	16,619	113,569
Motor	122,714	17,580	105,134
	<b>P6,193,515</b>	<b>P1,428,420</b>	<b>P4,765,095</b>

	December 31, 2022		
	Gross Written Premiums	Retroceded Premiums	Net Written Premiums
Life	P2,224,754	P774,874	P1,449,880
Fire	1,531,865	820,554	711,311
Casualty	566,283	89,753	476,530
Marine and aviation	74,293	9,074	65,219
Motor	292,972	27,235	265,737
	<b>P4,690,167</b>	<b>P1,721,490</b>	<b>P2,968,677</b>

### *Claims Development*

The Company aims to maintain strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. As claims develop and the ultimate cost of claims becomes more certain, adverse claims experiences are eliminated which results in the release of reserves from earlier accident/underwriting years. In order to maintain strong reserves, the Company transfers much of this release to current accident/underwriting year reserves when the development of claims is less mature and there is much greater uncertainty attaching to the ultimate cost of claims.

The risks vary significantly in relation to the location of the risk insured by the Company, type of risks insured and in respect of commercial and business interruption by industry.

The following tables shows the estimates of cumulative incurred claims, gross of retrocession, for each underwriting year at each reporting date, together with cumulative claims paid as at December 31, 2024 and 2023.

December 31, 2024												
Underwriting Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
At the end of the financial year	P272,473	P717,719	P897,480	P1,138,057	P1,165,821	P1,290,466	P1,183,374	2,040,812	P1,339,414	P2,279,670	P1,605,281	P1,605,281
One year later	686,645	1,283,413	1,656,564	1,937,270	2,289,258	2,772,517	2,312,647	4,802,950	2,482,248	4,695,070	–	4,695,070
Two years later	658,019	1,236,790	1,535,032	2,064,256	2,362,725	2,629,680	2,466,579	4,493,325	2,577,114	–	–	2,577,114
Three years later	599,759	1,218,140	1,343,396	1,975,410	2,239,296	2,515,554	2,584,542	4,319,863	–	–	–	4,319,863
Four years later	533,459	1,164,234	1,233,461	1,843,450	2,200,841	2,539,012	2,459,005	–	–	–	–	2,459,005
Five years later	567,326	1,172,752	1,229,371	1,845,777	2,178,926	2,488,791	–	–	–	–	–	2,488,791
Six years later	568,638	1,169,573	1,240,047	1,845,941	2,183,528	–	–	–	–	–	–	2,183,528
Seven years later	574,163	1,165,370	1,239,186	1,844,205	–	–	–	–	–	–	–	1,844,205
Eight years later	567,299	1,181,025	1,240,762	–	–	–	–	–	–	–	–	1,240,762
Nine years later	525,507	1,180,716	–	–	–	–	–	–	–	–	–	1,180,716
Ten years later	521,647	–	–	–	–	–	–	–	–	–	–	521,647
Estimate of cumulative claims	521,647	1,180,716	1,240,762	1,844,205	2,183,528	2,488,791	2,459,005	4,319,863	2,577,114	4,695,070	1,605,281	25,115,982
Cumulative payments to date	(509,017)	(1,148,228)	(871,091)	(1,782,115)	(2,097,675)	(2,270,579)	(2,090,257)	(2,814,724)	(1,644,427)	(1,263,665)	(401,138)	(16,892,916)
Total current estimate of claims reserves (2014-2024)	12,630	32,488	369,671	62,090	85,853	218,212	368,748	1,505,139	932,687	3,431,405	1,204,143	8,223,066
Beginning balance of 2013 and prior underwriting years												1,298,268
Movement of 2013 and prior underwriting years, gross of settlement												(54,588)
Payments made during the year for 2013 and prior underwriting years												(30,554)
Foreign exchange revaluation and other adjustments												396,209
Total current estimate of claims reserves (Note 19)												P9,832,401

Forward

[illegible]

The following tables shows the estimates of cumulative incurred claims, net of retrocession, for each underwriting year at each reporting date, together with cumulative claims paid as at December 31, 2024 and 2023.

December 31, 2024												
Underwriting Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
At the end of the financial year	P213,369	P408,903	P611,372	P1,019,477	P1,070,831	P1,104,462	P993,096	P1,371,731	P1,028,085	P1,890,694	P1,911,476	P1,911,476
One year later	530,461	633,978	1,300,749	1,858,551	2,026,991	2,230,141	1,955,794	2,412,503	1,951,661	3,400,001	–	3,400,001
Two years later	540,712	609,307	1,297,926	1,939,580	2,009,116	2,124,286	2,033,028	2,524,330	2,129,031	–	–	2,129,031
Three years later	517,872	602,343	1,275,113	1,907,942	1,911,154	2,056,128	2,250,450	2,463,408	–	–	–	2,463,408
Four years later	485,300	567,379	1,222,112	1,776,201	1,880,224	2,038,773	2,179,598	–	–	–	–	2,179,598
Five years later	507,988	569,312	1,220,092	1,776,254	1,874,027	2,030,816	–	–	–	–	–	2,030,816
Six years later	510,739	564,351	1,218,216	1,780,486	1,883,765	–	–	–	–	–	–	1,883,765
Seven years later	510,815	561,318	1,214,274	1,779,916	–	–	–	–	–	–	–	1,779,916
Eight years later	499,855	575,888	1,213,611	–	–	–	–	–	–	–	–	1,213,611
Nine years later	459,289	575,925	–	–	–	–	–	–	–	–	–	575,925
Ten years later	457,085	–	–	–	–	–	–	–	–	–	–	457,085
Estimate of cumulative claims	457,085	575,925	1,213,611	1,779,916	1,883,765	2,030,816	2,179,598	2,463,408	2,129,031	3,400,001	1,911,476	20,024,632
Cumulative payments to date	(450,949)	(552,315)	(1,140,775)	(1,718,378)	(1,806,862)	(1,845,989)	(1,842,543)	(1,959,787)	(1,383,262)	(988,343)	(314,619)	(14,003,822)
Total current estimate of claims reserves (2014-2024)	6,136	23,610	72,836	61,538	76,903	184,827	337,055	503,621	745,769	2,411,658	1,596,857	6,020,810
Beginning balance of 2013 and prior underwriting years												477,909
Movement of 2013 and prior underwriting years, gross of settlement												(36,975)
Reversals (payments) made during the year for 2013 and prior underwriting years												(20,587)
Allowance for impairment (see Note 13)												162,309
Foreign exchange revaluation and other adjustments												381,483
Total current estimate of claims reserves, net												P6,984,949

Forward

[illegible]

### *Sensitivities*

As a reinsurer, the insurance contract liabilities of the Company are sensitive to key factors such as claims experience, the observed claims reporting and payment patterns, and the occurrence of catastrophic events as observed in the historical claims ratios of the Company.

The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on the Company's income before income tax. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these variables are nonlinear.

	Change in Assumption	Impact on Income before Income Tax		Impact on Income after Income Tax	
		Increase (Decrease)		Increase (Decrease)	
		2024	2023	2024	2023
Claims ratio	+5%	<b>(P241,081)</b>	(P214,069)	<b>(P180,811)</b>	(P160,552)
	-5%	<b>241,081</b>	214,069	<b>180,811</b>	160,552

### **4.2 Credit Risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a reinsurance contract or financial instrument fails to meet its contractual obligations. In 2024 and 2023, the Company is exposed to credit risk primarily through its cash and cash equivalents, debt instruments classified as AFS financial assets and HTM securities, other investments, reinsurance balances receivable, loans and receivables, reinsurance recoverable on reported claims, deposits and security fund. The carrying amounts of the financial assets best represent the maximum credit risk exposure at the reporting date.

As at December 31, 2024 and 2023, the exposure to credit risk for reinsurance balances receivable by region and source is as follows:

<b>By Region</b>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Domestic		<b>P3,045,729</b>	P2,931,777
Foreign		<b>2,833,411</b>	2,026,055
	<i>6</i>	<b>P5,879,140</b>	P4,957,832

  

<b>By Source</b>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Life		<b>P1,666,763</b>	P1,359,052
Nonlife		<b>4,212,377</b>	3,598,780
	<i>6</i>	<b>P5,879,140</b>	P4,957,832

As at December 31, 2024 and 2023, the exposure to credit risk for AFS financial assets – debt securities by type of security is as follows:

	<i>Note</i>	2024	2023
Government securities		<b>P4,705,498</b>	P4,784,999
Corporate bonds		<b>90,231</b>	52,284
	<i>8</i>	<b>P4,795,729</b>	P4,837,283

As at December 31, 2024 and 2023, the exposure to credit risk for HTM securities by type of security is as follows:

	<i>Note</i>	2024	2023
Corporate bonds		<b>P2,668,511</b>	P2,159,317
Government securities		<b>1,355,988</b>	1,752,828
	<i>9</i>	<b>P4,024,499</b>	P3,912,145

As at December 31, 2024 and 2023, the exposure to credit risk for Reinsurance recoverable on reported claims (excluding MfAD) by region and source is as follows:

<b>By Region</b>	2024	2023
Domestic	<b>P31,391</b>	P121,869
Foreign	<b>1,825,027</b>	2,079,788
	<b>P1,856,418</b>	P2,201,657

<b>By Source</b>	2024	2023
Life	<b>P48,112</b>	P19,501
Nonlife	<b>1,808,306</b>	2,182,156
	<b>P1,856,418</b>	P2,201,657

The tables below provide information regarding the credit risk exposure of the Company as at December 31, 2024 and 2023 by classifying assets according to the Company's credit grading of counterparties.

December 31, 2024						
	<i>Notes</i>	Neither Past Due nor Impaired		Past Due but not Impaired		Total
		Investment High Grade	Non-investment Grade	Impaired	Impaired	
Cash and cash equivalents	<i>5</i>	<b>P449,739</b>	<b>P–</b>	<b>P–</b>	<b>P–</b>	<b>P449,739</b>
Reinsurance balances receivable	<i>6</i>	<b>1,806,225</b>	<b>2,303,644</b>	<b>1,270,063</b>	<b>499,208</b>	<b>5,879,140</b>
AFS financial assets - debt securities	<i>8</i>	<b>4,795,729</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,795,729</b>
HTM securities	<i>9</i>	<b>4,024,499</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,024,499</b>
Loans and receivables	<i>11</i>	<b>113,889</b>	<b>13,725</b>	<b>–</b>	<b>–</b>	<b>127,614</b>
Reinsurance recoverable on reported claims	<i>13</i>	<b>1,528,738</b>	<b>165,371</b>	<b>–</b>	<b>162,309</b>	<b>1,856,418</b>
		<b>P12,718,819</b>	<b>P2,482,740</b>	<b>P1,270,063</b>	<b>P661,517</b>	<b>P17,133,139</b>



December 31, 2023						
	Notes	Neither Past Due nor Impaired		Past Due but not Impaired	Impaired	Total
		Investment High Grade	Non-investment Grade			
Cash and cash equivalents	5	P271,803	P-	P-	P-	P271,803
Reinsurance balances receivable	6	1,781,195	1,637,836	1,003,016	535,785	4,957,832
AFS financial assets - debt securities	8	4,837,283	-	-	-	4,837,283
HTM securities	9	3,912,145	-	-	-	3,912,145
Other investments	10	252,829	-	-	-	252,829
Loans and receivables	11	100,235	9,332	-	-	109,567
Reinsurance recoverable on reported claims	13	1,879,894	178,174	-	143,589	2,201,657
		P13,035,384	P1,825,342	P1,003,016	P679,374	P16,543,116

The Company uses a credit grading system based on the borrowers and counterparties overall credit worthiness, as described below.

*Investment High Grade* – This pertains to accounts with a very low probability of default as demonstrated by the borrower’s strong financial position and reputation. The borrower has the ability to raise substantial amounts of funds through credit facilities with financial institutions. The borrower has a strong debt service record and a moderate use of leverage.

*Non-investment Grade - Satisfactory* – This pertains to current accounts with no history of default or which may have defaulted in the past, but the conditions and circumstances directly affecting the borrower’s ability to pay has abated already. The borrower is expected to be able to adjust to the cyclical downturns in its operations. Any prolonged adverse economic conditions would however ostensibly create profitability and liquidity issues. The use of leverage may be above industry or credit standards but remains stable.

*Past Due but not Impaired* – Rating given to borrowers and counterparties where outstanding obligation is already past due without impairment indicator.

*Impaired* – This pertains to accounts with impairment indicator and uncertain collectability. Allowance for impairment losses were recognized by the Company for these accounts.

The Company continuously monitors defaults of ceding companies and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on ceding companies and other counterparties are obtained and used. The Company’s policy is to deal only with creditworthy counterparties.

As part of Company's policy, substantially all bank deposits are only maintained with reputable financial institution having high quality external credit ratings. Cash in banks which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.50 million per depositor per banking institution, as provided for under Republic Act (RA) No. 9576, *Amendment to Charter of PDIC*, are still exposed to credit risk. However, the credit risk for cash and cash equivalents is considered negligible, since the majority of the counterparties are reputable banks with high quality external credit ratings.

The reinsurance balances receivable that are past due but not impaired as at December 31, 2024 and 2023 are as follows:

	2024	2023
More than six months but not more than one year	<b>P864,417</b>	P623,013
More than one year	<b>405,646</b>	380,003
	<b>P1,270,063</b>	P1,003,016

None of the Company's reinsurance receivables and financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents as described in the preceding page. Further, the Company's reinsurance balances are subject to enforceable master netting agreements, each agreement between the Company and counterparties allows for net settlement of the relevant reinsurance liabilities when both elect to settle on a net basis.

Reinsurance balances as at December 31, 2024 and 2023 are as follows:

	Notes	2024	2023
Reinsurance balances receivable	6, 25	<b>P5,379,932</b>	P4,422,047
Reinsurance balances payable	17, 25	<b>2,089,847</b>	2,301,613

### 4.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its reinsurance contracts and financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its cash and investment position to meet its obligations arising from reinsurance agreements and financial liabilities. Currently, the Company's excess cash is invested in short-term placements, HFT securities and AFS financial assets.

As at December 31, 2024 and 2023, the Company's obligations arising from reinsurance operations amounting to P4.34 billion and P4.19 billion, respectively, are expected to be settled within the normal operating cycle of the business. In addition, as at December 31, 2024 and 2023, financial liabilities included as part of the Accounts payable and accrued expenses and Forward liability accounts in the statements of financial position amounted to P244.45 million and P282.14 million, respectively, and have contractual maturities within one year after the end of the reporting period.

As at December 31, 2024 and 2023, the Company has a current ratio of 2.14:1 and 1.84:1, respectively.

#### 4.4 Market Risk

Market risk embodies potential losses due to market fluctuations and includes foreign exchange risk, equity price risk and interest rate risk.

The Company's market risk is managed on a daily basis in accordance with internal and regulatory policies and procedures while overall market positions are reported to the Investment Committee of the Company.

The market risks to which the Company may be exposed are as follows:

##### (a) Foreign exchange Risk

Foreign currency risk is the risk that fluctuations in foreign exchange rates will adversely affect the fair value or cash flow of a recognized financial instrument. The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than in Philippine peso.

Exposures to currency exchange rates arise from the foreign currency denominated short-term placements, investments, receivables and payables. The Company recognized net foreign currency gains of P13.45 million, P18.06 million and P13.96 million in 2024, 2023 and 2022, respectively (see Note 22).

To mitigate the Company's exposure to foreign exchange risk, foreign-currency denominated cash flows and positions are monitored and hedged as it deems necessary. The foreign currency denominated financial assets and liabilities of the Company is as follows:

	2024		2023	
	U.S. Dollars	Other Currencies	U.S. Dollars	Other Currencies
Financial assets	<b>P1,556,353</b>	<b>P2,468,153</b>	P1,994,475	P1,831,902
Financial liabilities	<b>(749,160)</b>	<b>(1,399,460)</b>	(997,502)	(312,334)
Total net exposure	<b>P807,193</b>	<b>P1,068,693</b>	P996,973	P1,519,568

The table below illustrates the sensitivity of the Company's profit before tax and equity with respect to changes on Philippine peso (Php) against foreign currencies exchange rates. The percentage changes in rates have been determined based on the average market volatility rates, using standard deviation, in the previous 12 months. If the Philippine peso had strengthened against the foreign currencies, the effect is presented below.

	2024			2023		
	Reasonably Possible Change in Rate	Effect in Profit Before Tax	Effect in Equity	Reasonably Possible Change in Rate	Effect in Profit Before Tax	Effect in Equity
Php - U.S. Dollars	7.08%	P57,122	P42,841	6.77%	P30,648	P22,986
Php - Indian Rupee	7.23%	68,503	51,377	5.74%	27,765	20,824
Php - Singaporean Dollars	9.55%	(1,241)	(931)	4.13%	(594)	(445)
Php - Hongkong Dollars	6.89%	(25)	(19)	6.59%	(23)	(17)
Php - Euro	5.26%	5,518	4,138	6.08%	16,451	12,338
Php - Brazilian Real	7.82%	101	76	6.09%	22	17
Php - Thailand Baht	6.37%	(92)	(69)	10.16%	761	571
Php - Vietnamese Dong	4.00%	40	30	4.75%	208	156
Php - Indonesian Rupiah	7.14%	(1,751)	(1,313)	9.05%	(2,933)	(2,200)
Php - Malaysian Ringgit	6.85%	4,723	3,542	6.66%	1,435	1,076
Php - Japanese Yen	9.60%	34	25	8.94%	3	2
Php - China Yuan	5.16%	(371)	(278)	5.14%	2,967	2,225
Php - Sri Lankan Rupee	9.41%	—	—	19.29%	(17)	(13)
Php - British Pound	5.42%	(4)	(3)	6.01%	(12)	(9)
Php - Bhutanese	7.01%	20	15	5.55%	15	11
Php - South Korean	6.43%	(710)	(532)	7.16%	(4,997)	(3,748)
Php - Nepalese	6.90%	89	67	5.42%	59	44
Php - Turkish Lira	9.58%	34	26	23.20%	73	55
Php - Lao Kip	7.12%	—	—	9.66%	1	1
Total		P131,990	P98,992		P71,832	P53,874

If the Philippine peso had weakened against the foreign currencies, the effect would be the reverse of the amounts presented.

Exposures to foreign currency rates vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis is considered to be a representative of the Company's currency risk.

(b) *Equity Price Risk*

Equity price risk is the probability that the value of an equity investment would deteriorate due to changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Company, through its Investment Committee, has established conservative guidelines and policies and constantly reviews them to align with the Company's risk appetite, business profile, targets and better control the risks inherent in equity investments.

The Company's own investment policy requires that it invests only in shares of common stock of companies listed in the PSE. Also, these listed companies must have profitable business operations and market capitalizations supportive of the overall strategic direction of the Company.

The Investment Committee regularly reviews and approves a list of publicly traded stocks authorized for investments on the basis of the foregoing considerations. Furthermore, the Investment Committee seeks to avoid unwarranted concentration of funds in a single asset class by regularly monitoring and limiting the proportion of equity investments to the Company's total investment portfolio. Further, exposure limits to a group of entities and single entities are established and monitored regularly.

As at December 31, 2024 and 2023, investments in listed equities accounted for 7% of the Company's total investment portfolio, respectively.

The observed volatility rates of the fair value of the Company's HFT securities and AFS financial assets held at fair value and their impact on the Company's income before income tax and equity as at and for the years ended December 31, 2024 and 2023 are summarized as follows:

	2024			2023		
	Observed Volatility Rates	Impact on Income before Income Tax Increase (Decrease)	Effect on Equity Increase (Decrease)	Observed Volatility Rates	Impact on Income before Income Tax Increase (Decrease)	Effect on Equity Increase (Decrease)
<b>HFT securities:</b>						
Common shares	12.28%	P28,445	P28,445	9.98%	P26,653	P26,653
<b>AFS financial Assets:</b>						
Common shares	12.28%	—	40,701	9.98%	—	31,782
Preferred shares	3.84%	—	4,295	27.73%	—	40,048
		P28,445	P73,441		P26,653	P98,483

If the same volatility in market value resulted to a decline in fair value, with all other variables remaining constant, the impact to HFT securities would be the reverse of the amounts presented above. While for AFS financial assets, a reduction on the income before income tax by P1.21 million and P3.06 million in 2024 and 2023, respectively.

(c) *Interest Rate Risk*

There are two types of interest rate risk:

- Fair Value Interest Rate Risk - the probability that the value of a financial instrument would deteriorate due to changes in market interest rates; and
- Cash Flow Interest Rate Risk - the probability that future cash flows of a financial instrument would deteriorate due to changes in market interest rates.

Significant portion of the Company's investments is composed mainly of fixed interest-bearing debt instruments carried at fair value. Its total consolidated bond holdings accounted for 87% and 86% of its total investment portfolio as at December 31, 2024 and 2023, respectively. As a result, the Company is exposed to fair value interest rate risk.

The Company does not carry debt instruments with variable interest rate and, thus, is not exposed to cash flow interest rate risk. Risk limits on issuer exposure, credit ratings, duration, and gapping of its portfolio are being monitored and managed to ensure protection of capital and address the Company's liquidity needs as they arise.

The analysis below details the impact of changes in market interest rate to the fair value of the Company's investment in fixed-rate debt instruments. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2024		
	Observed Volatility Rates	Effect in Other Comprehensive Income	
		Increase in variable	Decrease in variable
<b>Peso-denominated securities:</b>			
Government bonds	17.00%	P2,164,588	P2,573,607
<b>U.S. Dollar-denominated securities:</b>			
Government bonds	26.16%	(303)	339
Corporate bonds	16.57%	(30)	48
		<b>P2,164,255</b>	<b>P2,573,994</b>
	2023		
	Observed Volatility Rates	Effect in Other Comprehensive Income	
		Increase in variable	Decrease in variable
Peso-denominated securities:			
Government bonds	10.69%	P1,394,183	P1,521,088
U.S. Dollar-denominated securities:			
Government bonds	21.90%	187	768
Corporate bonds	25.88%	(5)	54
		<b>P1,394,365</b>	<b>P1,521,910</b>

In 2024 and 2023, the Company determined the reasonably possible change in interest rate based on the historical percentage changes in weighted average yield rates of outstanding investments of the Company.

