



SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Company Name: NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES DOING BUSINESS UNDER THE NAMES AND STYLES OF NAT RE; PHILIPPINE NATIONAL REINSURANCE COMPANY, AND PHILNARE

Industry Classification: J67030

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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, 2025**
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 AIA Makati,
6811 Ayala Avenue,
Makati City, Philippines**
Address of principal office **1209**
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 [] No []

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

Yes [] 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 72% of the Company's total Gross Premiums Written. The domestic portfolio has a Net Underwriting Income of P795M in 2025 from P436M in 2024.

74% of the domestic Gross Premiums Written comes from the Life Portfolio, which also accounts for 52% of domestic Net Underwriting Income.

Our Life reinsurance business generated P3.3B in gross written premiums (GWP), marking a 11% year-on-year increase. The main driver for this growth was the substantial increase from the Medical Line, primarily attributed to a new treaty with a foreign cedant

The expansion of gross written premiums, coupled with favorable underwriting experience, has had a positive impact on the underwriting income of our Life reinsurance business. This has resulted in an increase from Php418 million in 2024 to Php434 million in 2025.

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 2025, around 43% of total non-life business came from local risks, with 57% 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 2025, Nat Re's non-life product lines are Agriculture accounting for 50% of its non-life premiums, followed by Fire at 28%, Casualty at 11%, Marine at 5%, Motor at 3% and PCIF at 3%.

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 12% of the domestic life portfolio and 3% 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 forty (40) are in the Non-Supervisory and Supervisory levels; thirty-one (31) 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 thirteen (13).

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 Company's financial results and condition.

Catastrophic events, whether natural or man-made, represent a significant threat to the solvency of (re)insurance companies. This risk is particularly relevant to the Company, given that the majority of its portfolio is concentrated in the domestic market, which is highly exposed to natural perils such as earthquakes, typhoons, and floods.

To manage its catastrophe exposures, the Company undertakes regular monitoring and assessment on a quarterly basis to quantify the accumulation of natural catastrophe risks. This is performed using a licensed probabilistic catastrophe modeling tool. The Company has invested in these models to better assess and quantify its exposure to natural catastrophes and extreme events. At present, the Company utilizes Moody's RMS earthquake and typhoon models specific to the Philippines.

Recognizing the inherent limitations of catastrophe models, the Company complements these tools with additional risk management processes. It also monitors exposures to perils that are not covered by standard catastrophe models. While earthquakes and typhoons are the primary risks in the Philippines, unmodeled perils such as volcanic eruptions are also considered. To support this, detailed risk information is collected for each ceded risk, enabling precise location mapping and risk identification. Geographic Information System (GIS) analysis is then used to assess exposure to these perils.

Risk transfer is achieved through structured retrocession programs, primarily on an Excess of Loss basis. In 2025, the Company secured the following protections:

- Fire and Engineering: PHP 1.5 billion limit (PHP 1.2 billion xs PHP 300 million)
- Motor: PHP 275 million limit (PHP 225 million xs PHP 50 million)
- Marine: PHP 110 million limit (PHP 60 million xs PHP 50 million)
- Life: PHP 500 million catastrophe XL cover (PHP 470 million xs PHP 30 million)

These retrocession arrangements are placed with a diversified panel of global reinsurers with investment-grade financial strength ratings exceeding that of the Company, thereby mitigating counterparty credit risk.

The cost of retrocession is material and subject to variability driven by coverage structure, loss experience, modeled and unmodeled exposure levels, and prevailing reinsurance market conditions. For 2025, total minimum deposit premiums amounted to PHP 107.2 million for Non-Life and PHP 6.2 million 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 minimize risk in its investment portfolio. As of December 31, 2025, 91% of the total assets under management were invested in fixed income, while the balance of 9% was invested in equities. Total invested assets amounted to PHP11.27B, of which 14% was invested in U.S Dollar denominated securities, and the remaining 86% 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 2025, inflation remained the top economic concern globally, similar to 2024. Central banks continued to balance growth, employment, and inflation. As inflationary pressures began to ease, central banks proceeded with their easing cycles to support economic growth. The Bangko Sentral ng Pilipinas led the easing in 2025, cutting its policy rate by 125 basis points, larger than the 75 basis points worth of cuts delivered by the US Federal Reserve.

Market saw further volatility as US President Donald Trump took to action his promise on imposing tariffs onto other nations in April 2025. This pushed markets into panic as most economist and investors were shocked with the scale and magnitude of the tariffs Trump imposed. Equity markets globally initially took a dive after the news but eventually recovered but volatility remained for the rest of the year as uncertainties regarding tariffs remained.

The Company maintained an overweight duration in its fixed income portfolio and rebalanced its holdings to enhance overall YTM with expectations of further rate cuts by the BSP and the US Fed.

The equity portfolio, on the other hand, was kept neutral at 9% of the total investment portfolio. The local equity market faced significant headwinds in the latter part of 2025, as investor sentiment slid following the emergence of government corruption issues. Fund managers favored defensive stocks and prioritized dividend-paying companies to insulate the portfolios from market volatility.

The Company's Board of Directors has established investment guidelines designed to ensure prudent portfolio management. These guidelines include diversifying the investment portfolio, limiting investments to instruments not exposed to significant risks, conducting rigorous analysis of potential investments, and setting appropriate benchmarks for targeted returns, among others. As part of its longer-term strategy, the Company periodically reassesses the strategic allocation of its investible funds to enhance portfolio stability and generate more stable income for the portfolio.

The Company currently invests in instruments allowable under Article II, Section 1 of the Omnibus Guidelines on Investments and 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 2025, reinsurance balances receivable amounted to P5,894.4 million, compared to P5,203.1 million in 2024, net of Allowance for Impairment of P484.9 million and P499.2 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, 2025, the Company retroceded P1,218.9 million or 21% 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 2025, reinsurance recoverable on paid and unpaid claims amounted to P1.89 billion compared to P2.15 billion in 2024, net of Allowance for Impairment of P484.40 million and P512.19 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.

Failure to manage risks associated with systems, technology infrastructure and cybersecurity that could adversely affect the company business

New technologies and systems being installed for reinsurance capabilities and processing efficiencies may introduce new risks which could outpace the organization's ability to properly identify, assess and address such risks. The use of cloud, artificial intelligence, third-party technology-related services, legacy/outdated platforms can expose the company to business interruptions. Intentional or malicious acts and cyber attacks can also result in disruptions of business operations. All of these may lead to business loss, customer complaints, damaged reputation and legal or regulatory penalties.

To mitigate these technology risks, the company utilizes the following measures:

- Maintains a disciplined horizon-scanning framework to selectively adopt emerging innovations that strengthen operational delivery, ensuring long-term technical resilience and fiscal optimization without the risks of indiscriminate technology acquisition.
- Adoption of best practice frameworks and standards to ensure that technology systems and programs meet global standards in execution, efficiency, and security;
- Institutionalize appropriate technology governance to ensure that key programs and projects are on track, its risks managed, integrates harmoniously with the overall technology ecosystem, and does not result in unintended disruptions that negatively impact operations and customer experience.

- Strengthen and enhance existing security detection, vulnerability and patch management, configuration management, identity access management, event monitoring, data loss prevention and network/end-user perimeter capabilities to ensure that cyber threats are effectively managed;
- Implement programs that enhance information security awareness among the organization;
- Conduct information security reviews on outsourced processes and systems from the company's third party suppliers

ITEM 2. PROPERTIES

The net property and equipment of the Company as of December 31, 2025 amounted to P29.3 million, broken down as follows:

| | Cost | Accumulated depreciation | Net book value |
|---------------------------------------|-------------|---------------------------------|-----------------------|
| Condominium unit | 101,310 | 88,365 | 12,945 |
| Transportation equipment | 12,104 | 6,224 | 5,880 |
| Office improvements | 25,432 | 20,331 | 5,101 |
| EDP equipment | 23,784 | 18,521 | 5,263 |
| Office furniture and equipment | 11,350 | 11,196 | 154 |

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 with the Court of Appeals on July 8, 2024. On November 18, 2025, NRCP filed its Appellant's Brief of even date. On January 5, 2026, NRCP received OAC's Appellee's Brief dated December 29, 2026. NRCP filed its Reply Brief for the Defendant-Appellant dated January 26, 2026 on even date. In February 2026, CBR Asia belatedly filed its Appellee's Brief dated February 5, 2026, a copy of which was received by NRCP on February 10, 2026.