## 5. CASH AND CASH EQUIVALENTS

This account consists of:

	2024	2023
Cash on hand and in banks	<b>P114,909</b>	P57,071
Short-term placements	<b>334,830</b>	214,732
	<b>P449,739</b>	P271,803

Cash in banks generally earn interest at rates based on daily bank deposit rates.

Short-term placements include time deposits and special deposit accounts made for varying periods of up to three months depending on the liquidity requirements of the Company.

Interest income recognized from cash in banks and short-term placements amounting to P18.53 million in 2024, P22.74 million in 2023, and P11.25 million in 2022, is presented as part of the Investment and other income and expenses – net account in the statements of income (see Note 22).

Peso short-term placements earn annual interest ranging from 3.60% to 6.25% in 2024, from 3.98% to 6.10% in 2023 and from 0.23% to 5.75% in 2022, while U.S. dollar short-term placements earn annual interest ranging from 2.33% to 5.55% in 2024, from 1.00% to 5.55% in 2023 and from 0.05% to 4.60% in 2022.

The Cash and cash equivalents account includes cash denominated in U.S. dollar amounting to \$2.68 million (P155.43 million) and \$1.86 million (P103.19 million) as at December 31, 2024 and 2023, respectively and cash denominated in Euro amounting to €0.36 million (P21.52 million) and €0.01 million (P0.34 million) as at December 31, 2024 and 2023, respectively.

## 6. REINSURANCE BALANCES RECEIVABLE – NET

The details of this account are as follows:

	<i>Note</i>	2024	2023
Due from ceding companies		<b>P5,100,971</b>	P4,198,419
Reinsurance recoverable on paid claims		<b>492,362</b>	524,868
Funds held by ceding companies		<b>266,217</b>	233,485
Due from reinsurers		<b>19,590</b>	1,060
		<b>5,879,140</b>	4,957,832
Allowance for impairment		<b>(499,208)</b>	(535,785)
	25	<b>P5,379,932</b>	P4,422,047

The movements in these accounts are as follows:

	<i>Notes</i>	2024				Total
		Due from ceding companies	Reinsurance recoverable on paid claims	Funds held by ceding companies	Due from reinsurers	
Balance at beginning of year		P4,198,419	P524,868	P233,485	P1,060	P4,957,832
Claims recoveries during the year	13, 23.1	–	681,644	–	–	681,644
Premiums written net of funds held during the year		5,475,909	–	–	–	5,475,909
Funds held during the year		–	–	548,552	–	548,552
Reclassification		488,554	70,439	(514,178)	18,530	63,345
Collections during the year		(5,057,260)	(788,062)	–	–	(5,845,322)
Foreign exchange revaluation		(4,651)	3,473	(1,642)	–	(2,820)
		5,100,971	492,362	266,217	19,590	5,879,140
Allowance for impairment		(148,245)	(349,878)	(25)	(1,060)	(499,208)
Balance at end of year		P4,952,726	P142,484	P266,192	P18,530	P5,379,932

  

	<i>Notes</i>	2023				Total
		Due from ceding companies	Reinsurance recoverable on paid claims	Funds held by ceding companies	Due from reinsurers	
Balance at beginning of year		P2,842,707	P474,212	P294,037	P1,060	P3,612,016
Claims recoveries during the year	13, 23.1	–	590,087	–	–	590,087
Premiums written net of funds held during the year		5,666,257	–	–	–	5,666,257
Funds held during the year		–	–	527,258	–	527,258
Reclassification		837,151	9,086	(592,519)	–	253,718
Collections during the year		(5,116,361)	(549,085)	–	–	(5,665,446)
Foreign exchange revaluation		(31,335)	568	4,709	–	(26,058)
		4,198,419	524,868	233,485	1,060	4,957,832
Allowance for impairment		(151,918)	(382,782)	(25)	(1,060)	(535,785)
Balance at end of year		P4,046,501	P142,086	P233,460	P–	P4,422,047

The Company's collections of these reinsurance receivable include collections equivalent to underwriting costs and claims deducted by cedants from their statements of accounts.

Reinsurance balances receivable are reviewed for any indicators of impairment as of reporting date and allowance for impairment is recognized when necessary.



A reconciliation of the allowance for impairment at the beginning and end of 2024 and 2023 is shown below.

2024					
	Due from ceding companies	Reinsurance recoverable on paid claims	Funds held by ceding companies	Due from reinsurers	Total
Balance at beginning of year	P151,918	P382,782	P25	P1,060	P535,785
Reversals	(3,677)	(36,344)	—	—	(40,021)
Revaluation	4	3,440	—	—	3,444
Balance at end of year	P148,245	P349,878	P25	P1,060	P499,208

  

2023					
	Due from ceding companies	Reinsurance recoverable on paid claims	Funds held by ceding companies	Due from reinsurers	Total
Balance at beginning of year	P163,492	P322,044	P25	P1,060	P486,621
Additions (Reversals)	(11,228)	59,853	—	—	48,625
Revaluation	(346)	885	—	—	539
Balance at end of year	P151,918	P382,782	P25	P1,060	P535,785

The fair value of these short-term financial assets is not individually determined as the carrying amount is considered a reasonable approximation of their fair value.

## 7. HELD-FOR-TRADING SECURITIES

This account is composed of the following:

	2024	2023
Equity securities	<b>P231,600</b>	P267,133
UITF	<b>216,358</b>	172,685
Forward asset	—	92,852
	<b>P447,958</b>	P532,670

Equity securities consist mainly of investment in companies listed in the PSE.

UITF is a collective investment scheme, wherein funds of investors are pooled together. Subscription and/or redemption to these UITFs are reflected through units of participation. This is managed by a professional fund manager and is invested in various underlying instruments, such as time deposits and government securities.

Forward asset pertains to the balances receivable from forward contract entered into by the Company.

The Company entered into the following forward contracts for the years ended December 31, 2024 and 2023

December 31, 2024		<i>in thousands</i>	
Transaction date	Settlement date	Receivable	Payable
April 26, 2024	July 29, 2024	P57,730	\$1,000
March 22, 2024	September 24, 2024	P168,915	\$3,000
May 13, 2024	November 14, 2024	P75,335	\$1,300
June 28, 2024	October 1, 2024	\$1,608	€1,500
September 19, 2024	December 5, 2024	P83,535	\$1,500
December 9, 2024	March 28, 2025	INR170,200	\$2,000

December 31, 2023		<i>in thousands</i>	
Transaction date	Settlement date	Receivable	Payable
December 31, 2022	June 27, 2023	\$1,608	€1,500
June 27, 2023	December 29, 2023	\$1,640	€1,500
December 29, 2023	June 28, 2024	\$1,671	€1,500

Outstanding forward contracts as at December 31, 2024 and December 31, 2023 are as follows:

**December 31, 2024**

<i>in thousands</i>			
Transaction date	Settlement date	Receivable	Payable
December 9, 2024	March 28, 2025	INR170,200	\$2,000

**December 31, 2023**

<i>in thousands</i>			
Transaction date	Settlement date	Receivable	Payable
December 29, 2023	June 28, 2024	\$1,671	€1,500

As at December 31, 2024 and 2023, the Company recognized forward asset and liability as follows:

	2024	2023
Forward asset	P–	P92,852
Forward liability	207	92,211

The net fair value losses on forward contracts amounted to P4.95 million, P3.12 million and P6.50 million in 2024, 2023 and 2022, respectively. This is recognized under Investment and other income and expenses – net in statements of income.

The details of the HFT securities are as follows:

	<i>Note</i>	<b>2024</b>	<b>2023</b>
Balance at beginning of year		<b>P532,670</b>	P289,520
Acquisitions		<b>3,251,907</b>	2,420,911
Disposals		<b>(3,344,267)</b>	(2,176,008)
Changes in fair value	22	<b>6,780</b>	11,778
Unrealized foreign currency gains (losses)		<b>868</b>	(13,531)
Balance at end of year		<b>P447,958</b>	P532,670

Dividend income earned from equities classified as HFT securities amounted to P6.60 million, P10.17 million and P3.56 million in 2024, 2023 and 2022, respectively (see Note 22).

## 8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

This account is composed of the following:

	<b>2024</b>	<b>2023</b>
Debt securities	<b>P4,795,729</b>	P4,837,283
Equity securities - net	<b>443,229</b>	426,376
Investment in ARC shares	<b>40,783</b>	36,563
	<b>P5,279,741</b>	P5,300,222

Debt securities include investments in corporate bonds and government securities.

Debt securities earn interest at annual rates ranging from 1.38% to 8.63% in 2024 and 2023, and 1.10% to 8.63% in 2022. Interest income amounting to P253.49 million in 2024, P211.04 million in 2023 and P149.45 million in 2022, is presented as part of Investment and other income and expenses – net account in the statements of income (see Note 22).

The following presents the fair value of debt securities by contractual maturity dates:

	<b>2024</b>	<b>2023</b>
Due within one year	<b>P73,644</b>	P796,988
Due after one year through five years	<b>3,819,270</b>	2,801,792
Due after five years through ten years	<b>897,635</b>	1,233,140
Due after ten years	<b>5,180</b>	5,363
	<b>P4,795,729</b>	P4,837,283

The balance of equity securities classified as AFS financial assets consists of:

	2024	2023
Cost:		
Quoted in the stock exchange	<b>P386,522</b>	P395,422
Not quoted in the stock exchange	<b>8,465</b>	10,834
	<b>394,987</b>	406,256
Unrealized foreign currency gains	<b>1,912</b>	1,301
Fair value gains:		
Quoted in the stock exchange	<b>46,060</b>	18,013
Not quoted in the stock exchange	<b>270</b>	806
	<b>46,330</b>	18,819
	<b>P443,229</b>	P426,376

Equity securities consist mainly of investment in companies listed in the PSE.

Dividend income from these equity securities amounting to P19.70 million in 2024, P21.71 million in 2023 and P32.99 million in 2022, is presented under the Investment and other income and expenses – net account in the statements of income (see Note 22).

The shares of ARC have been issued in the name of the Government of the Philippines (GoP) as the Philippine government's participation in the joint undertaking of Asian countries to organize a reinsurance company that will service the needs of the region. The GoP assigned such shares, including any interest accruing thereon, to the Company.

The GoP designated the Company as the national institution authorized to subscribe and pay for the said shares of stock. The shares of stock of ARC, while not for sale, were classified under this category since these do not qualify for inclusion in any other categories of financial assets. The fair value of investment in ARC shares amounted to P40.78 million and P36.56 million as at December 31, 2024 and 2023, respectively.

The reconciliation of the carrying amount of AFS financial assets is as follows:

	<i>Notes</i>	<b>2024</b>	<b>2023</b>
<b>Cost</b>			
Balance at beginning of year		<b>P5,318,019</b>	P4,910,901
Acquisitions		<b>2,144,331</b>	1,808,498
Disposals/maturities		<b>(2,216,194)</b>	(1,397,533)
Impairment losses		<b>(22,222)</b>	(2,515)
Unrealized foreign currency gains (losses)		<b>24,838</b>	(1,332)
		<b>5,248,772</b>	5,318,019
<b>Fair value adjustment</b>			
Balance at beginning of year		<b>(17,797)</b>	(102,926)
Changes in fair value		<b>2,553</b>	100,691
Fair value losses (gains) on disposal	22	<b>23,991</b>	(18,077)
Impairment losses	22	<b>22,222</b>	2,515
		<b>30,969</b>	(17,797)
Balance at end of year		<b>P5,279,741</b>	P5,300,222

Fair value gains or losses recognized in the statements of comprehensive income (loss) amounted to fair value gains of P2.55 million and P100.69 million in 2024 and 2023, respectively, and fair value losses of P232.51 million in 2022.

In 2017 and 2018, the Company reclassified certain investments classified under AFS financial assets to HTM securities amounting to P1.56 billion (see Note 9) and to Other assets amounting to P0.88 million.

The Company recognized an impairment loss amounting to P22.22 million, P2.52 million and P124.00 million, in 2024, 2023 and 2022, respectively, which pertains to certain investments in equity securities with significant or prolonged decline in fair values. These were recorded as part of Investment and other income and expenses – net account in the statements of income (see Note 22) after transferring the same amount of fair value losses on AFS financial assets from the Other comprehensive income account.

The Company sold AFS financial assets with carrying amount of P2.22 billion in 2024, P1.40 billion in 2023 and P3.21 billion in 2022. Accordingly, the Company recognized loss on sale of AFS financial assets amounting to P23.99 million in 2024 and gain on sale of AFS financial assets amounting to P18.08 million and P23.65 million in 2023 and 2022, respectively. These are presented as part of Investment and other income and expenses – net account in the statements of income (see Note 22).

Fair value losses of P46.21 million and P100.35 million in 2024 and 2022, respectively and fair value gains of P15.56 million in 2023 as presented in the statements of comprehensive income (loss), were reclassified to profit or loss (see Note 22).

The fair value of majority of the AFS financial assets has been determined directly by reference to published prices in active market (see Note 33.2).

## 9. HELD-TO-MATURITY SECURITIES

The following presents the carrying value of corporate and government securities by contractual maturity dates:

	2024	2023
Due within one year	<b>P988,028</b>	P521,554
Due after one year through five years	<b>1,482,905</b>	1,801,209
Due after five years through ten years	<b>1,306,109</b>	1,371,911
More than ten years	<b>247,457</b>	217,471
	<b>P4,024,499</b>	P3,912,145

The reconciliation of the carrying amount of HTM securities is as follows:

	2024	2023
Balance at beginning of year	<b>P3,912,145</b>	P3,058,524
Additions	<b>670,413</b>	1,175,516
Maturities	<b>(571,528)</b>	(324,062)
Amortization	<b>5,539</b>	3,576
Unrealized foreign currency gains (losses)	<b>7,930</b>	(1,409)
Balance at end of year	<b>P4,024,499</b>	P3,912,145

In May 2017, the Company's BOD approved the reclassification of certain investment in corporate bonds amounting to P1.09 billion previously classified as AFS financial assets to HTM securities due to change in intention to collecting interest coupons until maturity. New effective interest rates at the date of reclassification range from 2.36% to 6.24%.

In September 2018, the Company's BOD approved the reclassification of certain government securities from AFS financial assets to HTM securities amounting to P473.13 million with face value of P562.50 million (see Note 8). These are earmarked as security for the benefit of cedants and creditors of the Company in accordance with the provisions of the Insurance Code. The new effective interest rate at the date of reclassification is 7.13%.

As at December 31, 2024 and 2023, the fair value of the reclassified debt securities amounted to P0.58 billion and P0.66 billion, respectively, and the unamortized fair value gain that would have been recognized in other comprehensive income if the AFS financial assets had not been reclassified amounted to P2.83 million and P6.92 million for the years ended December 31, 2024 and 2023, respectively.

The carrying amount of the reclassified debt securities amounted to P0.58 billion and P0.65 billion as at December 31, 2024 and 2023, respectively.

In 2024, 2023 and 2022, the Company recognized interest income on HTM securities amounting to P203.68 million, P172.02 million and P126.23 million, respectively (see Note 22).

## 10. OTHER INVESTMENTS

As at December 31, 2024 and 2023, the Company's Other investments account amounted to nil and P252.83 million, respectively. This includes time deposits denominated in U.S. dollar amounting to nil and \$4.46 million (P247.83 million) as at December 31, 2024 and 2023, respectively.

Other investments consist of short-term placements with maturity periods of more than three (3) months but less than one (1) year.

Interest income recognized from other investments amounted to P7.55 million, P12.06 million and P3.26 million in 2024, 2023 and 2022, respectively, is presented as part of the Investment and other income and expenses – net account in the statements of income (see Note 22).

Peso short-term placements earn annual interest of 6.00% in 2024, from 5.25% to 6.00% in 2023 and 5.25% in 2022 while U.S. dollar short-term placements earn annual interest ranging from 5.15% to 5.55% in 2024, from 3.05% to 5.55% in 2023 and from 3.05% to 4.65% in 2022.

## 11. LOANS AND RECEIVABLES

This account is comprised of the following:

	<i>Notes</i>	<b>2024</b>	2023
Current:			
Loans and notes receivable		<b>P21,881</b>	P16,391
Dividend and interest receivable		<b>99,119</b>	88,930
	<i>35</i>	<b>121,000</b>	105,321
Non-current:			
Loans and notes receivable	<i>35</i>	<b>6,614</b>	4,246
		<b>P127,614</b>	P109,567

Loans and notes receivable include car loans extended to certain officers as part of their benefits. These loans are collected through salary deductions for a period of five years with an annual effective interest rate of 8.00%.

Interest income on Loans and notes receivable amounting to P0.67 million in 2024, P0.46 million in 2023 and P0.41 million in 2022, is presented as part of Investment and other income and expenses – net account in the statements of income (see Note 22).

The carrying value of these financial assets approximate their fair value as the interest rates approximate the prevailing market interest rates. No impairment loss was recognized for loans and receivables in 2024, 2023 and 2022.

## 12. PROPERTY AND EQUIPMENT – NET

A reconciliation of the carrying amount at the beginning and end of 2024 and 2023 of property and equipment is shown below.

2024						
Note	Condominium Unit	Office Improvements	Transportation Equipment	EDP Equipment	Office Furniture and Equipment	Total
<b>Cost</b>						
Balance at beginning of year	P101,310	P25,285	P9,781	P20,405	P11,350	P168,131
Additions	–	–	4,527	1,811	–	6,338
Disposals/retirement	–	–	(1,133)	–	–	(1,133)
Balance at end of year	101,310	25,285	13,175	22,216	11,350	173,336
<b>Accumulated Depreciation</b>						
Balance at beginning of year	81,611	15,287	3,458	14,460	11,151	125,967
Depreciation	24 3,377	2,522	2,249	2,088	25	10,261
Disposals/retirement	–	–	(1,133)	–	–	(1,133)
Balance at end of year	84,988	17,809	4,574	16,548	11,176	135,095
<b>Net Book Value</b>	<b>P16,322</b>	<b>P7,476</b>	<b>P8,601</b>	<b>P5,668</b>	<b>P174</b>	<b>P38,241</b>

  

2023						
Note	Condominium Unit	Office Improvements	Transportation Equipment	EDP Equipment	Office Furniture and Equipment	Total
<b>Cost</b>						
Balance at beginning of year	P101,310	P25,241	P10,233	P23,478	P11,225	P171,487
Additions	–	44	3,192	3,476	125	6,837
Disposals/retirement	–	–	(3,644)	(6,549)	–	(10,193)
Balance at end of year	101,310	25,285	9,781	20,405	11,350	168,131
<b>Accumulated Depreciation</b>						
Balance at beginning of year	78,234	12,721	5,150	19,115	11,104	126,324
Depreciation	24 3,377	2,566	1,617	1,894	47	9,501
Disposals/retirement	–	–	(3,309)	(6,549)	–	(9,858)
Balance at end of year	81,611	15,287	3,458	14,460	11,151	125,967
<b>Net Book Value</b>	<b>P19,699</b>	<b>P9,998</b>	<b>P6,323</b>	<b>P5,945</b>	<b>P199</b>	<b>P42,164</b>

The Company sold and retired certain assets with book value of nil, P0.34 million and P1.56 million in 2024, 2023 and 2022, respectively, and recognized net gain amounting to nil in 2024 and 2022 and P0.42 million in 2023. The net gain is presented under Gain on sale of non-financial assets under Investment and other income and expenses – net account in the statements of income (see Note 22).

The original cost of fully depreciated property and equipment that are still in use amounted to P23.65 million and P23.11 million as at December 31, 2024 and 2023, respectively.

ROU assets capitalized are recognized as part of EDP Equipment. As at December 31, 2024 and 2023, ROU assets and Lease liabilities amounted to P0.29 million and P0.47 million, respectively.

In 2024, 2023 and 2022, depreciation associated with ROU assets amounted to P0.18 million, P0.31 million and P0.37 million, respectively.



### 13. REINSURANCE RECOVERABLE ON REPORTED CLAIMS AND CLAIMS RESERVES – NET

The Reinsurance recoverable on reported claims and claims reserves account consists of:

	2024	2023
Reinsurance recoverable on reported claims	<b>P2,008,149</b>	P2,420,243
Reinsurance recoverable on claims reserves	<b>839,303</b>	848,171
Balance at end of year	<b>P2,847,452</b>	P3,268,414

The movements in the accounts are as follows:

	Notes	Reinsurance recoverable on reported claims	Reinsurance recoverable on claims reserves
December 31, 2024			
Balance at beginning of year		<b>P2,563,832</b>	<b>P848,171</b>
Claims reported during the year	23.1	293,095	–
Transferred to reinsurance recovered on paid claims	6, 23.1	(681,644)	–
Claims incurred but not reported, net of adjustments	23.2	–	(8,868)
Reclassification		(5,637)	–
Foreign exchange revaluation		812	–
		<b>2,170,458</b>	<b>839,303</b>
Allowance for impairment		(162,309)	–
Balance at end of year		<b>P2,008,149</b>	<b>P839,303</b>
December 31, 2023			
Balance at beginning of year		P3,012,754	P923,491
Claims reported during the year	23.1	165,218	–
Transferred to reinsurance recovered on paid claims	6, 23.1	(590,087)	–
Claims incurred but not reported, net of adjustments	23.2	–	(75,320)
Reclassification		(18,697)	–
Foreign exchange revaluation		(5,356)	–
		<b>2,563,832</b>	<b>848,171</b>
Allowance for impairment		(143,589)	–
Balance at end of year		<b>P2,420,243</b>	<b>P848,171</b>

All of the Company's reinsurance recoverable on reported claims and claims reserves have been reviewed for indicators of impairment. Certain reinsurance recoverable on reported claims was found to be impaired and provisions have been recorded accordingly.

The movement in the allowance for impairment with respect to Reinsurance recoverable on reported claims during the year is as follows:

	2024	2023
Balance at beginning of year	<b>P143,589</b>	P135,238
Additions	<b>18,720</b>	9,845
Foreign exchange revaluation	–	(1,494)
Balance at end of year	<b>P162,309</b>	P143,589

#### 14. DEFERRED ACQUISITION COSTS

The movements in this account are as follows:

	Note	2024	2023
Balance at beginning of year		<b>P761,412</b>	P701,341
Cost deferred during the year		<b>1,313,370</b>	936,967
Cost recognized during the year	23.3	<b>(978,158)</b>	(876,896)
Balance at end of year		<b>P1,096,624</b>	P761,412

The amortization of deferred acquisition costs for the year is presented as part of Commissions – net under Underwriting deductions in the statements of income (see Note 23.3).

#### 15. DEFERRED REINSURANCE PREMIUMS

The movements in this account are as follows:

	2024	2023
Balance at beginning of year	<b>P652,736</b>	P606,068
Premiums retroceded during the year	<b>1,525,895</b>	1,428,420
Premiums amortized during the year	<b>(1,530,961)</b>	(1,381,752)
Balance at end of year	<b>P647,670</b>	P652,736

The movements in deferred reinsurance premiums for the year are presented as part of Movement in premium reserves – net account in the statements of income.

## 16. OTHER ASSETS – NET

This account is composed of the following:

	2024	2023
Input Value Added Tax (VAT)	<b>P196,606</b>	P198,583
Receivable from BIR	<b>53,065</b>	53,065
Intangible assets – net	<b>34,021</b>	645
Prepayments	<b>15,558</b>	5,722
Deferred creditable tax	<b>11,984</b>	12,077
Deferred withholding VAT	<b>9,203</b>	9,203
Investment properties – net	<b>3,705</b>	3,705
Deposit	<b>700</b>	720
Security fund	<b>644</b>	644
Deferred input VAT	<b>64</b>	155
Others	<b>136</b>	136
	<b>325,686</b>	284,655
Allowance for impairment	<b>(209,633)</b>	(209,633)
	<b>P116,053</b>	P75,022

In 2024 and 2023, there is no change in the amount of allowance for impairment with respect to the balances disclosed above.

### *Input VAT*

The input VAT pertains to the 12% tax paid by the Company on commissions and local purchase of goods or services. The input VAT is recorded at cost. It is used to offset against output VAT due to the BIR.

### *Receivable from BIR*

Receivable from BIR account pertains to the amount collected by the BIR on April 20, 2022 in relation to the Final Decision on Disputed Assessment (FDDA) for VAT deficiency issued for the taxable year 2016 (see Note 36).

### *Intangible Assets – net*

Intangible assets pertain to acquired computer software licenses used in operation and administration. The gross carrying amount and accumulated amortization of intangible assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
Cost	<b>P197,310</b>	P163,289
Accumulated amortization	<b>(163,289)</b>	(162,644)
Balance at end of year	<b>P34,021</b>	P645

A reconciliation of the carrying amount at the beginning and end of 2024 and 2023, of intangible assets is shown below.

	<i>Note</i>	<b>2024</b>	<b>2023</b>
Balance at beginning of year, net of accumulated amortization		<b>P645</b>	P4,733
Additions		<b>34,021</b>	—
Amortization	<i>24</i>	<b>(645)</b>	(4,088)
Balance at end of year, net of accumulated amortization		<b>P34,021</b>	P645

#### *Prepayments*

Prepayments pertain to software licenses and support maintenance costs and prepaid health and group life insurance premiums of the Company.

#### *Investment Properties – net*

Investment properties consist of land which are owned for capital appreciation. The carrying amount of the investment properties as at December 31, 2024 and 2023 is P3.71 million.

The total estimated fair value based on the latest available selling price of the properties obtained by the Company amounted to P34.25 million and P34.21 million as at December 31, 2024 and 2023, respectively (see Note 33.4).

#### *Security Fund*

Security fund represents amount deposited with the IC, as required by the IC, and in instances of the Company becoming insolvent, can be used as payment for valid claims against the Company. The balance of the fund earns interest at rates determined by the IC annually.

#### *Deferred Input VAT*

Deferred input VAT pertains to VAT from the purchase of goods and services that are due to the suppliers as at reporting date.

## 17. REINSURANCE BALANCES PAYABLE

The details of this account are as follows:

	<i>Note</i>	<b>2024</b>	<b>2023</b>
Due to retrocessionaires		<b>P2,040,010</b>	P2,189,380
Due to cedant		<b>32,671</b>	93,370
Funds held for retrocessionaires		<b>17,166</b>	18,863
	<b>25</b>	<b>P2,089,847</b>	P2,301,613

### *Due to retrocessionaires*

Due to retrocessionaires represent unpaid premiums payable to the Company's retrocessionaires.

### *Funds held for retrocessionaires*

Funds held for retrocessionaires represent portion of the reinsurance premium ceded to retrocessionaires, which were withheld by the Company in accordance with reinsurance agreements.

The Company's payments of these reinsurance liabilities are netted by the retrocessionaires' share in underwriting costs and claims paid.

The movements in these accounts are shown below.

	<i>Note</i>	2024			Total
		Due to retrocessionaires	Due to cedant	Funds held for retrocessionaires	
Balance at beginning of year		<b>P2,189,380</b>	<b>P93,370</b>	<b>P18,863</b>	<b>P2,301,613</b>
Retroceded premiums net of funds held during the year		<b>1,480,744</b>	—	—	<b>1,480,744</b>
Funds held during the year		—	—	<b>45,151</b>	<b>45,151</b>
Funds released during the year		<b>38,733</b>	—	<b>(38,733)</b>	—
Reclassification		<b>9,122</b>	<b>(59,379)</b>	<b>(8,115)</b>	<b>(58,372)</b>
Payments made during the year		<b>(1,681,442)</b>	—	—	<b>(1,681,442)</b>
Foreign exchange revaluation		<b>3,473</b>	<b>(1,320)</b>	—	<b>2,153</b>
Balance at end of year	<b>25</b>	<b>P2,040,010</b>	<b>P32,671</b>	<b>P17,166</b>	<b>P2,089,847</b>

  

	<i>Note</i>	2023			Total
		Due to retrocessionaires	Due to cedant	Funds held for retrocessionaires	
Balance at beginning of year		P1,935,262	P97,606	P21,636	P2,054,504
Retroceded premiums net of funds held during the year		1,385,724	—	—	1,385,724
Funds held during the year		—	—	42,696	42,696
Funds released during the year		45,464	—	(45,464)	—
Reclassification		13,966	(4,078)	35	9,923
Payments made during the year		(1,187,621)	—	—	(1,187,621)
Foreign exchange revaluation		(3,415)	(158)	(40)	(3,613)
Balance at end of year	<b>25</b>	P2,189,380	P93,370	P18,863	P2,301,613

## 18. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account includes the following:

	<i>Note</i>	<b>2024</b>	<b>2023</b>
Accounts payable and accrued expenses		<b>P222,534</b>	P159,685
Income tax payable		<b>81,674</b>	260,277
Deposit liability		<b>38,631</b>	65,116
Deferred output VAT		<b>25,615</b>	25,655
Withholding taxes payable		<b>9,562</b>	5,044
Defined benefit liability	24.2(b)	<b>8,206</b>	4,260
Dividends payable	27.3	<b>1,662</b>	1,677
		<b>P387,884</b>	P521,714

Accounts payable represent balances due to suppliers or for the purchase of goods or services. This includes accrued expenses pertaining to accruals of professional fees, outside services, utilities, uniforms, membership dues and meeting expenses and the related input VAT.

Income tax payable as at December 31, 2024 and 2023 pertains to amount due by the Company as a result of taxable income for the year using tax rates enacted at the reporting date, after deducting the creditable withholding taxes and prepaid income taxes.

In February 13, 2020, the Company entered into an ordinary life coinsurance agreement with a ceding company for its specific in-force block of business, where it assumed a share of the gross premium in return for a proportionate share of the coverage of all benefits. An initial consideration of P211.10 million was transferred to the Company representing the statutory reserves of the underlying contracts. As the related insurance risk of the underlying contracts was not considered significant, this contract was accounted for as a Deposit liability. The statutory reserves are measured based on the assumptions consistent with the Life's valuation standards set by the IC.

Movements resulting from the remeasurement of the statutory reserves are recognized as Movement in deposit liability as reported under Investment and other income and expenses – net account (see Note 22). As at December 31, 2024 and 2023, the statutory reserves amounted to P38.63 million and P65.12 million, respectively.

Deferred output VAT pertains to VAT from the sale of goods and services that are still outstanding as at year-end. These amounts are not due for remittance to the BIR until the receivables are collected.

Other than the statutory reserves discussed above, the Management considers the carrying amount of accounts payable and accrued expenses recognized in the statements of financial position to be a reasonable approximation of their fair value due to their short duration.

## 19. CLAIMS AND CLAIMS RESERVES

Claims and claims reserves are losses due to ceding companies under reinsurance agreements inclusive of reserves for IBNR claims, loss adjustment expenses payable and MfAD as shown below.

The claims and claims reserves account consist of:

	2024	2023
Claims	<b>P5,637,256</b>	P4,715,341
Claims reserves	<b>4,195,145</b>	4,014,228
	<b>P9,832,401</b>	P8,729,569

December 31, 2024	Notes	Claims	Claims Reserves
Balance at beginning of year		<b>P4,715,341</b>	<b>P4,014,228</b>
Claims incurred during the year – net	23.1	<b>3,531,095</b>	–
Claims incurred but not reported, net of adjustments	23.2	–	<b>180,917</b>
Reclassification		<b>116,080</b>	–
Claims paid during the year	23.1	<b>(2,752,859)</b>	–
Foreign exchange revaluation		<b>27,599</b>	–
Balance at end of year		<b>P5,637,256</b>	<b>P4,195,145</b>

December 31, 2023	Notes	Claims	Claims Reserves
Balance at beginning of year		P5,483,419	P2,825,811
Claims incurred during the year – net	23.1	1,823,340	–
Claims incurred but not reported, net of adjustments	23.2	–	1,188,417
Reclassification		225,098	–
Claims paid during the year	23.1	(2,757,931)	–
Foreign exchange revaluation		(58,585)	–
Balance at end of year		P4,715,341	P4,014,228

## 20. PREMIUM RESERVES

The movements in Premium reserves are as follows:

	2024	2023
Balance at beginning of year	<b>P2,222,665</b>	P1,692,288
Premiums written during the year	<b>6,024,461</b>	6,193,515
Premiums earned during the year	<b>(6,386,481)</b>	(5,663,138)
Balance at end of year	<b>P1,860,645</b>	P2,222,665

The movements in premium reserves for the year are presented as part of Movement in premium reserves – net account in the statements of income.

## 21. DEFERRED REINSURANCE COMMISSIONS

The movements in Deferred reinsurance commissions are as follows:

	<i>Note</i>	<b>2024</b>	<b>2023</b>
Balance at beginning of year		<b>P3,491</b>	P12,536
Income deferred during the year		<b>20,967</b>	33,227
Income recognized during the year	23.3	<b>(22,137)</b>	(42,272)
Balance at end of year		<b>P2,321</b>	P3,491

The amortization of deferred reinsurance commissions for the year is presented as part of Commissions – net under Underwriting deductions in the statements of income (see Note 23.3).

## 22. INVESTMENT AND OTHER INCOME AND EXPENSES – NET

The details of this account are as follows:

	<i>Notes</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Interest income (expense):				
Cash and cash equivalents	5	<b>P18,528</b>	P22,739	P11,246
AFS financial assets	8	<b>253,493</b>	211,035	149,447
HTM securities	9	<b>203,681</b>	172,024	126,230
Other investments	10	<b>7,551</b>	12,055	3,257
Loans and receivables	11	<b>671</b>	463	412
Others		<b>(122)</b>	(27)	971
Fair value gains (losses) on HFT securities	7	<b>39,664</b>	8,094	(8,678)
Dividend income	7, 8	<b>26,303</b>	31,883	36,545
Foreign currency gains		<b>13,446</b>	18,063	13,964
(Loss) gains on sale of AFS financial assets	8	<b>(23,991)</b>	18,077	23,647
Impairment loss on AFS financial assets	8	<b>(22,222)</b>	(2,515)	(123,998)
Fair value losses from forward contract	7	<b>(4,947)</b>	(3,122)	(6,498)
Movement in deposit liability	18	<b>(1,852)</b>	(3,515)	499
Gain on sale of non-financial assets	12	<b>–</b>	417	–
Other income (charges)		<b>22,878</b>	(9,214)	(11,655)
		<b>P533,081</b>	P476,457	P215,389

## 23. UNDERWRITING DEDUCTIONS

The Claims and claims reserves – net account consists of:

	<i>Notes</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Change in reported claims – net	23.1	<b>P3,238,000</b>	P1,658,122	P2,225,434
Change in claims reserves – net	23.2	<b>189,785</b>	1,263,737	(288,588)
		<b>P3,427,785</b>	P2,921,859	P1,936,846



### 23.1 Change in Reported Claims – Net

	Notes	2024	2023	2022
Gross claims paid	19	<b>P2,752,859</b>	P2,757,931	P2,893,475
Retrocessionaires' share in claims paid	6, 13	<b>(681,644)</b>	(590,087)	(661,366)
Gross change in provision for claims reported	19	<b>778,236</b>	(934,591)	1,370,759
Retrocessionaires' share in change in provision for claims reported	13	<b>388,549</b>	424,869	(1,377,434)
		<b>P3,238,000</b>	P1,658,122	P2,225,434

### 23.2 Change in Claims Reserves – Net

	Notes	2024	2023	2022
Gross change in provision for IBNR	19	<b>P180,917</b>	P1,188,417	(P277,128)
Retrocessionaires' share in change in provision for IBNR	13	<b>8,868</b>	75,320	(11,460)
		<b>P189,785</b>	P1,263,737	(P288,588)

### 23.3 Commissions – Net

This account consists of the following:

	Notes	2024	2023	2022
Commission expense	14	<b>P978,158</b>	P876,896	P883,224
Commission income	21	<b>(22,137)</b>	(42,272)	(56,514)
		<b>P956,021</b>	P834,624	P826,710

Commission expense refers to the amortized portion of the fees deducted by ceding companies from reinsurance premiums assumed under reinsurance agreements, while commission income pertains to the amortization for the year of the fees charged by the Company related to reinsurance premiums retroceded under retrocession agreements.

## 24. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	<i>Notes</i>	<b>2024</b>	2023	2022
Salaries and employee benefits	24.1	<b>P227,386</b>	P196,546	P191,720
Data, licenses and subscriptions		<b>26,365</b>	24,052	22,546
Professional fees		<b>22,206</b>	22,706	25,500
Repairs and maintenance		<b>20,504</b>	11,247	9,166
Depreciation and amortization	12, 16	<b>10,906</b>	13,589	16,455
Outsourced functions		<b>6,230</b>	6,261	7,550
Taxes, licenses and fees		<b>5,439</b>	5,903	31,184
Meetings, conferences and conventions		<b>4,291</b>	2,535	1,235
Dues and fees		<b>4,115</b>	3,685	3,630
Advertising and publicity		<b>3,817</b>	2,932	2,935
Communication and postages		<b>2,691</b>	2,776	3,809
Light and water		<b>1,472</b>	1,368	1,321
Insurance		<b>1,065</b>	879	1,072
Representation and entertainment		<b>957</b>	519	598
Printing and office supplies		<b>552</b>	414	287
Rental	31.1	<b>471</b>	264	179
Impairment losses	6, 13	<b>—</b>	58,470	1,789
Miscellaneous		<b>15,201</b>	10,974	9,367
		<b>P353,668</b>	P365,120	P330,343

### *Data, licenses and subscriptions*

Data, licenses and subscription are the amortized portion of subscriptions paid for the use of various computer licensed software.

### *Professional fees*

Professional fees are the expenses charged for external services engaged such as consultancy, external audit, legal and actuarial services.

### *Taxes, licences and fees*

Taxes, licenses and fees consist of payments made for the local and national taxes, tax deficiency assessments, business permits and licenses.

### **24.1 Salaries and Employee Benefit Expense**

The details of salaries and employee benefits are presented below.

	<i>Note</i>	<b>2024</b>	2023	2022
Short-term employee benefits		<b>P207,883</b>	P178,493	P167,585
Post-employment defined benefit	24.2	<b>13,971</b>	12,013	11,521
Compensated absences		<b>5,532</b>	6,040	12,614
		<b>P227,386</b>	P196,546	P191,720

## 24.2 *Post-employment Defined Benefit*

### (a) *Characteristics of the Defined Benefit Plan*

The Company maintains a wholly-funded, tax-qualified, non-contributory post-employment defined benefit plan retirement plan that is being administered by a trustee covering all regular full-time employees.

The normal retirement age is 60 with a minimum of 10 years of credited service. The plan also provides for an early retirement at age 50 with a minimum of 10 years of credited service. Normal retirement benefit is an amount equivalent to 175% of the final monthly covered compensation (average monthly basic salary during the last 12 months of credited service) for every year of credited service.

### (b) *Explanation of Amounts Presented in the Financial Statements*

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation reports obtained from an independent actuary in 2024 and 2023. The amount of defined benefit liability as at December 31, 2024 and 2023 is presented as part of Accounts payable and accrued expenses (see Note 18) and are recognized in the statements of financial position determined as follows:

	2024	2023
Fair value of the plan assets	<b>P96,434</b>	P93,510
Present value of the obligation	<b>(104,640)</b>	(97,770)
	<b>(P8,206)</b>	(P4,260)

The movements in the fair value of plan assets are presented below.

	2024	2023
Balance at beginning of year	<b>P93,510</b>	P77,675
Interest income	<b>5,657</b>	5,445
Return on plan assets	<b>(1,448)</b>	2
Contributions paid into the plan	<b>13,971</b>	12,013
Benefits paid by the plan	<b>(15,256)</b>	(1,625)
Balance at end of year	<b>P96,434</b>	P93,510

The movements in the present value of the retirement benefit obligation are as follows:

	<i>Note</i>	<b>2024</b>	<b>2023</b>
Balance at beginning of year		<b>P97,770</b>	P79,681
Current service cost	<i>24.1</i>	<b>13,971</b>	12,013
Interest expense		<b>5,915</b>	5,585
Remeasurements – actuarial losses (gains) arising from:			
Experience adjustments		<b>2,696</b>	(3,094)
Changes in financial assumptions		<b>(456)</b>	5,210
Benefits paid by the plan		<b>(15,256)</b>	(1,625)
Balance at end of year		<b>P104,640</b>	P97,770

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown below.

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	<b>P2,611</b>	P1,134
Philippine government securities	<b>67,788</b>	68,115
Equity securities	<b>15,959</b>	15,469
Corporate notes	<b>6,840</b>	7,765
Mutual fund	<b>2,359</b>	514
Loans and receivables	<b>1,182</b>	1,077
Accounts payable	<b>(305)</b>	(564)
	<b>P96,434</b>	P93,510

The fair value of the equity and government bonds are determined based on quoted market prices in active markets.

The return on plan assets amounted to a gain of P4.21 million and P5.45 million in 2024 and 2023, respectively and a loss of P3.97 million in 2022.

Plan assets do not comprise any of the Company's own financial instruments.

The components of amounts recognized in the statements of income and in other comprehensive income in respect of the defined benefit post-employment plan are as follows:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
<i>Reported in statements of income:</i>			
Current service cost	<b>P13,971</b>	P12,013	P11,521
Net interest expense (income)	<b>258</b>	140	(477)
	<b>P14,229</b>	P12,153	P11,044

	2024	2023	2022
<i>Reported in other comprehensive loss (income):</i>			
Actuarial losses (gains) arising from:			
Experience adjustments	<b>P2,696</b>	(P3,094)	(P1,472)
Changes in financial assumptions	<b>(456)</b>	5,210	(6,373)
Return on plan assets (excluding amounts included in net interest)	<b>1,448</b>	(2)	8,726
	<b>P3,688</b>	P2,114	P881

Current service cost and settlement gain, if any, are presented as part of Salaries and employee benefits; while net interest income or expense is presented as part of Interest income under Investment and other income and expenses – net account (see Note 22).

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined benefit post-employment obligation, the following significant actuarial assumptions were used:

	2024	2023	2022
Discount rate	<b>6.12%</b>	6.05%	7.01%
Expected rate of salary increase	<b>6.00%</b>	6.00%	6.00%
Employee turn-over rate	<b>10.00%</b>	10.00%	10.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 65 is 27. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk, salary risk and inflation risk.

(i) *Investment and Interest Risks*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Currently, the plan has investments in cash and cash equivalents, debt securities, mutual funds, equity securities, and loans and receivables. Due to the long-term nature of the plan obligation, a level of continuing equity and debt investments is an appropriate element of the Company's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(iii) *Inflation Risk*

A significant proportion of the defined benefit obligation is linked to inflation. The increase in inflation will increase the Company's liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described as follows:

(i) *Sensitivity Analysis*

The following tables summarize the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit asset/liability:

December 31, 2024	Impact on Defined Benefit Liability		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	+/- 1.0%	(P6,100)	P6,999
Salary growth	+/- 1.0%	6,850	(6,266)
Turn-over rate	+/- 10.0%	(892)	892
December 31, 2023	Impact on Defined Benefit Liability		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	+/- 1.0%	(P5,415)	P6,197
Salary growth	+/- 1.0%	6,056	(5,552)
Turn-over rate	+/- 10.0%	(779)	779

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit asset recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

*(ii) Asset-liability Matching Strategies*

The Company applies asset-liability matching techniques to maximize investment returns at the least risk to reduce contribution requirements while maintaining a stable retirement fund. Retirement funds are invested to ensure that liquid funds are available when benefits become due, to minimize losses due to investment pre-terminations, and maximize opportunities for higher potential returns at the least risk.

The Company is guided by a formal Asset-Liability Management Study conducted by an independent actuary. In the study, expected benefit payments are projected and classified into short-term, medium-term or long-term liabilities. Investment instruments that would match the liabilities are identified. Finally, the investment mixes that would yield the maximum returns at certain risk levels are identified.

The study is conducted annually to capture changes in the demographic profile of the employees and changes in the economic environment affecting the amounts of maturing obligations and rates of return of available investment instruments.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of the plan assets as at December 31, 2024 and 2023 consists of debt and equity securities, although the Company also invests in cash equivalents, mutual fund and loans and receivables. The Company believes that debt securities offer the most secure returns over the long term as they have the least acceptable level of risk which is in line with their asset-liability matching techniques.

There has been no change in the Company's strategies to manage its risks from previous periods.

(iii) *Funding Arrangements and Expected Contributions*

The plan is currently underfunded by P8.21 million based on the latest actuarial valuation. The Company may contribute annually to the retirement fund an amount equivalent to the current service cost. It may also contribute the needed amount to pay for retirement benefits becoming due that cannot be covered by the retirement fund. Tactical funding shall be employed on a year-to-year basis to maximize tax incentives, take advantage of investment opportunities, and satisfy the liquidity requirements of the Company.

As at December 31, 2024 and 2023, the maturity profile of undiscounted expected benefit payments from the plan for the next 20 years is as follows:

	2024	2023
Within one year	<b>P10,051</b>	P17,551
More than one year to five years	<b>78,825</b>	80,055
More than five years to 10 years	<b>80,953</b>	46,967
More than 10 years to 15 years	<b>96,379</b>	98,722
More than 15 years to 20 years	<b>75,161</b>	70,597
	<b>P341,369</b>	P313,892

The weighted average duration of the defined benefit obligation at the end of the reporting period is 17 years.

## 25. RECLASSIFICATION

In 2024, the Company reclassified certain accounts and transactions in the statements of financial position as at December 31, 2023 and statements of cash flows for the years ended December 31, 2023 and 2022 to conform with the current year's presentation.

The table presents the reclassification adjustments including impact to the statements of financial position and statements of cash flows:

### December 31, 2023

Statements of financial position	Notes	As previously presented	Reclassification adjustment	As reclassified
Reinsurance balances receivable – net	6, 25.a	P4,719,497	(P297,450)	P4,422,047
Deferred tax assets - net	25.b	—	523,259	523,259
Other assets - net	25.b	598,281	(523,259)	75,022
Reinsurance balances payable	17, 25.a	2,345,350	(43,737)	2,301,613
Claims and claims reserves	19, 25.a	8,983,282	(253,713)	8,729,569



Statement of cash flows	Note	As previously presented	Reclassification adjustment	As reclassified
Decrease (increase) in:				
Reinsurance balances receivable – net	6, 25.a	(P1,361,750)	48,343	(P1,313,407)
Increase (decrease) in:				
Reinsurance balances payable	17, 25.a	251,748	(1,026)	250,722
Claims and claims reserves	19, 25.a	(643,049)	(47,317)	(690,366)

### December 31, 2022

Statement of cash flows	Note	As previously presented	Reclassification adjustment	As reclassified
Decrease (increase) in:				
Reinsurance balances receivable – net	6, 25.a	P70,805	P215,159	P285,964
Increase (decrease) in:				
Reinsurance balances payable	17, 25.a	491,052	(44,632)	446,420
Claims and claims reserves	19, 25.a	1,408,698	(170,527)	1,238,171

- a. In prior years, the Company recognized certain transactions at gross instead at net amounts considering the right to offset under the relevant agreements. The Company reclassified the reported claims incurred under the “Claims and claims reserves” account to the “Reinsurance Balances Receivable” account. The Company also reclassified the Reinsurance recoverable on paid claims presented as part of the “Reinsurance Balances Receivable” account to the “Reinsurance Balances Payable” account.
- b. Deferred tax assets which was previously presented as part of “Other assets – net” is now presented as a single line item in the statements of financial position in accordance with PAS 1 *Presentation of Financial Assets*.

The above reclassifications has no material effect on the statement of financial position, statement of income, statement of comprehensive income, statement of cash flow and income tax as at and for the years then ended. Accordingly, management did not need to present the statement of financial position at the beginning of the earliest comparative period.

## 26. CURRENT AND DEFERRED TAXES

The components of tax expense, as reported in statements of income, are as follows:

	2024	2023	2022
Current tax expense:			
Regular corporate income tax (RCIT)	<b>P94,189</b>	P302,454	P–
Final tax at 20%, 7.5%, and 15%	<b>90,759</b>	84,315	65,541
Deferred tax benefit	<b>(58,823)</b>	(239,105)	–
	<b>P126,125</b>	P147,664	P65,541

The reconciliation of the tax on pretax profit computed at the applicable rates to tax expense in the statements of income is as follows:

	2024	2023	2022
Tax on pretax profit (25%)	<b>P169,368</b>	P170,953	P30,311
Non-deductible expenses	<b>5,642</b>	2,291	37,030
Non-taxable income	<b>(18,528)</b>	(18,619)	(16,577)
Adjustment for income subjected to lower tax rates	<b>(29,888)</b>	(20,113)	(7,123)
Others	<b>(64)</b>	15,545	—
Tax effects of movements in unrecognized deferred tax assets	<b>(405)</b>	(2,393)	21,900
Tax expense reported in statements of income	<b>P126,125</b>	P147,664	P65,541

Presented below is the composition of the deferred tax asset and deferred tax liabilities recognized as at December 31, 2024 and 2023 (see Note 26).

	2024		2023	
	Tax Base	Tax Amount	Tax Base	Tax Amount
Profit or loss:				
Claims and claims reserves	<b>P3,240,452</b>	<b>P810,113</b>	P3,056,057	P764,015
Accrued commission expense, net of DAC	<b>245,033</b>	<b>61,258</b>	199,528	49,882
Reinsurance recoverable on reported claims and claims reserves	<b>(1,063,042)</b>	<b>(265,761)</b>	(1,109,379)	(277,345)
Defined benefit asset	<b>(71,842)</b>	<b>(17,961)</b>	(72,100)	(18,025)
Prepaid expenses	<b>(15,544)</b>	<b>(3,886)</b>	(5,708)	(1,427)
Fair value changes from forward contract	—	—	(642)	(161)
Unrealized foreign currency gains:				
HFT securities	<b>(2,954)</b>	<b>(738)</b>	(2,086)	(522)
AFS financial assets	<b>(58,289)</b>	<b>(14,572)</b>	(33,451)	(8,363)
HTM investments	<b>(6,521)</b>	<b>(1,630)</b>	—	—
Other investments	—	—	(1,027)	(257)
Reinsurance recoverable on reported claims and claims reserves	<b>(6,542)</b>	<b>(1,636)</b>	(5,730)	(1,433)
	<b>2,260,751</b>	<b>565,187</b>	2,025,462	506,364
Other comprehensive income (loss):				
Remeasurement of defined benefit asset	<b>80,048</b>	<b>20,012</b>	76,360	19,090
Revaluation reserves on AFS financial assets	<b>(11,776)</b>	<b>(2,944)</b>	(8,779)	(2,195)
	<b>68,272</b>	<b>17,068</b>	67,581	16,895
Net deferred tax assets	<b>P2,329,023</b>	<b>P582,255</b>	P2,093,043	P523,259

The Company has not recognized deferred tax assets on the following temporary differences as at December 31, 2024 and 2023.

	2024		2023	
	Tax Base	Tax Amount	Tax Base	Tax Amount
Deferred tax assets:				
Claims and claims reserves	<b>P1,342,722</b>	<b>P335,681</b>	P1,331,738	P332,935
Allowance for impairment	<b>656,439</b>	<b>164,110</b>	677,741	169,435
Accrued expense	<b>61,520</b>	<b>15,380</b>	56,692	14,173
Premium reserves	—	—	26,894	6,724
Unamortized past service cost	—	—	2,670	668
Fair value changes from forward contract	<b>207</b>	<b>52</b>	—	—
Unrealized foreign currency losses:				
Cash and cash equivalents	<b>1,081</b>	<b>270</b>	2,661	665
Reinsurance balances receivable	<b>13,161</b>	<b>3,290</b>	10,340	2,585
Allowance for impairment	<b>5,077</b>	<b>1,269</b>	1,634	409
HTM securities	—	—	1,409	352
Loans and receivables	<b>131</b>	<b>33</b>	19	5
Reinsurance balances payable	<b>11,130</b>	<b>2,782</b>	8,976	2,244
Accounts payable and accrued expenses	<b>214</b>	<b>54</b>	121	30
Claims and claims reserves	<b>95,493</b>	<b>23,873</b>	67,895	16,974
Unrecognized deferred tax assets	<b>P2,187,175</b>	<b>P546,794</b>	P2,188,790	P547,199

In 2024 and 2023, the Company opted to claim itemized deductions in determining its tax expense.

The Company's NOLCO in 2022 was claimed as tax credit in 2023 against taxable income as follows:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2022	P374,141	P374,141	P—	P—	2025

The Company's current tax is determined as higher between Minimum Corporate Income Tax (MCIT) or RCIT. MCIT is calculated as 1% from July 1, 2020 to June 30, 2023 and 2% thereafter of the Company's gross income. While, RCIT is recognized at 25% of the taxable income.

## 27. EQUITY

The Company's equity is composed of the following:

	<i>Notes</i>	<b>2024</b>	<b>2023</b>
Capital stocks		<b>P2,181,955</b>	P2,181,955
Additional paid-in capital		<b>3,019,218</b>	3,019,218
Treasury shares	27.1	<b>(100,525)</b>	(100,525)
Revaluation reserves		<b>(45,247)</b>	(105,349)
Retained earnings		<b>1,809,072</b>	1,257,728
		<b>P6,864,473</b>	P6,253,027

### 27.1 *Capital Stock*

As at December 31, 2024 and 2023, the Company has authorized shares of 3,000,000,000 and has issued and outstanding shares amounting to P2.08 billion net of treasury shares, which is divided into 2,123,605,600 shares with a par value of P1 per share.

On April 27, 2007, the Philippine Securities and Exchange Commission (SEC) approved the listing of the Company's shares totalling 741,902,600. The shares were initially issued at an offer price of P3.80 per share.

As at December 31, 2024 and 2023, there are 267 and 268 holders of the listed shares, respectively. Such listed shares closed at P0.69 and P0.385 per share, as at those dates, respectively.

As at December 31, 2024 and 2023, total treasury shares amounted to P100.53 million representing 58,349,000 shares. There were no treasury stock transactions in 2024 and 2023.

### 27.2 *Appropriation for Special Reserve*

In 1989, the BOD approved the establishment of a special reserve for extraordinarily high loss occurrences or severe catastrophic losses. As such, 10% of profit is set aside as special reserve provided there is no deficit. For the years ended December 31, 2024 and 2023, the Company appropriated P55.13 million and P53.62 million, respectively, for special reserve.

### 27.3 *Retained Earnings*

There was no declaration of cash dividends in 2024 and 2023. The total outstanding dividends payable amounted to P1.66 million and P1.68 million as at December 31, 2024 and 2023, respectively. These are presented as Dividends payable under Accounts payable and accrued expenses account in the statements of financial position (see Note 18).

The Company's retained earnings are restricted to the extent of the cost of the treasury shares as of the end of the reporting periods.

## 28. RELATED PARTY TRANSACTIONS

The Company's related parties include its stockholders, related parties under common ownership, retirement plan and the Company's key management personnel with which the Company had transactions as described below and in the succeeding pages.

### 28.1 Reinsurance Contracts with Related Parties

The Company accepts and cedes insurance business under various reinsurance contracts with related parties. The details of which are presented as follows:

	2024		2023	
	Stockholders	Related Parties Under Common Ownership	Stockholders	Related Parties Under Common Ownership
Premiums	P–	P252,138	P45,570	P218,388
Commission expense	–	15,308	–	14,354
Retroceded premiums	–	5,414	–	–
Claims incurred (reversal)	4,261	20,725	681	6,350
Claims recoveries (reversal)	(1,637)	–	(2,699)	–

The outstanding balance of the Reinsurance balances receivable from and payable to related parties as at December 31, 2024 and 2023 are presented as follows:

	2024		2023	
	Stockholders	Related Parties Under Common Ownership	Stockholders	Related Parties Under Common Ownership
Due from ceding companies	P–	P152,726	P–	P132,702
Funds held for retrocessionaires	1	–	1	–
Reinsurance recoverable on reported claims	1,995	–	3,632	–
Claims	149,146	685,657	144,857	705,608
Due to retrocessionaires	55	12,375	179	18,266

The balances discussed above are non-interest bearing, unsecured and is common for all reinsurance agreements regardless of whether the counterparties are related or unrelated to the Company. Premiums receivable, premiums payable and the related commission income/expense are expected to be settled in cash in accordance with the underlying reinsurance contracts. Claims and claims recoverable are expected to be settled in cash when the insured/reinsured party has fully substantiated the underlying claim. The allowance for impairment recognized under Due from ceding companies amounted to P65.60 million and P65.36 million as at December 31, 2024 and 2023, respectively.

The reversed allowance for impairment from related parties under Reinsurance recoverable on paid claims amounted to P1.96 million and nil as at December 31, 2024 and 2023, respectively.

## 28.2 Other Transactions

The Company's other transactions with related parties are presented as follows:

		2024		2023	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
<b>Stockholder:</b>					
Cash and cash equivalents	(a)	P8,799	P18,348	(P94,849)	P9,549
HFT securities	(b)	(45,968)	41,135	(12,183)	90,852
AFS financial assets	(b)	10,049	34,944	(19,072)	21,967
Interest income – cash and cash equivalents	(a)	308	–	49	–
Dividend income – HFT securities	(b)	594	–	148	–
Dividend income – AFS financial assets	(b)	1,095	–	741	–
Other expenses	(c)	149	–	117	–
<b>Related Party Under Common Ownership:</b>					
Cash and cash equivalents	(a)	152,225	356,758	(163,332)	204,533
HFT securities	(b)	51,128	58,786	29,808	107,465
AFS financial assets	(b)	28,148	67,077	(42,679)	79,655
HTM securities	(b)	68,046	557,516	(118,778)	489,470
Other investments	(a)	(182,814)	–	83,642	182,814
Forward liability	(b)	(92,852)	–	3,158	92,211
Interest income – cash and cash equivalents	(b)	5,349	–	5,075	–
Interest income – bonds	(b)	–	–	13,336	–

### (a) Cash and Cash Equivalents and Other Investments

The Company maintains several savings, time deposits (including those with original maturity of more than three (3) months but less than one year and are classified as Other investments) and current accounts with a stockholder and related party under common ownership. Interest income recognized is presented as part of Interest income under Investment and other income and expenses – net account in the statements of income (see Note 22).

### (b) Investments

The Company has investment in shares of stock of a stockholder, and fixed income securities, forward contracts, and UTF investments with related parties under common ownership classified as HFT securities, AFS financial assets, HTM securities and Forward liability. Relative to these transactions, the Company recognized dividend income, interest income, Gain (loss) on sale of AFS, Fair value gains (losses) on HFT securities, and Fair value losses from forward contract which are presented as part of Investment and other income and expenses – net account in the statements of income (see Note 22), while accrued interest on HTM securities is presented as part of Loans and receivables in the statements of financial position (see Note 11).

(c) *Investment Management and Custodianship*

The Company has entered into “Investment Management Agreement” and “Custodianship Agreement” with related parties under common ownership for the management and custodianship of certain investible funds of the Company subject to terms and conditions in the said agreements. In consideration for the services rendered, the Company pays the related parties under common ownership service fees equivalent to a certain percentage of the market value of the investments.

The total service fees paid is charged against Other charges under Investment and other income and expenses – net account in the statements of income (see Note 22).

**28.3 Investment Management of Retirement Fund**

The Company has existing “Retirement Fund Investment Management Agreement” with related parties under common ownership for the management of the investments of the Company’s retirement funds subject to the terms and conditions in the said agreement. The retirement fund does not hold any security issued by the Company as at December 31, 2024 and 2023.

**28.4 Key Management Personnel Compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including director, whether executive or otherwise, of the Company.

The compensation of key management personnel is presented as follows:

	2024	2023	2022
Short-term benefits	<b>P83,356</b>	P67,210	P63,125
Post-employment defined benefit	<b>5,654</b>	5,118	3,048
	<b>P89,010</b>	P72,328	P66,173

**29. SOLVENCY**

Under the Amended Insurance Code, an insurance company doing business in the Philippines shall at all times maintain the minimum paid-up capital, and net worth requirements as prescribed by the IC Commissioner. Such solvency requirements shall be based on internationally accepted solvency frameworks and adopted only after due consultation with the insurance industry associations.

Whenever the aforementioned requirement is found to be less than the required to be maintained, the IC Commissioner shall direct the Company to make good any such deficiency by cash, to be contributed by all stockholders of record in proportion with their respective interests, and paid to the treasurer of the Company, within 15 days from receipt of the order. Provided, that the Company in the interim shall not be permitted to take any new risk of any kind or character unless and until it makes good any such deficiency.

In case that a stockholder pays the contribution due from another stockholder by reason of failure or refusal of the latter to do so, shall have a lien on the certificates of stock of the Company appearing in its books in the name of the defaulting stockholder on the date of default, as well as on any interests or dividends that have accrued or will accrue to the said certificates of stocks, until the corresponding payment or reimbursement is made by the defaulting stockholder.

### 30. EARNINGS PER SHARE

The earnings per share are presented as follows:

	2024	2023	2022
Net profit	<b>P551,344</b>	P536,147	P55,701
Divided by the average number of outstanding shares (in thousands)	<b>2,123,606</b>	2,123,606	2,123,606
	<b>P0.260</b>	P0.252	P0.026

Diluted earnings per share is not determined since the Company does not have dilutive shares as at December 31, 2024, 2023 and 2022.

### 31. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Company:

#### ***31.1 Lease Commitments – Company as Lessee***

The Company is a lessee under various leases covering warehouse and parking lots having a term of one year with renewal options. The future minimum rentals payable under this non-cancellable operating lease as at December 31, 2024 and 2023 is P1.03 million and P1.02 million, respectively, which is payable not later than one year.

Rental expense recognized amounted to P0.47 million, P0.26 million and P0.18 million in 2024, 2023, and 2022, respectively, and is presented in the statements of income as Rental under General and administrative expenses (see Note 24).

#### ***31.2 Legal Claims***

The Company is currently involved in various legal proceedings. In consultation with the legal counsel, the related risk has been analyzed as to likelihood of occurrence and amount of future obligation. The Company believes that the outcome of these proceedings as at December 31, 2024 and 2023 will not have a material adverse effect on the Company's financial position.



### 31.3 *Deficiency Tax Assessments*

The Company received the FDDA for the taxable period July 1, 2012 to December 31, 2012 and taxable years 2016, 2017 and 2018. These assessments are in pursuant to which the BIR has sought to investigate the tax periods identified against the Company and consequently examine certain books, records and accounts that relate to transactions in the ordinary course of business. Pursuant to the Company's policy of addressing such actions and in line with prudent business practice, the Company has engaged tax counsel in relation to these matters.

As at December 31, 2024 and 2023, management believes that there is no probable reason that a material outflow of resources will be required, in excess of what has already been provided as provision, considering the merits of the Company's protest and the sufficiency and validity of the documents submitted to the local tax authorities to support the Company's position.

### 31.4 *Others*

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities that are not given recognition in the accompanying financial statements. Management believes that losses as at December 31, 2024 and 2023, if any, that may arise from these commitments and contingencies will not have any material effect on the financial statements.

## 32. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

### 32.1 *Comparison of Carrying Amounts and Fair Values*

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

		2024		2023	
	Notes	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial assets:					
Loans and receivables:					
Cash and cash equivalents	5	P449,739	P449,739	P271,803	P271,803
Reinsurance balances receivable - net	6	5,379,932	5,379,932	4,422,047	4,422,047
Loans and receivables	11	127,614	127,614	109,567	109,567
Reinsurance recoverable on reported claims and claims reserves - net	13	1,694,109	1,694,109	2,058,068	2,058,068
		P7,651,394	P7,651,394	P6,861,485	P6,861,485
HFT securities:					
Equity securities		P231,600	P231,600	P267,133	P267,133
UITF		216,358	216,358	172,685	172,685
Forward assets		—	—	92,852	92,852
	7	P447,958	P447,958	P532,670	P532,670

	Notes	2024		2023	
		Carrying Values	Fair Values	Carrying Values	Fair Values
AFS financial assets:					
Debt securities		P4,795,729	P4,795,729	P4,837,283	P4,837,283
Equity securities – net		443,229	443,229	426,376	426,376
Investment in ARC shares		40,783	40,783	36,563	36,563
	8	P5,279,741	P5,279,741	P5,300,222	P5,300,222
HTM securities	9	P4,024,499	P3,990,349	P3,912,145	P3,882,930
Other investments	10	P–	P–	P252,829	P252,829
<b>Financial liabilities:</b>					
Reinsurance balances payable	17	P2,089,847	P2,089,847	P2,301,613	P2,301,613
Forward liability	7	207	207	92,211	92,211
Accounts payable and other accrued expenses*	18	262,827	262,827	226,478	226,478
Claims and claims reserves	19	5,030,137	5,030,137	4,128,086	4,128,086
		P7,383,018	P7,383,018	P6,748,388	P6,748,388

\* Excluding taxes payable and defined benefit liability.

Due to the short-term duration, management considers the carrying value of the Company's loans and receivables and financial liabilities at amortized cost approximate their fair value as at the end of the reporting periods.

See Notes 2.4 and 2.9 for a description of the accounting policies for each category of financial instrument including the determination of fair value. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 4.

### 32.2 Offsetting of Financial Assets and Financial Liabilities

For financial assets and financial liabilities, subject to enforceable master netting agreements or similar arrangements, each agreement between the Company and counterparties, including related parties, allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis.

## 33. FAIR VALUE MEASUREMENT AND DISCLOSURES

### 33.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### 33.2 Financial Instruments Measured at Fair Value

The table below shows the fair value hierarchy of the Company's financial assets and liability measured at fair value in the statements of financial position on a recurring basis (amounts in thousands).

	Notes	Level 1	Level 2	Level 3	Total
<b>December 31, 2024</b>					
HFT securities	7	P447,958	P–	P–	P447,958
AFS financial assets		5,230,223	5,100	44,418	5,279,741
assets	8				
Forward liability	7	–	207	–	207
<b>December 31, 2023</b>					
HFT securities	7	P439,818	P92,852	P–	P532,670
AFS financial assets	8	5,252,019	5,750	42,453	5,300,222
Forward liability	7	–	92,211	–	92,211

The movements of the AFS financial assets classified under Level 3 in the fair value hierarchy are shown below.

	2024	2023
Balance at beginning of year	P42,453	P45,574
Fair value gains	2,806	1,067
Disposals	(2,065)	(3,911)
Foreign currency gains (losses)	1,224	(277)
Balance at end of year	P44,418	P42,453

There has been no transfer between levels in 2024 and 2023.

Described below are the information about how the fair value of the Company's classes of financial assets are determined.

*a) Equity securities*

As at December 31, 2024 and 2023, instruments included in Level 1 comprise equity securities classified as HFT securities and AFS financial assets. These securities were valued based on their market prices quoted in the PSE at the end of each reporting period.

Golf club shares classified as AFS financial assets are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period. Moreover, investment in equity securities held in a private company is included in Level 3 since its market value is not quoted in an active market, hence, measured by reference to the private company's book value using the most recent available financial data. The estimated fair value will increase (decrease) if the book value increases (decreases).

*b) Debt securities*

The fair value of the Company's debt securities, which consist of government and corporate bonds, is estimated by reference to quoted bid price in active market at the end of the reporting period and is categorized within Level 1.

*c) UITF*

The fair value of the Company's UITF which is classified as money market funds and consist of units of participation on the Fund's investments in short-term fixed income instruments consisting of time deposits and government securities with tenors of less than one year is estimated by reference to the net asset value published by the fund managers and is categorized within Level 1.

*d) Forward asset and liability*

The fair value of the Company's forward asset and liability is estimated by reference to the foreign exchange rate published by the Bangko Sentral ng Pilipinas at the end of the reporting period and is categorized within Level 2.

### 33.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

December 31, 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>					
Cash and cash equivalents	5	P449,739	P–	P–	P449,739
Reinsurance balances receivable - net	6	–	–	5,379,932	5,379,932
HTM securities	9	3,990,349	–	–	3,990,349
Loans and receivables	11	–	–	127,614	127,614
Reinsurance recoverable on reported claims and claims reserves - net	13	–	–	1,694,109	1,694,109
		P4,440,088	P–	P7,201,655	P11,641,743
<b>Financial liabilities:</b>					
Reinsurance balances payable	17	P–	P–	P2,089,847	P2,089,847
Accounts payable and other accrued expenses*	18	–	–	262,827	262,827
Claims and claims reserves	19	–	–	5,030,137	5,030,137
		P–	P–	P7,382,811	P7,382,811

\* Excluding taxes payable and defined benefit liability

December 31, 2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>					
Cash and cash equivalents	5	P271,803	P–	P–	P271,803
Reinsurance balances receivable - net	6	–	–	4,422,047	4,422,047
HTM securities	9	3,882,930	–	–	3,882,930
Other investments	10	252,829	–	–	252,829
Loans and receivables	11	–	–	109,567	109,567
Reinsurance recoverable on reported claims and claims reserves - net	13	–	–	2,058,068	2,058,068
		P4,407,562	P–	P6,589,682	P10,997,244
<b>Financial liabilities:</b>					
Reinsurance balances payable	17	P–	P–	P2,301,613	P2,301,613
Accounts payable and other accrued expenses*	18	–	–	226,478	226,478
Claims and claims reserves	19	–	–	4,128,086	4,128,086
		P–	P–	P6,656,177	P6,656,177

\* Excluding taxes payable and defined benefit liability

For financial assets other than HTM securities, management considers that the carrying amount of those short-term financial instruments approximate their fair value.

### 33.4 Fair Value Measurement for Non-financial Assets

The Company used market comparable approach as a valuation technique in measuring the fair value of its investment properties to arrive at fair value that is more representative of the investment properties' highest and best use. As at December 31, 2024 and 2023, the fair value of the investment properties is P34.25 million and P34.21 million, respectively, classified under Level 3 of the fair value hierarchy (see Note 16). The most significant input into this valuation approach is the price per square meter, hence, the higher the price per square meter, the higher the fair value.

### 33.5 Fair Value Measurement for Financial Assets Grouped Based on Nature of Cash Flows

The following table provides an overview of the fair values as at December 31, 2024 and 2023, and the amounts of change in the fair values during the reporting period separately for financial assets that meet the SPPI criterion (i.e. financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in PFRS 9, or that is managed and whose performance is evaluated on a fair value basis) and all other financial assets:

		2024			
		Financial assets that meet the SPPI criteria*		All other financial assets	
			Fair value change during the reporting period		Fair value change during the reporting period
	Notes	Fair Value		Fair Value	
Cash and cash equivalents	5	P449,739	P–	P–	P–
AFS financial assets	8	–	–	5,279,741	2,553
HTM securities	9	3,990,349	(34,150)	–	–
Loans and receivables	11	127,614	–	–	–
Funds held by ceding companies	6	266,217	–	–	–
		P4,833,919	(P34,150)	P5,279,741	P2,553

\* Excluding any financial asset that meets the definition of held for trading in PFRS 9, or that is managed and whose performance is evaluated on a fair value basis.

		2023			
		Financial assets that meet the SPPI criteria*		All other financial assets	
			Fair value change during the reporting period		Fair value change during the reporting period
	Notes	Fair Value		Fair Value	
Cash and cash equivalents	5	P271,803	P–	P–	P–
AFS financial assets	8	–	–	5,300,222	100,691
HTM securities	9	3,882,930	(29,215)	–	–
Other investments	10	252,829	–	–	–
Loans and receivables	11	109,567	–	–	–
Funds held by ceding companies	6	233,485	–	–	–
		P4,750,614	(P29,215)	P5,300,222	P100,691

\* Excluding any financial asset that meets the definition of held for trading in PFRS 9, or that is managed and whose performance is evaluated on a fair value basis.

### **34. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES**

The Company's capital management objectives are (a) to ensure the Company's ability to continue as a going concern; and, (b) to provide an adequate return to shareholders by complying with the capital requirements and limitation enforced by the IC and by aligning the Company's operational strategy to its corporate goals. The capital requirements and limitations are as follows:

#### ***34.1 Minimum Capitalization***

Under Section 289 of the RA No. 10607 (The New Insurance Code), any partnership, association, or corporation authorized to transact solely reinsurance business must have a capitalization of at least P3,000,000,000 paid in cash of which at least 50% is paid-up capital and the remaining portion thereof is contributed surplus, which in no case shall be less than P400,000,000 or such capitalization as may be determined by the Secretary of Finance, upon the recommendation of the IC Commissioner.

As at December 31, 2024 and 2023, the Company has complied with the minimum capital requirements.

#### ***34.2 Risk-Based Capital Requirements***

As per IC CL No. 2016-68, Amended Risk-Based Capital (RBC2) Framework, all insurance companies must satisfy the annual minimum statutory RBC Ratio set at 100%. RBC ratio is computed by dividing the Company's Total Available Capital (TAC) by the RBC requirement. TAC is the aggregate of Tier 1 and Tier 2, minus deductions, subject to applicable limits and determinations. Tier 1 capital represents capital that is fully available to cover losses of the insurer at all times on a going-concern and winding up basis and is considered to be the highest quality capital available to the insurer. Tier 2 refers to capital not having the same high quality characteristics of Tier 1, but can provide additional buffer to the insurer. RBC requirement or the total required capital of an insurance company is the capital that is required to be appropriately to the risks an insurance company is exposed to.

As at December 31, 2024 and 2023, the Company has complied with the risk-based capital requirements.

#### ***34.3 Limitation on Dividend Declaration***

The Company's BOD is authorized to declare dividends. A cash dividend declaration does not require any further approval from the stockholders. However, a stock dividend declaration requires further approval of the stockholders holding or representing not less than two-thirds of the Company's outstanding capital stock. Dividends may be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as and at such times as the BOD may determine and in accordance with law.

The Insurance Commission, under Circular Letter No. 2021-02, dated January 7, 2021, provides that all regulated entities authorized to do business in the Philippines shall meet the following regulatory measures at all times, without regulatory relief, and which shall be duly attested by the President and Treasurer of the company, before declaration and/or distribution of dividends out of the unrestricted retained earnings:

- unimpaired paid-up capital stock;
- the net worth requirements as prescribed by Circular Letter (CL) No. 2015- 02-A and Section 194 of the Amended Insurance Code;
- the solvency requirements defined by Section 200 of the Amended Insurance Code;
- in the case of life insurance companies, the legal reserve fund required by Section 217;
- in the case of corporations other than life, the legal reserve fund required by Section 219; and
- a sum sufficient to pay all net losses reported, or in the course of settlement, and all liabilities for expenses and taxes.

The Company is required to report such dividend declaration or distribution to the IC within 30 days from the date of such declaration.

The SEC, through its Memorandum Circular 16 dated September 19, 2023, has set the revised guidelines in determining the appropriate amount of Retained Earnings available for dividend distribution. Based on the circular, dividends shall be declared out of unrestricted retained earnings of the corporation. Accordingly, a corporation cannot declare dividends when it has zero or negative retained earnings otherwise known as Retained Earnings Deficit. For such purpose, the surplus profits or income must be a bona fide income founded upon actual earnings or profits. The existence, therefore, of surplus profits arising from the operation of corporate business is a condition precedent to the declaration of dividends.

The phrase "actual earnings or profits" shall be the net income for the year based on the audited financial statements, adjusted for the following unrealized items:

- Equity in net income of associate/ joint venture, net of dividends declared;
- Unrealized foreign exchange gain, except those attributable to cash and cash equivalents;
- Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL);
- Unrealized fair value gain of investment property;
- Deferred tax asset; and other unrealized gains and adjustments that the SEC may prescribe.

#### ***34.4 Non-admitted Assets***

Various assets, included on the enumeration of Section 203 of RA 10607, are considered non-admitted assets for the purposes of determining the Company's financial condition.



The estimated non-admitted assets as defined in the Amended Insurance Code are measured in accordance with PFRS Accounting Standards and included in the statements of financial position.

These assets, which are subject to final determination by the IC, are as follows:

	2024	2023
Goodwill, trade names, and other like intangible assets	<b>P34,021</b>	P645
Prepaid or deferred charges for expenses and commissions paid by such insurance company	<b>1,505,485</b>	1,049,592
Advances to officers (other than policy loans), which are not adequately secured and which are not previously authorized by the Commissioner, as well as advances to employees, agents, and other persons on mere personal security	<b>9,770</b>	6,049
Furniture, furnishing, fixtures, safes, equipment, library, stationery, literature, and supplies	<b>8,775</b>	6,520
Other non-admitted assets as determined by IC	<b>76,861</b>	80,796
<b>Total Non-admitted Assets</b>	<b>P1,634,912</b>	P1,143,602

### 35. CURRENT AND NON-CURRENT CLASSIFICATION

The Company expects that the following asset or liability line items are expected to be recovered or settled no more than twelve months after December 31, 2024 and 2023.

	Notes	2024	2023
Current Assets:			
Cash and cash equivalents	5	<b>P449,739</b>	P271,803
Reinsurance balances receivable - net	6	<b>5,379,932</b>	4,422,047
HFT securities	7	<b>447,958</b>	532,670
AFS financial assets	8	<b>5,238,958</b>	5,263,659
HTM securities	9	<b>988,028</b>	521,554
Other investments	10	—	252,829
Loans and receivables	11	<b>121,000</b>	105,321
Reinsurance recoverable on reported claims and claims reserves – net	13	<b>442,137</b>	529,355
Deferred acquisition costs	14	<b>309,298</b>	240,425
Deferred reinsurance premiums	15	<b>647,405</b>	652,128
Other assets – net	16	<b>28,240</b>	18,518
<b>Total Current Assets</b>		<b>P14,052,695</b>	P12,810,309

	<i>Notes</i>	<b>2024</b>	2023
Current Liabilities:			
Reinsurance balances payable	17	<b>P2,089,847</b>	P2,301,613
Forward liability	7	<b>207</b>	92,211
Accounts payable and accrued expenses	18	<b>361,098</b>	480,903
Claims and claims reserves	19	<b>2,254,184</b>	1,885,222
Premium reserves	20	<b>1,857,479</b>	2,217,097
Deferred reinsurance commissions	21	<b>2,291</b>	3,254
Total Current Liabilities		<b>P6,565,106</b>	P6,980,300

On the other hand, the Company expects that the following asset or liability items are expected to be recovered or settled more than twelve months after December 31, 2024 and 2023.

	<i>Notes</i>	<b>2024</b>	2023
Non-current Assets:			
AFS financial assets	8	<b>P40,783</b>	P36,563
HTM securities	9	<b>3,036,471</b>	3,390,591
Loans and receivables	11	<b>6,614</b>	4,246
Property and equipment – net	12	<b>38,241</b>	42,164
Reinsurance recoverable on reported claims and claims reserves – net	13	<b>2,405,315</b>	2,739,059
Deferred acquisition costs	14	<b>787,326</b>	520,987
Deferred reinsurance premiums	15	<b>265</b>	608
Deferred tax assets – net	26	<b>582,255</b>	523,259
Other assets – net	16	<b>87,813</b>	56,504
Total Non-current Assets		<b>P6,985,083</b>	P7,313,981

	<i>Notes</i>	<b>2024</b>	2023
Non-current Liabilities:			
Accounts payable and accrued expenses	18	<b>P26,786</b>	P40,811
Claims and claims reserves	19	<b>7,578,217</b>	6,844,347
Premium reserves	20	<b>3,166</b>	5,568
Deferred reinsurance commissions	21	<b>30</b>	237
Total Non-current Liabilities		<b>P7,608,199</b>	P6,890,963

**36. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)**

Presented below and in the succeeding pages are the supplementary information which is required by the BIR under its existing Revenue Regulations (RR) No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are presented below and in the succeeding page.

*(a) Output VAT*

In 2024, the Company declared output VAT amounting to P1,583,315, which is set off against input VAT, based on the following gross receipts/income:

	<b>Tax Base</b>	<b>Output VAT</b>
Exempt receipts/income	<b>P8,928,222,909</b>	<b>P–</b>
Commission earned on retrocession	<b>12,522,674</b>	<b>1,502,721</b>
Interest income on loans	<b>671,616</b>	<b>80,594</b>
	<b>P8,941,417,199</b>	<b>P1,583,315</b>

Pursuant to RR No. 04-07 effective April 6, 2007, “Non-life insurance premiums are subject to VAT whereas non-life reinsurance premiums are not subject to VAT, the latter being already subject to VAT upon receipt of the insurance premiums.”

The tax bases of commission earned on retrocession are included as Commissions - net under Underwriting deductions account in the 2024 statements of income. The tax bases for commission are based on the Company’s gross receipts before the effectivity of the Ease of Paying Taxes (EOPT) and invoices after its effectivity, hence, may not be the same with the amounts accrued in the 2024 statements of income.

As at December 31, 2024, the Company also has deferred output VAT amounting to P25,615,447 pertaining to uncollected commission income from retrocessionaires (see Note 18).

*(b) Input VAT*

The movements of input VAT in 2024 are summarized below.

Balance at beginning of year	P146,792,838
Services lodged under other accounts	7,183,909
Goods other than for resale or manufacture	2,418,530
Amortization of input VAT	91,480
Applied against output VAT	(1,583,315)
Input VAT on exempt sales	(9,678,158)
Balance at end of year	P145,225,284

The balance of input VAT as at December 31, 2024 is recorded under Other assets – net account in the statements of financial position (see Note 16).

As at December 31, 2024, the Company also has deferred input VAT amounting to P63,929 pertaining to VAT on capital assets, and deferred withholding VAT amounting to P9,202,886 representing VAT on unapplied input VAT on unpaid premiums on ceded out transactions to the Company from a certain government entity.

*(c) Taxes on Importation*

The Company does not have any customs duties or tariff fees in 2024 since it does not have any importation.

*(d) Excise Tax*

The Company does not have excise tax in 2024 since it does not have any transactions which are subject to excise tax.

*(e) Documentary Stamp Tax (DST)*

Total DST accrued and paid in 2024 amounted to P44,588 which pertains to car loan transactions of the Company. The Company is also liable to DST when it issues original shares of stocks or transfer certificate of stock. The Company did not issue original shares of stocks nor transfer certificate of stocks for the year ended December 31, 2024. Reinsurance contracts are not subject to DST.

*(f) Taxes and Licenses*

The details of taxes and licenses for 2024, which are presented under General and administrative expenses account in the statements of income are as follows:

Fringe benefit tax	P2,854,385
Municipal licenses and permits	1,122,330
Real estate taxes	310,909
Deficiency tax assessment	815,934
Registration	237,350
DST	44,588
Miscellaneous	53,833
	P5,439,329

*(g) Withholding Taxes*

The details of total withholding taxes for the year ended December 31, 2024 are shown below.

Compensation and benefits	P39,300,135
Expanded	22,858,991
Final	2,403,568
	P64,562,694

*(b) Deficiency Tax Assessments and Tax Case*

*a) July to December 2012*

On September 14, 2016, the Company received the FDDA for the 2012 VAT assessment dated September 13, 2016 from the BIR. The Company filed a request for reconsideration with the Office of the Commissioner of the Internal Revenue on October 14, 2016. As of date, the request is still pending resolution.

*b) Taxable year 2016*

On December 29, 2021, the Company received the Final Decision on Disputed Assessment (FDDA) for Value Added Tax (VAT) deficiency in the amount of P53.1 million for the taxable year 2016, inclusive of interest amounting to P20.6 million, signed by the Commissioner of Internal Revenue. The Company continues to dispute the assessment and has filed a Petition for Review dated February 2, 2022 with the Court of Tax Appeals (CTA), which was docketed as CTA Case No. 10791.

The case has been submitted for decision on 31 May 2024. To date, no decision has been rendered by the CTA in this case.

*c) Taxable year 2017*

On March 24, 2023, the Company received the FDDA for the deficiency VAT assessment for the taxable year 2017 in the aggregate amount of P54.04 million, inclusive of surcharges, interest, and penalties computed until April 30, 2023. This led to the Company's filing of a Petition for Review with Urgent Motion To Suspend Tax Collection (With Prayer for the Issuance of Status Quo Ante Order and/or Writ of Preliminary Injunction) dated May 16, 2023, which was docketed as CTA Case No. 11156, to dispute the assessment and to seek the suspension of the BIR's tax collection efforts in the interim.

As of date, no decision has been rendered by the CTA in this case.

*d) Taxable year 2018*

On September 28, 2021, the Company received Letter of Authority (LOA) from the BIR to examine the Company's books of accounts and other accounting records for all internal revenue taxes for the taxable year 2018.

On September 1, 2023, the Company received the FDDA amounting to P39.32 million for which the Company has offered to settle the alleged tax deficiencies through an Offer Letter of Compromise in the amount of P15.00 million with the BIR Large Taxpayers - Collection Enforcement Division (LT-CED) which was paid on September 29, 2023.

On October 2, 2023, the Company filed a Petition for Review disputing P19.22 million of the total amount specified in the FDDA, which was docketed as CTA Case No. 11276.

On November 12, 2024, the Company received a Notice of Denial for Compromise Settlement.

The CTA case is scheduled for hearing from April to August 2025.

*d. Taxable years 2021 and 2022*

On September 12, 2023 and April 2, 2024, the Company received the LOA from the BIR to examine the Company's books of accounts and other accounting records for all internal revenue taxes for the taxable years 2021 and 2022, respectively. Management has provided all the documents required by the BIR for taxable years 2021 and 2022 on November 30, 2023 and April 30, 2024, respectively.



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## **REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Board of Directors and Stockholders  
**National Reinsurance Corporation of the Philippines**  
31<sup>st</sup> Floor BPI-Philam Life Makati  
6811 Ayala Avenue, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of National Reinsurance Corporation of the Philippines (the Company) which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of income, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2024, and notes comprising material accounting policies and other explanatory information, included in this Form 17-A, on which we have rendered our report thereon dated April 14, 2025.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies.

### **Firm Regulatory Registration & Accreditation:**

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



The above schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not a required part of the Company's basic financial statements. The components of these financial soundness indicators have been traced to the Company's basic financial statements as at and for the year ended December 31, 2024 and no material exceptions were noted.

**R.G. MANABAT & CO.**

A handwritten signature in black ink, appearing to read 'Florizza C. Simangan', written in a cursive style.

FLORIZZA C. SIMANGAN

Partner

CPA License No. 0147917

IC Accreditation No. 147917-IC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

SEC Accreditation No. 147917-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 429-267-284

BIR Accreditation No. 08-001987-150-2025

Issued January 8, 2025; valid until January 8, 2028

PTR No. MKT 10467153

Issued January 2, 2025 at Makati City

April 14, 2025

Makati City, Metro Manila



**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**  
**Supplemental Schedule of Financial Soundness Indicators**  
**December 31, 2024 and 2023**  
*(Amounts in thousands)*

Ratio	Formula	2024	Formula	2023
Current ratio	Total Current Assets divided by Total Current Liabilities  Total Current Assets 14,052,695 Divide by: Total Current Liabilities 6,565,106 Current ratio 2.14	2.14	Total Current Assets divided by Total Current Liabilities  Total Current Assets 12,810,309 Divide by: Total Current Liabilities 6,980,300 Current ratio 1.91	1.84
Acid test ratio	Quick assets (Cash and cash equivalents + Reinsurance balances receivable – net + Loans and receivables) divided by Total Current Liabilities  Cash and cash equivalents 449,739 Reinsurance balances receivable – net 5,379,932 Loans and receivables 127,614 Quick Assets 5,957,285 Divide by: Total Current Liabilities 6,565,106 Acid test ratio 0.91	0.91	Quick assets (Cash and cash equivalents + Reinsurance balances receivable – net + Loans and receivables) divided by Total Current Liabilities  Cash and cash equivalents 271,803 Reinsurance balances receivable – net 4,422,047 Loans and receivables 109,567 Quick Assets 4,803,417 Divide by: Total Current Liabilities 6,980,300 Acid test ratio 0.69	0.69
Solvency ratio	Total Assets divided by Total Liabilities  Total Assets 21,037,778 Divide by: Total Liabilities 14,173,305 Solvency ratio 1.48	1.48	Total Assets divided by Total Liabilities  Total Assets 20,124,290 Divide by: Total Liabilities 13,871,263 Solvency ratio 1.45	1.45
Debt-to-equity ratio	Total Liabilities divided by Total Equity  Total Liabilities 14,173,305 Divide by: Total Equity 6,864,473 Debt-to-equity ratio 2.06	2.06	Total Liabilities divided by Total Equity  Total Liabilities 13,871,263 Divide by: Total Equity 6,253,027 Debt-to-equity ratio 2.22	2.22
Assets-to-equity ratio	Total Assets divided by Total Equity  Total Assets 21,037,778 Divide by: Total Equity 6,864,473 Assets-to-equity ratio 3.06	3.06	Total Assets divided by Total Equity  Total Assets 20,124,290 Divide by: Total Equity 6,253,027 Assets-to-equity ratio 3.22	3.22
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense  EBIT 677,492 Divide by: Interest expense 23 Interest rate coverage ratio 29,456.17	29,456.17	Earnings before interest and taxes (EBIT) divided by Interest expense  EBIT 683,869 Divide by: Interest expense 58 Interest rate coverage ratio 11,790.84	11,790.84
Return on equity	Net Profit divided by Total Equity  Net Profit 551,344 Divide by: Total Equity 6,864,473 Return on equity 0.08	0.08	Net Profit divided by Total Equity  Net Profit 536,147 Divide by: Total Equity 6,253,027 Return on equity 0.09	0.09
Return on assets	Net Profit divided by Total Assets  Net Profit 551,344 Divide by: Total Assets 21,037,778 Return on assets 0.03	0.03	Net Profit divided by Total Assets  Net Profit 536,147 Divide by: Total Assets 20,124,290 Return on assets 0.03	0.03
Net profit margin	Net Profit divided by Total Revenue*  Net Profit 551,344 Divide by: Total Revenue* 4,881,862 Net profit margin 0.11	0.11	Net Profit divided by Total Revenue*  Net Profit 536,147 Divide by: Total Revenue* 4,328,957 Net profit margin 0.12	0.12

*\*Composed of Reinsurance premiums – net of returns, Retroceded premiums, Movement in premium reserves – net and Other underwriting income*



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**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING  
WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders  
**National Reinsurance Corporation of the Philippines**  
31<sup>st</sup> Floor BPI-Philam Life Makati  
6811 Ayala Avenue, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of National Reinsurance Corporation of the Philippines (the Company) which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of income, comprehensive income (loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2024, and notes, comprising material accounting policies and other explanatory information, included in this Form 17-A, on which we have rendered our report thereon dated April 14, 2025.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Company's management.

1. Supplementary Schedules of Annex 68-J
2. Reconciliation of Retained Earnings Available for Dividend Declaration

**Firm Regulatory Registration & Accreditation:**

PRC-BOA Registration No. 0003, valid until September 20, 2026

SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 and until the audit of annual financial statements for the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



The above supplementary information is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and is not required part of the Company's basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**R.G. MANABAT & CO.**

A handwritten signature in black ink, appearing to read 'Florizza C. Simangan', written in a cursive style.

FLORIZZA C. SIMANGAN

Partner

CPA License No. 0147917

IC Accreditation No. 147917-IC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

SEC Accreditation No. 147917-SEC, Group A, valid for five (5) years  
covering the audit of 2021 to 2025 financial statements

Tax Identification No. 429-267-284

BIR Accreditation No. 08-001987-150-2025

Issued January 8, 2025; valid until January 8, 2028

PTR No. MKT 10467153

Issued January 2, 2025 at Makati City

April 14, 2025

Makati City, Metro Manila

**NATIONAL REINSURANCE CORPORATION OF THE  
PHILIPPINES**

**List of Supplementary Information**

**December 31, 2024**

**Statement of Management's Responsibility for the Financial Statements**

**Independent Auditor's Report on the SEC Supplementary Schedules  
Filed Separately from the Basic Financial Statements**

**Supplementary Schedules to Financial Statements**

**(Form 17-A, item 7)**

		<b>No. of</b>
<b>Schedule</b>		<b>Pages</b>
A	Financial Assets	5
B	Amounts Receivable from Directors, Officers, Employees, Related Parties & Principal stockholders other than related parties	1
	Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements	
C		N/A
D	Long-term Debt	N/A
E	Indebtedness to related parties (Long-term loans from related companies)	N/A
F	Guarantees of securities of other Issuers	N/A
G	Capital Stock	4

**Supplementary Schedule to Financial  
Statements (SEC Circular 11)**

Reconciliation of Retained Earnings for Dividend Declaration	2
Map of Conglomerate	N/A

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES  
SCHEDULE A. Financial Assets  
December 31, 2024

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes (ii)	Amount shown in the balance sheet (ii)	Valued based on market quotation at end of reporting	Income received and accrued
--	--	--	--	--------------------------------

**I. LOANS AND RECEIVABLES**

<b>Cash and Cash Equivalents</b>				
Cash on hand and in banks		114,908,104	114,908,104	345,333
Short-term placements		334,830,428	334,830,428	18,182,983
Total Cash and Cash Equivalents		449,738,532	449,738,532	18,528,316
<b>Other Receivables</b>				
Accrued interest receivable		98,343,655	98,343,655	-
Dividends receivable		775,258	775,258	-
Other accounts receivable		28,495,206	28,495,206	670,951
<b>TOTAL LOANS AND RECEIVABLES</b>		<b>577,352,651</b>	<b>577,352,651</b>	<b>19,199,267</b>
<b>I. I. OTHER INVESTMENTS</b>		-	-	<b>7,550,594</b>

**I. II. AVAILABLE FOR SALE SECURITIES**

**INVESTMENT IN EQUITY SECURITIES:**

Ayala Corporation	30,160	18,065,840	18,065,840	236,710
ACEN Corporation	111,270	445,080	445,080	5,564
Aboitiz Equity Ventures	197,084	6,769,835	6,769,835	175,398
Ayala Land, Inc.	732,910	19,202,242	19,202,242	362,800
Aboitiz Power Corporation	55,433	2,089,824	2,089,824	67,926
Asian Reinsurance Corporation	980	40,783,448	40,783,448	-
AREIT, Inc.	23,600	895,620	895,620	13,688
Brightnote Assets Corporation	220,000	220,000	220,000	-
BDO Unibank Inc	285,428	41,101,632	41,101,632	939,688
Bank of the Philippine Islands	286,426	34,943,972	34,943,972	1,094,607
Calatagan Golf Club, Inc.	1	500,000	500,000	-
Century Pacific Food, Inc.	66,900	2,806,455	2,806,455	64,224
Double Dragon Property Corporation Preferred	500,000	48,600,000	48,600,000	4,842,500
Globe Telecom, Inc.	2,929	6,396,936	6,396,936	292,900
GT Capital Holdings, Inc.	7,410	4,875,780	4,875,780	57,600
Phil Hoteliers Inc	750	96,972	96,972	-
International Container Terminal Services, Inc.	84,920	32,779,120	32,779,120	826,980
Jollibee Foods Corporation	52,570	14,141,330	14,141,330	144,955
JG Summit Holdings, Inc.	272,988	5,609,903	5,609,903	76,855
Metropolitan Bank & Trust Company	167,990	12,095,280	12,095,280	751,535
Megaworld Corporation	211,333	433,233	433,233	17,279
Manila Electric Company	27,630	13,483,440	13,483,440	524,261
Makati Sports Club "A"	1	1,600,000	1,600,000	-
Orchard Golf Club - C	1	3,000,000	3,000,000	-
Philippine Nuclear Ins	300	30,000	30,000	-
Petron Preferred Shares Series 3B	50,000	51,500,000	51,500,000	3,569,150
RL Commercial REIT, Inc.	50,400	294,840	294,840	6,396
Robinsons Land Corporation	12,000	159,600	159,600	7,800
Roxas Land Corporation - Common	2,628	2,628	2,628	-
Roxas Land Corporation Preferred C	32,714	1,457,188	1,457,188	-
Roxas Land Corporation Preferred C-1	48,876	2,177,114	2,177,114	-
Shell Co Phils	660	1,905,974	1,905,974	-
SM Investments Corporation	58,560	52,645,440	52,645,440	521,550
SM Prime Holdings Inc.	1,279,790	32,186,719	32,186,719	352,086
Cirtek Holdings Corporation Preferred Shares B	250,000	8,121,960	8,121,960	1,303,142
PLDT Inc.	10,970	14,206,150	14,206,150	1,040,640
Benguet Consolidated, Inc.	18	62	62	-
Universal Robina Corporation	94,090	7,433,110	7,433,110	371,374
Wilcon Depot, Inc.	66,800	955,240	955,240	17,368
<b>Sold/Disposed</b>				<b>2,014,962</b>
<b>SUBTOTAL-INVESTMENT IN EQUITY SECURITIES</b>	<b>5,296,520</b>	<b>484,011,967</b>	<b>484,011,967</b>	<b>19,699,938</b>

**INVESTMENT IN DEBT SECURITIES:**
**A. NRCP-MANAGED**
**Fixed Rate Treasury Bonds**

PH0000057374	50,000,000	51,232,633	51,232,633	3,300,743
PH0000058109	150,000,000	150,233,604	150,233,604	8,191,338
PH0000058133	150,000,000	150,704,437	150,704,437	2,115,478
PH0000058281	350,000,000	351,525,859	351,525,859	10,762,370
PIBD0526D772	100,000,000	97,347,358	97,347,358	8,255,855
PIBD0728D649	50,000,000	46,976,260	46,976,260	3,172,676
PIBD0728H654	100,000,000	94,021,649	94,021,649	4,565,201
PIBD0729E673	250,000,000	252,987,430	252,987,430	6,147,214
PIBD0729J687	100,000,000	102,785,109	102,785,109	2,445,881
PIBD1029A644	104,000,000	106,498,536	106,498,536	6,730,671
PIBD1032F689	120,000,000	127,276,693	127,276,693	8,164,630
PIBD1032I695	100,000,000	102,799,282	102,799,282	5,162,565
PIBD1032J701	5,000,000	5,374,568	5,374,568	359,885
PIBD2031G171	50,000,000	54,029,277	54,029,277	1,261,963
PIID0527C159	50,000,000	49,002,423	49,002,423	2,442,460
PIID0527L140	150,000,000	146,169,427	146,169,427	6,862,939
PIID0528B176	150,000,000	150,346,666	150,346,666	9,213,014
Matured/Sold				7,169,307
Subtotal-Peso Bonds	2,029,000,000	2,039,311,211	2,039,311,211	96,324,190

**Government Bonds - USD**

PH0000057598	87,021,000	88,563,882	88,563,882	4,955,957
RODB0526J014	14,503,500	13,567,009	13,567,009	197,488
US718286BN61	174,042,000	175,315,987	175,315,987	7,746,623
US718286CC97	29,007,000	27,294,137	27,294,137	1,430,576
US718286CV78	130,531,500	131,292,499	131,292,499	6,288,068
US718286CW51	104,425,200	102,160,217	102,160,217	4,842,329
US718286CY18	17,404,200	17,128,691	17,128,691	744,721
	556,934,400	555,322,422	555,322,422	26,205,762

**Corporate Bonds - USD**

XS0972298300	29,007,000	29,197,866	29,197,866	1,687,764
XS2407048623	29,007,000	25,931,968	25,931,968	977,769
XS2690996827	23,205,600	23,412,362	23,412,362	963,746
XS2774954650	11,602,800	11,688,777	11,688,777	508,317
Matured/Sold				286,671
	92,822,400	90,230,973	90,230,973	4,424,267

**Subtotal-Dollar Bonds**

	649,756,800	645,553,395	645,553,395	30,630,029
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<b>TOTAL NRCP-MANAGED</b>	<b>2,678,756,800</b>	<b>2,684,864,606</b>	<b>2,684,864,606</b>	<b>126,954,219</b>
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**B. BPI-MANAGED**
**Fixed Rate Treasury Bonds**

PH0000057218	25,000,000	25,218,145	25,218,145	1,492,420
PH0000058125	19,000,000	18,989,019	18,989,019	265,864
PH0000058281	330,000,000	331,438,667	331,438,667	17,003,617
PIBD0526D772	75,000,000	73,010,519	73,010,519	3,260,072
PIBD0726B627	17,800,000	17,848,886	17,848,886	1,667,599
PIBD0729E673	35,000,000	35,416,808	35,416,808	2,042,954
PIBD0729J687	243,000,000	249,803,649	249,803,649	15,289,470
PIBD0730D690	61,000,000	60,718,508	60,718,508	3,637,211
PIBD1025I608	45,064,475	44,446,519	44,446,519	2,362,243
PIBD1027E617	5,000,000	4,885,200	4,885,200	276,395
PIBD1028C635	10,000,000	10,032,868	10,032,868	630,028
PIBD1029A644	42,100,000	43,111,427	43,111,427	2,703,000
PIBD2027I140	175,000,000	184,037,018	184,037,018	13,544,197
PIBD2031G171	2,780,000	3,004,028	3,004,028	92,966
PIID0527C159	45,000,000	44,102,181	44,102,181	2,687,010
PIID0528B176	108,000,000	108,249,600	108,249,600	6,216,878
PIID0528I160	402,000,000	398,518,127	398,518,127	23,184,994
Matured/Sold				1,928,190
Subtotal-Peso Bonds	1,640,744,475	1,652,831,169	1,652,831,169	98,285,108

<b>TOTAL BPI-MANAGED</b>	<b>1,640,744,475</b>	<b>1,652,831,169</b>	<b>1,652,831,169</b>	<b>98,285,108</b>
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**C. RCBC-MANAGED****Fixed Rate Treasury Bonds**

PH0000057218	35,000,000	35,305,403	35,305,403	2,280,705
PH0000057473	4,000,000	4,010,011	4,010,011	250,694
PH0000058117	7,000,000	7,013,471	7,013,471	416,840
PH0000058125	35,000,000	34,979,772	34,979,772	1,218,383
PH0000058133	40,000,000	40,187,850	40,187,850	824,811
PH0000058281	20,000,000	20,087,192	20,087,192	1,052,083
PIBD0726B627	55,000,000	55,151,052	55,151,052	2,148,685
PIBD0729E673	2,000,000	2,023,818	2,023,818	50,056
PIBD0729J687	30,000,000	30,886,724	30,886,724	1,950,388
PIBD0730D690	60,000,000	59,723,123	59,723,123	2,211,077
PIBD1029A644	40,000,000	40,960,975	40,960,975	2,606,562
PIBD2027I140	50,000,000	52,582,005	52,582,005	3,674,318
PIBD2039A232	5,000,000	5,179,627	5,179,627	336,416
PIID0528B176	50,000,000	50,115,555	50,115,555	3,068,388
PIID0528I160	20,000,000	19,826,772	19,826,772	1,877,154
Matured/Sold				4,286,780
Subtotal-Peso Bonds	453,000,000	458,033,350	458,033,350	28,253,340
<b>TOTAL RCBC-MANAGED</b>	<b>453,000,000</b>	<b>458,033,350</b>	<b>458,033,350</b>	<b>28,253,340</b>
<b>SUBTOTAL-INVESTMENT IN DEBT SECURITIES</b>	<b>4,772,501,275</b>	<b>4,795,729,125</b>	<b>4,795,729,125</b>	<b>253,492,667</b>
<b>TOTAL AVAILABLE FOR SALE SECURITIES</b>	<b>4,777,797,795</b>	<b>5,279,741,092</b>	<b>5,279,741,092</b>	<b>273,192,605</b>

**I V. HELD-TO-MATURITY INVESTMENTS****Corporate Bonds**

ACFXBOND2025	54,590,000	54,599,170	54,482,621	2,239,022
ACFXBOND2026	30,000,000	29,140,079	28,778,190	1,708,236
AEV2FXBD2025	13,200,000	13,200,000	12,925,189	436,506
AEVFXBND2027	54,920,000	55,744,995	53,871,248	3,018,377
ALI2FXBD2026	125,000,000	126,990,806	124,230,000	6,555,763
ALI3FXBD2025	100,000,000	100,242,910	97,856,800	3,554,407
ALIFXBND2026	25,000,000	25,142,414	24,419,400	1,103,310
ALIFXBND2027	50,000,000	51,400,678	48,361,800	2,066,089
ALIFXBND2031	50,000,000	50,000,000	47,608,950	2,044,463
APC2FXBD2025	60,460,000	59,590,918	58,940,036	3,323,737
APC2FXBD2026	200,000,000	202,881,703	194,918,000	9,030,799
APC2FXBD2027	5,000,000	5,000,000	4,848,005	266,067
UBPTIER22030	50,000,000	50,000,000	49,034,404	2,632,292
CNVRGFB2027	10,000,000	10,000,000	9,743,470	560,974
DNLFXBND2026	17,200,000	17,200,000	16,295,590	620,265
EDCFXBND2026	12,090,000	12,090,000	11,575,438	452,270
FLI2FXBD2027	2,500,000	2,500,000	2,476,785	160,810
FLIFXBND2025	75,000,000	75,564,555	74,496,975	3,433,936
FLIFXBND2027	19,500,000	19,500,000	18,684,647	1,028,139
PH0000057051	50,000,000	50,000,000	50,547,993	3,156,143
PH0000057143	15,000,000	15,000,000	14,914,703	917,121
EDC 05-29 R27	21,500,000	21,500,000	21,507,955	880,235
MAYNILAD 07-29 R27	10,000,000	10,000,000	9,907,000	314,960
MAYNILAD 07-34 R31	11,990,000	11,990,000	12,025,454	399,245
ALI 07-34 R31	10,000,000	10,000,000	9,995,000	316,632
ALI 11-34 R31	60,000,000	60,000,000	59,486,027	490,672
SMPH3FBD2025	100,000,000	100,125,994	99,563,300	4,317,798
SMPHFXBD2025	17,800,000	17,787,106	17,488,269	870,181
SMPHFXBD2026	75,000,000	73,796,938	72,070,425	3,878,788
SMPHFXBD2028	25,000,000	25,000,000	23,532,125	1,278,391
Matured/Sold				9,791,486
	1,350,750,000	1,355,988,266	1,324,585,799	70,847,114

**Government Bonds**

PH0000057218	100,000,000	100,143,884	100,879,535	6,370,328
PH0000058109	55,960,000	55,675,705	56,047,150	2,047,288
PH0000058117	20,300,000	20,300,000	20,339,065	1,208,837
PH0000058133	250,000,000	257,117,770	251,174,061	3,926,001
PH0000058281	100,000,000	100,279,953	100,435,960	2,473,155
PIBD0725D618	15,000,000	14,981,149	14,985,997	920,935
PIBD0729E673	150,000,000	151,050,507	151,786,321	7,413,825
PIBD0729J687	50,000,000	50,918,189	51,392,555	3,343,311
PIBD1025I608	562,500,000	551,936,392	554,786,604	20,447,266
PIBD1028C635	100,000,000	99,874,486	100,328,677	6,300,282
PIBD1029A644	245,000,000	249,718,537	250,885,975	15,852,048
PIBD1032A675	50,000,000	45,405,136	47,153,939	2,966,124
PIBD1032F689	253,470,000	261,396,255	268,840,194	17,564,464
PIBD1032I695	328,230,000	338,053,658	337,418,082	21,184,480
PIBD2027I140	50,000,000	52,200,088	52,582,005	3,574,242
PIBD2031G171	62,500,000	72,002,782	67,536,596	3,753,473
PIBD2535L086	50,000,000	56,885,174	56,513,645	3,606,459
US718286CU95	116,028,000	124,494,948	120,315,235	6,650,775
US718286CX35	63,815,400	66,076,461	62,361,685	3,230,605
	2,622,803,400	2,668,511,074	2,665,763,281	132,833,898

**TOTAL HELD-TO-MATURITY INVESTMENTS**

<b>3,973,553,400</b>	<b>4,024,499,340</b>	<b>3,990,349,080</b>	<b>203,681,012</b>
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**V. HELD FOR TRADING SECURITIES****INVESTMENT IN EQUITY SECURITIES:**

Ayala Corporation	9,974	5,974,426	5,974,426	96,828
Ayala Land, Inc.	1,218,600	31,927,320	31,927,320	292,069
Aboitiz Power Corporation	81,600	3,076,320	3,076,320	178,020
AREIT, Inc.	550,300	20,883,885	20,883,885	400,326
BDO Unibank Inc	51,704	7,445,376	7,445,376	192,918
Bank of the Philippine Islands	250,135	30,516,470	30,516,470	593,505
Globe Telecom, Inc.	1,676	3,660,384	3,660,384	193,850
GT Capital Holdings, Inc.	4,900	3,224,200	3,224,200	106,010
International Container Terminal Services, Inc.	26,430	10,201,980	10,201,980	328,570
Jollibee Foods Corporation	27,260	7,332,940	7,332,940	69,819
Metropolitan Bank & Trust Company	148,550	10,695,600	10,695,600	639,270
Manila Electric Company	21,160	10,326,080	10,326,080	385,823
Monde Nissin Corporation	2,951,800	25,385,480	25,385,480	653,876
Manila Water Corporation, Inc.	97,000	2,619,000	2,619,000	109,513
Puregold Price Club, Inc.	27,800	857,630	857,630	25,020
Robinsons Land Corporation	82,500	1,097,250	1,097,250	53,625
SM Investments Corporation	11,440	10,284,560	10,284,560	107,550
SM Prime Holdings Inc.	1,225,500	30,821,325	30,821,325	73,560
PLDT Inc.	4,255	5,510,225	5,510,225	305,600
Universal Robina Corporation	35,620	2,813,980	2,813,980	494,057
First Gen Corporation	154,500	2,490,540	2,490,540	535,320
RL Commercial REIT, Inc.	761,500	4,454,775	4,454,775	725,220
Sold/Disposed				42,741
	7,744,204	231,599,746	231,599,746	6,603,090

**UNIT INVESTMENT TRUST FUND:****BPI-MANAGED**

BPI Investment Short Term Fund	58,089	10,030,771	10,030,771	-
BPI Invest US Dollar Short Term Fund	30	587,791	587,791	-
	58,119	10,618,562	10,618,562	-

**INVESTMENT IN GLOBAL FUND:**

iShares Core MSCI World UCITS ETF	26,211	164,149,305	164,149,305	-
BlackRock World Technology Fund	6,740	41,590,632	41,590,632	-
	32,951	205,739,937	205,739,937	-

**TOTAL HELD-FOR-TRADING SECURITIES**

7,835,274	447,958,245	447,958,245	6,603,090
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**GRAND TOTAL FINANCIAL ASSETS**

10,329,551,328	10,295,401,068	510,226,568
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**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**  
**Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties**  
**and Principal Stockholders' (Other than Related Parties)**  
**December 31, 2024**

Name of employee	Designation	Date of Availment	Bal. at beg. of period	Additions	Deductions		Ending Balance		Balance at end of period
					Amounts collected	Amounts Writtenoff	Current	Non-Current	
A. Emergency Loans									
1 BETHIZAYDA M CRUZ	Rank & File	11/12/2024	-	30,000	3,557	-	26,443	-	26,443
2 CYRINE GRACE S ROMANO <sup>1</sup>	Rank & File	05/06/2024	-	30,000	5,957	-	24,043	-	24,043
3 GRACE Y CARRASCO <sup>1</sup>	Rank & File	03/13/2024	-	30,000	4,754	-	25,246	-	25,246
4 IRENE G LOZADA	Manager	08/14/2023	40,792	-	40,792	-	0	-	0
5 IVY E MAGTALAS	Senior Manager	12/26/2023	60,000	-	60,000	-	0	-	0
6 JACKLYN M MELENDEZ	Rank & File	02/06/2024	-	30,000	26,051	-	3,949	-	3,949
7 JANNETH F ROLDAN	Rank & File	07/08/2024	-	30,000	13,305	-	16,695	-	16,695
8 JOCELYN A CASTILLO	Rank & File	09/19/2023	21,618	-	21,618	-	-	-	-
9 JOCELYN A CASTILLO	Rank & File	09/20/2024	-	30,000	7,167	-	22,833	-	22,833
10 LILYBETH R AVILA	Rank & File	05/16/2023	11,673	-	11,673	-	0	-	0
11 LILYBETH R AVILA	Rank & File	06/18/2024	-	30,000	14,551	-	15,449	-	15,449
12 MARIA CARMEN C ORTIZ	Manager	05/08/2023	23,346	-	23,346	-	-	-	-
13 MIKAELLA S GALANG	Rank & File	02/19/2024	-	30,000	24,747	-	5,253	-	5,253
14 NISSI MARAVILLA	Rank & File	08/16/2024	-	30,000	9,604	-	20,396	-	20,396
15 RAUL G TUMANGDAY	Senior Manager	07/24/2023	38,357	-	38,357	-	-	-	0
16 RAUL G TUMANGDAY	Senior Manager	05/14/2024	-	60,000	39,197	-	20,803	-	20,803
17 SEAN B TABIOLA	Rank & File	11/17/2023	27,635	-	27,635	-	0	-	0
18 VON EDWARD EBRON	Senior Asst. Vice President	12/21/2023	90,000	-	90,000	-	-	-	-
<sup>1</sup> Resigned employees			313,401	330,000	462,291	-	181,110	-	181,110

<b>B. Car Facility Loan</b>									
1 ANELISA TRINIDAD M MERIDA	Asst. Vice President	04/07/2022	430,596	-	115,720	-	125,341	189,535	314,876
2 ANNYKYE VITUG	Manager	8/8/2023	399,833	-	72,821	-	78,876	248,136	327,012
3 APRIL ROSE R AGSAWAY	Manager	2/6/2024	-	380,000	53,281	-	68,799	257,920	326,719
4 ARLENE GAY SANTOS	Senior Assistant Vice President	09/23/2021	355,112	-	118,208	-	128,036	108,868	236,904
5 AYR ANNIE MANIO	Manager	2/2/2024	-	480,000	67,302	-	86,904	325,794	412,698
6 CINDERELLA M GERMAN	Vice President	10/25/2022	355,726	-	81,539	-	88,310	185,868	274,187
7 DAISY C. SALONGA	Vice President	10/21/2022	338,984	-	81,268	-	88,025	189,691	277,716
8 DARIUS DE GUZMAN	Senior Manager	7/10/2024	-	540,000	29,683	-	93,939	416,378	510,317
9 ENRICO U. CAMINCE	Manager	02/09/2021	199,130	-	89,508	-	96,590	12,672	109,622
10 FRANCIS ALBERT J. ALVAREZ	Senior Manager	7/4/2024	-	416,400	31,630	-	73,165	311,605	384,770
11 FRANCIS ANDRES B LAGMAN	Manager	06/27/2022	359,199	-	91,352	-	98,947	168,900	267,847
12 GREZIEL QUILPO	Senior Manager	8/4/2023	456,952	-	83,224	-	90,144	283,584	373,728
13 IRENE G LOZADA	Manager	5/27/2024	-	478,800	36,370	-	84,129	358,301	442,430
14 IVY MAGTALAS	Senior Manager	08/23/2022	377,330	-	89,844	-	97,314	190,172	287,486
15 JACQUELINE MICHELLE C DY	Vice President	11/20/2024	-	480,000	11,839	-	148,389	319,772	468,161
16 JOEL A PERLADO	First Vice President	9/14/2023	424,960	-	75,783	-	82,084	267,093	349,177
17 JOSE AUGURIO JR N DE VERA	Vice President	7/22/2024	-	480,000	33,091	-	84,059	362,850	446,009
18 JUDITH VELANO	Asst. Vice President	11/21/2024	-	200,000	2,721	-	34,104	163,175	197,279
19 LILLIE G REDOR <sup>1</sup>	Asst. Vice President	04/06/2022	430,595	-	47,096	-	383,499	-	383,499
20 MARIA CARMEN C ORTIZ	Senior Manager	2/20/2024	-	540,000	75,715	-	97,767	366,518	464,285
21 MARILYN T DELA PAZ	Manager	12/18/2020	188,329	-	90,406	-	97,923	307,923	477,923
22 MARY GRACE D BELISARIO	Senior Manager	6/11/2024	-	540,000	41,019	-	94,882	404,099	498,981
23 RAUL TUMANGDAY	Senior Manager	06/29/2021	267,847	-	98,947	-	107,173	61,727	168,900
24 REGINA LOURDES D PAPA	Senior Assistant Vice President	10/28/2021	378,703	-	120,034	-	130,014	128,655	258,669
25 ROJANE MENDOZA	Manager	02/28/2022	288,361	-	82,089	-	88,915	117,357	206,272
26 RUSSELL B AGUSTIN	Senior Manager	9/13/2023	463,592	-	82,672	-	89,546	291,374	380,920
27 SHERWIN T PARUNGGAO	Senior Manager	2/8/2024	-	649,800	91,110	-	117,646	441,044	558,690
28 VON EDWARD EBRON	Senior Asst. Vice President	1/16/2024	-	660,000	97,331	-	119,891	442,778	562,669
Resigned and retired employees			5,735,249	5,845,000	1,991,603	-	2,974,780	6,613,866	9,588,646

Name of employee	Designation	Date of Availment	Bal. at beg. of period	Additions	Deductions		Ending Balance		Balance at end of period
					Amounts collected	Amounts Writtenoff	Current	Non-Current	
C. Receivables from Employee (HMO & Car Insurance)									
1 AMILLET GUTIERREZ	Rank & File		20,676	40,348	38,218	-	22,806	-	22,806
2 ANELISA TRINIDAD M. MERIDA	Asst. Vice President		53,289	25,096	13,593	-	64,792	-	64,792
3 ANNIE MARIZ ANGELES <sup>1</sup>	Rank & File		12,847	-	-	-	12,847	-	12,847
4 ANNYKYE VITUG	Manager		86,913	8,299	3,458	-	4,841	-	4,841
5 APRIL ROSE R. AGSAWAY	Manager		86,913	2,145	2,145	-	86,913	-	86,913
6 ARLENE GAY SANTOS	Senior Assistant Vice President		18,990	13,495	15,008	-	17,477	-	17,477
7 AYESA LOUISE LOGO	Rank & File		-	15,326	15,326	-	(0)	-	(0)
8 AYR ANNIE MANIO	Manager		-	40,008	37,866	-	2,142	-	2,142
9 BLESILDA S. BESABE <sup>1</sup>	Senior Assistant Vice President		195	-	-	-	195	-	195
10 CARMEL F. TORRALBA	Rank & File		40,471	40,348	34,009	-	46,810	-	46,810
11 CHARICE C. CORTES	Rank & File		16,224	-	16,224	-	(0)	-	(0)
12 CHERRY LOU R. LORENZO <sup>1</sup>	Senior Assistant Vice President		55,243	-	-	-	55,243	-	55,243
13 CINDERELLA M. GERMAN	Vice President		41,622	61,627	63,556	-	39,693	-	39,693
14 DAISY C. SALONGA	Vice President		-	34,625	8,259	-	26,366	-	26,366
15 DARIUS DE GUZMAN	Manager		7,194	-	-	-	7,194	-	7,194
16 DAVID MOTLEY <sup>1</sup>	Asst. Vice President		13,730	-	-	-	13,730	-	13,730
17 DIANNE MONIQUE G. GARCIA <sup>1</sup>	Rank & File		3,212	-	-	-	3,212	-	3,212
18 ENRICO U. CAMINCE	Manager		37,022	13,500	15,728	-	34,794	-	34,794
19 EVELYN N. BUENO <sup>1</sup>	Manager		66,641	-	-	-	66,641	-	66,641
20 FRANCISCO ANDRES B. LAGMAN	Senior Manager		31,194	56,889	57,697	-	30,386	-	30,386
21 GREZIEL R. CURAMING	Senior Manager		17,707	10,219	3,406	-	24,520	-	24,520
22 IRENE G. LOZADA	Manager		20,675	80,695	55,761	-	45,609	-	45,609
23 IVY E. MAGTALAS	Senior Manager		14,181	13,222	11,418	-	15,985	-	15,985
24 JACKLYN M. MELENDEZ	Rank & File		14,851	28,980	27,450	-	16,381	-	16,381
25 JACQUELINE MICHELLE C. DY	Vice President		-	20,026	10,430	-	9,596	-	9,596
26 JAIME JOSE JAVIER	Vice President		55,052	56,171	77,583	-	33,640	-	33,640
27 JANNETH F. ROLDAN	Rank & File		10,466	-	-	-	10,466	-	10,466
28 JEREMY BACLI	Rank & File		-	31,169	13,434	-	17,735	-	17,735
29 JOEL CLARO A. PERLADO	First Vice President		8,416	11,444	11,277	-	8,583	-	8,583
30 JOSE AUGURIO JR. N. DE VERA	Vice President		-	14,503	4,567	-	9,936	-	9,936
31 LILLIE G. REDOR <sup>1</sup>	Asst. Vice President		5,572	13,682	7,853	-	11,401	-	11,401
32 MARIA CARMEN C. ORTIZ	Manager		-	18,367	15,306	-	3,061	-	3,061
33 MARIA LORENA TABAO	Rank & File		-	26,898	-	-	26,898	-	26,898
34 MARILYN T. DELA PAZ	Manager		7,413	11,927	13,874	-	5,466	-	5,466
35 MARITES B. BALAJADIA	Senior Manager		22,602	40,348	38,218	-	24,732	-	24,732
36 MARK QUINTIN G. NUNEZ <sup>1</sup>	Asst. Vice President		18,656	-	-	-	18,656	-	18,656
37 MIKAELLA S. GALANG	Rank & File		16,224	27,531	28,194	-	15,561	-	15,561
38 NATALIE S. MAGALONA	Manager		35,960	-	-	-	35,960	-	35,960
39 NERISSA QUEBEC	Rank & File		27,373	-	27,373	-	0	-	0
40 PATRICK BASOBAS <sup>1</sup>	Assistant Manager		15	-	-	-	15	-	15
41 RAUL G. TUMANGDAY	Senior Manager		5,362	7,579	8,520	-	4,421	-	4,421
42 REGINA LOURDES D. PAPA	Senior Assistant Vice President		34,785	15,444	18,358	-	31,871	-	31,871
43 ROJANE C. MENDOZA	Manager		48,533	95,213	95,808	-	47,938	-	47,938
44 RUIZA ANGELICA EUGENIO	Rank & File		-	37,738	21,358	-	16,380	-	16,380
45 RUSSELL B. AGUSTIN	Manager		17,760	19,526	19,842	-	17,444	-	17,444
46 RUTH FATIMA YLASCO	Rank & File		29,701	57,960	54,901	-	32,760	-	32,760
47 SAMANTHA ATIVO	Rank & File		18,976	28,980	31,576	-	16,380	-	16,380
48 SHERWIN T. PARUNGGAO	Senior Manager		10,348	18,958	1,162	-	28,144	-	28,144
49 VICTOR DEL ROSARIO TANJUA <sup>1</sup>	First Vice President		21,600	-	-	-	21,600	-	21,600
50 VON EDWARD EBRON	Senior Asst. Vice President		18,958	65,980	61,886	-	23,052	-	23,052
Resigned and retired employees			986,649	1,104,266	980,642	-	1,110,273	-	1,110,273
GRAND TOTAL			7,035,299	7,279,266	3,434,536	-	4,266,163	6,613,866	10,880,029

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES  
Schedule C - Amounts Receivable from Related Parties which are  
eliminated during the consolidation of financial statements  
December 31, 2024

				Deductions		Ending Balance		Balance at end of period
Name of employee	Designation	Bal. at beg. of period	Additions	Amounts collected	Amounts Written off	Current	Non-Current	

NA

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES  
Schedule D - Long-term Debt  
December 31, 2024

Title of Issue and type of obligation (i)	Amount Authorized by Indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet (iii)
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NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES  
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related  
December 31, 2024

Name of related party (i)	Balance at beginning of period	Balance at end of period (ii)
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NA

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES  
Schedule F - Guarantees of Securities of Other Issuers  
December 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is file	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is file	Nature of guarantee (ii)
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**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

**Schedule G- Capital Stock**

**December 31, 2024**

Name of Stockholders	Title of Issue	No. of shares issued & outstanding as shown under the related balance sheet caption	No. of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
1 ALEGAR CORPORATION	Common	32,600.00	NIL	-	-	32,600
2 ALPHA INSURANCE & SURETY CO., INC.	Common	1,578,900.00	NIL	-	-	1,578,900
3 AP MADRIGAL STEAMSHIP CO. INC.	Common	3,300.00	NIL	-	-	3,300
4 ARAVAL, INC	Common	77,100.00	NIL	-	-	77,100
5 ASIA UNITED INSURANCE, INC	Common	1,252,300.00	NIL	-	-	1,252,300
6 BANCOR DEVELOPMENT CORP.	Common	8,300.00	NIL	-	-	8,300
7 BENEFICIAL LIFE INSURANCE COMPANY INC.	Common	3,193,500.00	NIL	-	-	3,193,500
8 B.F. GENERAL INSURANCE CO., INC.	Common	36,900.00	NIL	-	-	36,900
9 BF LIFE INSURANCE CORP.	Common	397,300.00	NIL	-	-	397,300
10 BPI/MS INSURANCE CORP.	Common	3,347,500.00	NIL	3,347,500	-	-
11 CENTENNIAL GUARANTEE ASSURANCE CORP.	Common	14,500.00	NIL	-	-	14,500
12 CONSOLIDATED INSURANCE CO., INC.	Common	144,600.00	NIL	-	-	144,600
13 COOPERATIVE INSURANCE SYSTEM OF THE PH	Common	72,900.00	NIL	-	-	72,900
14 COUNTRY BANKERS INS. CORP.	Common	2,220,300.00	NIL	-	-	2,220,300
15 COUNTRY BANKERS LIFE INSURANCE CORP.	Common	30,000.00	NIL	-	-	30,000
16 EASTERN ASSURANCE & SURETY CORPORATIO	Common	1,872,400.00	NIL	-	-	1,872,400
17 FEDERAL PHOENIX ASSURANCE COMPANY IN	Common	3,786,300.00	NIL	-	-	3,786,300
18 FGU INSURANCE CORPORATION	Common	36,126,000.00	NIL	36,126,000	-	-
19 FIDELITY INSURANCE COMPANY INC.	Common	818,800.00	NIL	-	-	818,800
20 FIRST INTEGRATED BONDING & INS. CO INC.	Common	275,300.00	NIL	-	-	275,300
21 GREAT DOMESTIC INS. CO. OF THE PHILS.	Common	544,700.00	NIL	-	-	544,700
22 INSURANCE COMPANY OF NORTH AMERICA	Common	705,600.00	NIL	-	-	705,600
23 INSURANCE OF THE PHIL. ISLANDS CO., INC.	Common	59,100.00	NIL	-	-	59,100
24 INVESTOR'S ASSURANCE CORP.	Common	99,000.00	NIL	-	-	99,000
25 LUZON INSURANCE & SURETY CO., INC.	Common	32,300.00	NIL	-	-	32,300
26 MAA GENERAL ASSURANCE PHILS., INC.	Common	271,800.00	NIL	-	-	271,800
27 MABASA & COMPANY, INC.	Common	36,500.00	NIL	-	-	36,500
28 MALAYAN INSURANCE CO., INC.	Common	21,600.00	NIL	21,600	-	-
29 MANILA INSURANCE COMPANY INC.	Common	6,800.00	NIL	-	-	6,800
30 MANILA SURETY & FIDELITY CO., INC.	Common	3,168,400.00	NIL	-	-	3,168,400
31 ORIENTAL ASSURANCE CORPORATION	Common	3,560,800.00	NIL	-	-	3,560,800
32 PACIFIC UNION INSURANCE CO.	Common	1,351,600.00	NIL	-	-	1,351,600
33 PARAMOUNT LIFE & GENERAL INS. CORP.	Common	940,900.00	NIL	-	-	940,900
34 PEOPLE'S TRANS-EAST ASIANS. CORP.	Common	2,435,300.00	NIL	-	-	2,435,300
35 PHILIPPINE BRITISH ASSURANCE CO., INC.	Common	590,400.00	NIL	-	-	590,400
36 PHIL. PRUDENTIAL LIFE INS. CO., INC.	Common	1,771,900.00	NIL	-	-	1,771,900
37 PHILIPPINE REMNANTS CO., INC.	Common	399,300.00	NIL	-	-	399,300
38 PHILIPPINES FIRST INSURANCE CO., INC.	Common	11,075,200.00	NIL	-	-	11,075,200
39 PHIL. INT'L LIFE INSURANCE CO., INC.	Common	4,450,200.00	NIL	-	-	4,450,200
40 PLARIDEL SURETY & INSURANCE COMPANY IN	Common	162,500.00	NIL	-	-	162,500
41 RITA LEGARDA., INC.	Common	13,700.00	NIL	-	-	13,700
42 RIVARA, INC.	Common	8,700.00	NIL	-	-	8,700
43 SOUTH SEA SURETY & INS. CO., INC.	Common	4,152,700.00	NIL	-	-	4,152,700
44 STERLING INSURANCE CO., INC.	Common	2,453,900.00	NIL	-	-	2,453,900
45 STRONGHOLD INSURANCE CO., INC.	Common	2,817,600.00	NIL	-	-	2,817,600
46 SUN LIFE ASSURANCE CO. OF CANADA	Common	305,700.00	NIL	-	-	305,700
47 SUSANA REALTY	Common	600.00	NIL	-	-	600
48 TABACALERA INSURANCE CO. INC.	Common	1,278,700.00	NIL	-	-	1,278,700
49 TIMES SURETY & INSURANCE CO., INC.	Common	7,500.00	NIL	-	-	7,500
50 TRAVELLER'S INSURANCE & SURETY CORP.	Common	696,100.00	NIL	-	-	696,100
51 UNION BANK OF THE PHILS.	Common	5,000.00	NIL	-	-	5,000
52 UNION INSURANCE SOCIETY OF CANTON LTD	Common	2,197,300.00	NIL	-	-	2,197,300
53 UNITED INSURANCE CO., INC	Common	2,006,600.00	NIL	-	-	2,006,600
54 UNITED LIFE ASSURANCE CORP.	Common	2,518,100.00	NIL	-	-	2,518,100
55 VISAYAN SURETY & INSURANCE CORP.	Common	3,545,500.00	NIL	-	-	3,545,500
56 WORLDWIDE INSURANCE & SURETY COMPANY	Common	100.00	NIL	-	-	100
57 ZENITH INSURANCE CORPORATION	Common	805,800.00	NIL	-	-	805,800
58 MAMERTA ANDAYA	Common	2,100.00	NIL	-	-	2,100
59 NORMANDO ANTONIO S. AGUILAR	Common	16,900.00	NIL	-	-	16,900
60 CONCEPCION S. ARANETA	Common	700.00	NIL	-	-	700
61 BASCO, AMERFIL V.	Common	11,800.00	NIL	-	-	11,800
62 JAYMERLI C. BAUTISTA	Common	298,100.00	NIL	-	-	298,100
63 FRANCISCO M. BAYOT	Common	1,100.00	NIL	-	-	1,100
64 VICENTE M. BAYOT	Common	1,100.00	NIL	-	-	1,100
65 VICTORIANO G. BELIZARIO	Common	300.00	NIL	-	-	300
66 PEDRO P. BENEDICTO JR.	Common	15,800.00	NIL	-	-	15,800
67 CONRADO BENITEZ	Common	7,400.00	NIL	-	-	7,400
68 ISABELITA M. CABANGUNAY	Common	14,500.00	NIL	-	-	14,500

69	DANILO J. CABERO	Common	7,200.00	NIL	-	-	7,200
70	NATIVIDAD CANTAJAL	Common	4,800.00	NIL	-	-	4,800
71	ANTONIO ROXAS CHUA	Common	1,089,500.00	NIL	-	-	1,089,500
72	JACQUELINE M. HALILI CO	Common	293,800.00	NIL	-	-	293,800
73	MANUEL U. CO	Common	100.00	NIL	-	-	100
74	FRANCISCO CORPUS	Common	100.00	NIL	-	-	100
75	DAVID C. COYUKIAT	Common	200.00	NIL	-	-	200
76	ALICIA S. CRUZ	Common	6,400.00	NIL	-	-	6,400
77	LUZ NER CRUZ	Common	13,400.00	NIL	-	-	13,400
78	ADELITA VERGEL DE DIOS	Common	171,500.00	NIL	-	-	171,500
79	MANUEL DYTOC	Common	900.00	NIL	-	-	900
80	EDUARDO ECHAUZ	Common	100.00	NIL	-	-	100
81	ROMEO ECHAUZ	Common	400.00	NIL	-	-	400
82	MANUEL B. ENRIQUEZ	Common	500.00	NIL	-	-	500
83	LILY VICTORIA G. GALO	Common	2,800.00	NIL	-	-	2,800
84	RAFAEL C. GALLAGA	Common	13,500.00	NIL	-	-	13,500
85	GARCIA, WINSTON F.	Common	442,300.00	NIL	-	-	442,300
86	EDITHA B. GERONIMO	Common	15,000.00	NIL	-	-	15,000
87	MERCEDES U. GONZALES	Common	200.00	NIL	-	-	200
88	LUCINA OCAMPO LEGASPI	Common	3,800.00	NIL	-	-	3,800
89	LUCITA R.C. LIMPE	Common	13,400.00	NIL	-	-	13,400
90	ROSARIO M. LLORA	Common	7,100.00	NIL	-	-	7,100
91	HONORATA S. LUCOS	Common	15,000.00	NIL	-	-	15,000
92	ANTONIO P. MADRIGAL	Common	4,200.00	NIL	-	-	4,200
93	CONSUELO P. MADRIGAL	Common	1,200.00	NIL	-	-	1,200
94	GERARDO A.S. MADRIGAL	Common	1,600.00	NIL	-	-	1,600
95	MACARIA P. MADRIGAL	Common	2,300.00	NIL	-	-	2,300
96	VICENTE A.S. MADRIGAL	Common	1,600.00	NIL	-	-	1,600
97	NELIA M. MALUBAY	Common	54,000.00	NIL	-	-	54,000
98	JENNIFER C. MARTIN	Common	294,000.00	NIL	-	-	294,000
99	HANS MENZI	Common	2,100.00	NIL	-	-	2,100
100	DAVID C. MERCADO	Common	27,300.00	NIL	-	-	27,300
101	SUSANA B. ORTIGAS	Common	1,100.00	NIL	-	-	1,100
102	MAURO PRIETO	Common	11,600.00	NIL	-	-	11,600
103	ANGELITTA U. REYES	Common	2,800.00	NIL	-	-	2,800
104	JOSE R. RODAS	Common	100.00	NIL	-	-	100
105	LOURDES S. RODAS	Common	1,100.00	NIL	-	-	1,100
106	PAZ VDA. DE RODAS	Common	6,200.00	NIL	-	-	6,200
107	ROSARIO RODAS	Common	900.00	NIL	-	-	900
108	PACITA RODRIGUEZ	Common	13,400.00	NIL	-	-	13,400
109	PETER T. ROXAS-CHUA	Common	13,400.00	NIL	-	-	13,400
110	TAN KIM CHIONG DE ROXAS-CHUA	Common	92,300.00	NIL	-	-	92,300
111	ANTONIO S. ROXAS-CHUA JR.	Common	24,900.00	NIL	-	-	24,900
112	SEVERINO T. ROXAS-CHUA	Common	13,400.00	NIL	-	-	13,400
113	ANDRES E. SIOCHI	Common	11,700.00	NIL	-	-	11,700
114	EUGENIA G. SILVA	Common	2,800.00	NIL	-	-	2,800
115	MANUEL A. TORRES JR.	Common	79,100.00	NIL	-	-	79,100
116	MA. LUISA MADRIGAL VASQUEZ	Common	400.00	NIL	-	-	400
117	VICENTE B. VILLARAMA JR.	Common	2,800.00	NIL	-	-	2,800
118	BETTY RC YAO	Common	13,400.00	NIL	-	-	13,400
119	FRANCISCO JOSE ELIZALDE YTURREALDE	Common	75,700.00	NIL	-	-	75,700
120	MACROHON JR., IGNACIO	Common	100.00	NIL	-	-	100
121	LJM, PEDRO C.	Common	3,000.00	NIL	-	-	3,000
122	YAO, WILSON A.	Common	30,000.00	NIL	-	-	30,000
123	TAN, LOZANO A.	Common	100,000.00	NIL	-	-	100,000
124	VALENCIA, JESUS SAN LUIS	Common	2,100.00	NIL	-	-	2,100
125	PA, ANA GO &/OR GO KIM	Common	7,500,000.00	NIL	-	-	7,500,000
126	CRUZ, NAPOLEON D. CRUZ SR. &/OR LUISA I. &	Common	5,000.00	NIL	-	-	5,000
127	GALLAGA, RAFAEL C.	Common	100.00	NIL	-	-	100
128	LA'O, LUIS C.	Common	100.00	NIL	-	-	100
129	JACINTO JR., FERNANDO P.	Common	100.00	NIL	-	-	100
130	SALVADOR, BIENVENIDO C.	Common	100.00	NIL	-	-	100
131	BERNARDO, ROMEO L.	Common	100.00	NIL	-	-	100
132	CASTANEDA JR., CONSTANCIO T.	Common	100.00	NIL	-	-	100
133	KO PIO, RUFINO H.	Common	100.00	NIL	-	-	100
134	FRANCISCO, ROLANDO B.	Common	100.00	NIL	-	-	100
135	DESIDERIO JR., JOSE O.	Common	100.00	NIL	-	-	100
136	DESIDERIO, RODOLFO O.	Common	100.00	NIL	-	-	100
137	ONGKINGCO, FLORENCIO N.	Common	100.00	NIL	-	-	100
138	MARIANO JR., JORGE T.	Common	100.00	NIL	-	-	100
139	SAUCO, NORBERTO V.	Common	100.00	NIL	-	-	100
140	JUAN, FRISCO F. SAN	Common	100.00	NIL	-	-	100
141	CORPUS, SERGIO	Common	100.00	NIL	-	-	100
142	GO, GEORGE L.	Common	1,000.00	NIL	-	-	1,000
143	UY JR., CARLOS F.	Common	100.00	NIL	-	-	100
144	SALCEDO JR., ALFONSO L.	Common	100.00	NIL	-	-	100
145	ARAGON, BIENVENIDO M.	Common	200.00	NIL	-	-	200
146	CABANGON CHUA, ANTONIO L.	Common	100.00	NIL	-	-	100



147	TRINIDAD, ARMANDO C.	Common	100.00	NIL	-	-	100
148	BUENO, FRANCIS EDWIN I.	Common	100.00	NIL	-	-	100
149	HARI, ABDON M.	Common	100.00	NIL	-	-	100
150	REMO JR., JOSE H.	Common	100.00	NIL	-	-	100
151	CRUZ JR., ROMAN A.	Common	100.00	NIL	-	-	100
152	FRANCISCO, CLEOTILDE B.	Common	100.00	NIL	-	-	100
153	BELTRAN, AURELIO M.	Common	100.00	NIL	-	-	100
154	YUCHENGCO, YVONNE S.	Common	100.00	NIL	-	100	-
155	DEE, HELEN Y.	Common	100.00	NIL	-	-	100
156	PUYAT, ALFONSO G.	Common	100.00	NIL	-	-	100
157	FERNANDEZ, VICENTE T.	Common	100.00	NIL	-	-	100
158	LEON, JAIME S. DE	Common	100.00	NIL	-	-	100
159	RAMAJO, HONORIO J.	Common	100.00	NIL	-	-	100
160	UNSON, MA. ANICIA F.	Common	100.00	NIL	-	-	100
161	UNSON JR., ALEJANDRO F.	Common	100.00	NIL	-	-	100
162	VILLAMAYOR, ANTONIO S.	Common	100.00	NIL	-	-	100
163	CHENG, GEMA O.	Common	100.00	NIL	-	-	100
164	JUNTEREAL JR., FILEMON A.	Common	100.00	NIL	-	-	100
165	COTOCO, NAZARIO	Common	100.00	NIL	-	-	100
166	COTOCO, DOMINGO	Common	100.00	NIL	-	-	100
167	PADIERNOS, GAY G.	Common	100.00	NIL	-	-	100
168	UNSON JR., EDMUNDO L.	Common	100.00	NIL	-	-	100
169	LIM, JAMES ORTEGA	Common	100.00	NIL	-	-	100
170	CUYEGKENG, ROSARIO W.	Common	100.00	NIL	-	-	100
171	FERNANDEZ, JAIME C.	Common	100.00	NIL	-	-	100
172	ALVENDIA, JOSE P.	Common	100.00	NIL	-	-	100
173	MERCADO JR., DANIEL M.	Common	100.00	NIL	-	-	100
174	ROMAN, VICTOR B.	Common	100.00	NIL	-	-	100
175	TANCO, EUSEBIO H.	Common	100.00	NIL	-	-	100
176	LEE, JOSE C.	Common	100.00	NIL	-	-	100
177	MORALES, RHODORA B.	Common	100.00	NIL	-	-	100
178	LOCSIN, JULIAN J.	Common	100.00	NIL	-	-	100
179	CARREDO, RAMON M.	Common	200.00	NIL	-	-	200
180	KOH, ANTONIO M.	Common	100.00	NIL	-	-	100
181	INDON, REYNALDO P.	Common	100.00	NIL	-	-	100
182	LICAROS, ABELARDO B.	Common	100.00	NIL	-	-	100
183	LICAROS JR., GREGORIO B.	Common	100.00	NIL	-	-	100
184	DOMINO, JUAN	Common	100.00	NIL	-	-	100
185	REYES, OSCAR C.	Common	200.00	NIL	-	-	200
186	MALONG, ALEJANDRO V.	Common	100.00	NIL	-	-	100
187	MERCADO JR., DAVID P.	Common	100.00	NIL	-	-	100
188	WONGAIHAM, ANTHONY T.	Common	200.00	NIL	-	-	200
189	MALLILLIN, MELECIO C.	Common	100.00	NIL	-	-	100
190	ROMUALDEZ, FERDINAND MARTIN G.	Common	3,000,000.00	NIL	-	-	3,000,000
191	OLIVA, DULCE MARIA S.	Common	20,000.00	NIL	-	-	20,000
192	BANK OF THE PHILIPPINE ISLANDS	Common	290,795,500.00	NIL	290,795,500	-	-
193	KO PIO, RODERICK C.	Common	100.00	NIL	-	-	100
194	KO PIO, RUFFY C.	Common	100.00	NIL	-	-	100
195	TEO, STEPHEN T. TEO &/OR TERESITA R.	Common	29,000.00	NIL	-	-	29,000
196	TURNER, PHILIP &/OR ELNORA	Common	1,000.00	NIL	-	-	1,000
197	HYDEE MANAGEMENT & RESOURCE CORPORA	Common	264,000.00	NIL	264,000	-	-
198	SM SAVINGS & LOAN ASSOCIATION	Common	70,000.00	NIL	-	-	70,000
199	SUDHAKAR, RANIPETA RANI	Common	100.00	NIL	-	-	100
200	REYES, CARLOS, R.	Common	12,000.00	NIL	-	-	12,000
201	GILI JR., GUILLERMO F.	Common	38,000.00	NIL	-	-	38,000
202	MENDIOLA, JORGE T.	Common	20,000.00	NIL	-	-	20,000
203	CRISOL, ROBERTO B.	Common	1,000.00	NIL	-	-	1,000

204 CALLAR, CYRIL C. DEL CALLAR &/OR JOSEPHIN	Common	1,896,000.00	NIL	-	-	1,896,000
205 SUNGA, PROSPERO S. SUNGA &/OR CLARITA J.	Common	375,000.00	NIL	-	-	375,000
206 YAN, LUCIO W. YAN &/OR CLARA Y.	Common	50,000.00	NIL	-	-	50,000
207 SUNGA, PETER EDWIN J. SUNGA &/OR ROSANN	Common	300,000.00	NIL	-	-	300,000
208 GO, IRENE CHAN	Common	185,000.00	NIL	-	-	185,000
209 LEE, LEA B.	Common	250,000.00	NIL	-	-	250,000
210 ALMEDA, VALERIANO &/OR TITA JANE &/OR R	Common	40,000.00	NIL	-	-	40,000
211 PHILIPPINE GENERAL INSURANCE CORP.	Common	750,000.00	NIL	-	-	750,000
212 MANANSALA, CONSUELO D.	Common	1,000.00	NIL	-	-	1,000
213 VERGARA, ROBERT G.	Common	1,000.00	NIL	-	-	1,000
214 LEON, BEATRIZ P. DE	Common	1,933.00	NIL	-	-	1,933
215 PRIETO, MERCEDES R.	Common	1,933.00	NIL	-	-	1,933
216 PRIETO JR., BENITO R.	Common	1,933.00	NIL	-	-	1,933
217 PRIETO, MAURO R.	Common	1,934.00	NIL	-	-	1,934
218 TEODORO, MONICA P.	Common	967.00	NIL	-	-	967
219 PRIETO, MARTIN L.	Common	967.00	NIL	-	-	967
220 GOZO, DANILO A.	Common	1,000.00	NIL	-	-	1,000
221 NAPA, ERMILANDO D.	Common	1,000.00	NIL	-	-	1,000
222 NERA, MEDEL T.	Common	1,000.00	NIL	-	1,000	-
223 STERLING INSURANCE COMPANY, INC.	Common	300,000.00	NIL	-	-	300,000
224 TIU, ALFONSO SY	Common	6,000.00	NIL	-	-	6,000
225 CHUA, VICKY B.	Common	1,000.00	NIL	-	-	1,000
226 LAO, EDMUND Y.	Common	6,000.00	NIL	-	-	6,000
227 UY, ALVIN CHRIS SY	Common	6,000.00	NIL	-	-	6,000
228 WU, JOLI CO	Common	344,100.00	NIL	-	344,100	-
229 BANZON JR., JOSE G.	Common	54,000.00	NIL	-	-	54,000
230 DIZON, VLADEMIR S.	Common	26,000.00	NIL	-	-	26,000
231 AYUSTE JR., RAFAEL G.	Common	100,000.00	NIL	-	100,000	-
232 CASTRO, WILLIAM Y.	Common	15,000.00	NIL	-	-	15,000
233 REGINA CAPITAL DEV. CORP.#018414	Common	3,000.00	NIL	-	-	3,000
234 REGINA CAPITAL DEV. CORP. 018400	Common	6,000.00	NIL	-	-	6,000
235 VISAYAN SURETY & INSURANCE CORPORATIO	Common	200,000.00	NIL	-	-	200,000
236 REYES, ROMAN FELIPE S.	Common	1,000.00	NIL	-	-	1,000
237 KAWSEK, PAUL L.	Common	80,000.00	NIL	-	-	80,000
238 MARILEX REALTY DEVELOPMENT CORPORATI	Common	1,933.00	NIL	-	-	1,933
239 HIDALGO, AUGUSTO PEDROSA III	Common	1,000.00	NIL	-	-	1,000
240 CHAVEZ, RAMON NONATO D.	Common	5,000.00	NIL	-	-	5,000
241 GONZALEZ, GIZELA M.	Common	600.00	NIL	-	-	600
242 ESTATE OF VICENTE M. WARNS	Common	600.00	NIL	-	-	600
243 OWEN NATHANIEL S. AU ITF LJ MARCUS M. AU	Common	200.00	NIL	-	-	200
244 CUA, PAMELA S.	Common	6,000.00	NIL	-	-	6,000
245 FIRST LIFE FINANCIAL COMPANY INC.	Common	485,700.00	NIL	-	-	485,700
246 CABREZA, JOCELYN DE GUZMAN	Common	1.00	NIL	-	1	-
247 ANTONIO M. RUBIN	Common	1,000.00	NIL	-	1,000	-
248 ELIAS BENIZA DULALIA	Common	1,000.00	NIL	-	-	1,000
249 WILFREDO C. MALLIA	Common	1.00	NIL	-	-	1
250 MAR M. TANGLAO I	Common	180,000.00	NIL	-	-	180,000
251 ALLAN ROSSI SANTOS	Common	5,000.00	NIL	-	5,000	-
252 MARIA CONSUELO A. LUKBAN	Common	50.00	NIL	-	50	-
253 M PIONEER INSURANCE INC.	Common	542,300.00	NIL	-	-	542,300
254 REX MARIA ARGUELLES MENDOZA	Common	1,000.00	NIL	-	1,000	-
255 ALLIEDBANKERS INSURANCE CORPORATION	Common	100.00	NIL	-	-	100
256 AUGUSTO LOZADA TOLEDO II	Common	131,000.00	NIL	-	-	131,000
257 ENRICO UTTICO CAMINCE	Common	3,000.00	NIL	-	-	3,000
258 ROBERTO GAN MANABAT	Common	1,000.00	NIL	-	1,000	-
259 ALAN R. LUGA	Common	1.00	NIL	-	1	-
260 STRONGHOLD INSURANCE COMPANY, INC.	Common	1,837,900.00	NIL	-	-	1,837,900
261 THE PREMIER LIFE AND GENERAL ASSURANC	Common	3,597,700.00	NIL	-	-	3,597,700
262 EVELINA G. ESCUDERO	Common	1.00	NIL	-	1	-
263 SGI PHILIPPINES GENERAL INSURANCE COMP	Common	1,674,000.00	NIL	-	-	1,674,000
264 ALLIEDBANKERS INSURANCE CORPORATION	Common	1,000.00	NIL	-	-	1,000
265 LESTER ONG	Common	50.00	NIL	-	50	-
266 PCD NOMINEE CORP - FILIPINO	Common	1,686,781,086.00	NIL	1,686,781,086	-	-
267 PCD NOMINEE CORP - NON FILIPINO	Common	8,426,510.00	NIL	-	-	8,426,510

<b>Total</b>		<b>2,123,605,600</b>		<b>2,017,335,686</b>	<b>453,303</b>	<b>105,816,611</b>
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**RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION  
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024**

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**  
31/F BPI-Philam Life Building, 6811 Ayala Avenue, Makati City

<b>Unappropriated Retained Earnings, beginning of the reporting period</b>		<b>P691,883,249</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earnings Appropriation/s	P—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)	—	—
<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	—	
Retained Earnings appropriated during the reporting period	55,134,437	
Effects of restatements or prior-period adjustments	—	
Others (describe nature)	—	55,134,437
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>636,748,812</b>
<b>Add/Less: Net Income for the current year</b>		<b>551,344,367</b>
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	25,836,315	
Unrealized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	6,780,190	
Unrealized foreign exchange gain of Investment Property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
Sub-total		32,616,505
<b>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	10,999,630	
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	32,883,860	
Realized foreign exchange gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
Sub-total		43,883,490
<i>Forward</i>		

<b>Add: Category C.3: Unrealized income recognized in profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)</b>		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P–	
Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(9,255,599)	
Reversal of previously recorded fair value gain of Investment Property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	–	
Sub-total		(9,255,599)
<b>Adjusted Net Income/Loss</b>		<b>553,355,753</b>
<b>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
<b>Add/Less: Category E: Adjustment related to relief granted by the SEC and BSP</b>		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
<b>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution</b>		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(58,822,651)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(922,008)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
Others (describe nature)	–	
Sub-total		(59,744,659)
<b>Total Retained Earnings, end of the reporting period available for dividend</b>		<b>P1,130,359,906</b>

Map of Conglomerate As of December 31, 2024  
NATIONAL REINSURANCE CORPORATION OF THE  
PHILIPPINES  
31st floor BPI-Philam Life Makati, 6811 Ayala Avenue, Makati C

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**National Reinsurance Corporation of the Philippines**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**  
**FEE-RELATED INFORMATION**  
**December 31, 2024**

	<b>Current Year</b>	<b>Prior Year</b>
<b>Total Audit Fees</b>	<b>P1,139,000</b>	<b>P1,098,000</b>
Non-audit services fees:		
Other assurance services	30,000	30,000
Tax services	—	—
All other services	—	—
<b>Total Non-audit Fees</b>	<b>30,000</b>	<b>30,000</b>
<b>Total Audit and Non-audit Fees</b>	<b>P1,169,000</b>	<b>P1,128,000</b>
<b>Audit and Non-audit fees of other related entities</b>		
	<b>Current Year</b>	<b>Prior Year</b>
Audit fees	P—	P—
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
<b>Total Audit and Non-audit Fees of other related entities</b>	<b>P—</b>	<b>P—</b>