On February 26, 2026, NRCP received the Court of Appeal's Decision dated February 11, 2026 denying the appeal. The Court of Appeals held that (a) the delays in the trial can be attributed to several external factors which made the dismissal of the case on the ground of said delay unwarranted, (b) the Sue and Labor expenses should be included in NRCP's liability to OAC because the Reinsurance Policy states that, "nothing is excluded" in the risk reinsured, and (c) CBR Asia is not liable because it is only a reinsurance broker, not a reinsurer.

On March 13, 2026, NRCP a filed Motion for Extension of Time to File Petition for Review on Certiorari of even date requesting for an extension of 30 days from March 13, 2026, or until April 12, 2026, to file its Petition for Review on Certiorari with the Supreme Court. NRCP filed its Petition for Review on Certiorari dated April 13, 2026 on even date as April 12, 2026 fell on a Sunday.

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. On October 23, 2025, NRCP filed its Offer of Documentary Evidence of even date.

On February 3, 2026, the trial court scheduled the initial presentation of OAC's evidence on April 7, 2026.

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.

On June 2, 2025, the CTA promulgated its decision denying the Petition for Review. Thereafter, the Company filed its Motion for Reconsideration on June 25, 2025. Subsequently, on February 6, 2026, the CTA issued a Resolution denying the said Motion for Reconsideration. The Company received the said Resolution on February 11, 2026 and has filed a Petition for Review before the CTA – En Banc to appeal the decision and the denial of its Motion for Reconsideration on February 25, 2026.

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.

On February 24, 2026, the Company received the Decision dated February 13, 2026. In the said Decision, the CTA partially denied the petition for Review by upholding the VAT assessment while cancelling the compromise penalties.

The Company filed a Motion for Partial Reconsideration with the CTA-Special Second Division on March 11, 2026.

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.

On 11 June 2025, the Company filed its 2nd offer letter for compromise settlement with the BIR Litigation Division and subsequently paid the offer amount on 13 June 2025. As of date, the 2nd offer letter is still pending with the BIR Litigation Division.

As regards the Petition for Review, on May 29, 2025 and August 28, 2025, the Company's witnesses were presented before the CTA. On September 30, 2025, the Company filed its Formal Offer of Evidence (FOE). Thereafter, on February 11, 2026, the Company received a Resolution dated February 5, 2026, which resolved that most of the exhibits were admitted and has scheduled the presentation of BIR's witness on April 7, 2026.

On February 24, 2026, the Company filed a Motion for Partial Reconsideration for the admission of the exhibits which were denied by CTA.

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.

The BIR has yet to issue its final tax assessment for the taxable years 2021 and 2022 investigations.

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, 2025.

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:

| | 2025 | | 2024 | |
|--------------------|------|------|------|-------|
| | High | Low | High | Low |
| 1st Quarter | 0.83 | 0.52 | 0.56 | 0.350 |
| 2nd Quarter | 0.74 | 0.53 | 0.56 | 0.335 |
| 3rd Quarter | 0.73 | 0.59 | 0.92 | 0.415 |
| 4th Quarter | 0.78 | 0.61 | 0.89 | 0.51 |

The closing price information as of the latest practicable trading date, April 29, 2026, was P0.70 per share.

2. Holders

Approximate Number of Holders as of 31 December 2025

There were approximately 271 common shareholders of the Company as of December 31, 2025. The Top 20 shareholders as of December 31, 2025, with their corresponding shares and percentage ownership of the Company, are as follows:

| | Name of Record Owner | No. of Shares Held | Percentage |
|----|---|-----------------------------|-------------------|
| 1 | PCD Nominee Corporation (Filipino) (Non-Filipino) | 1,684,742,082 10,465,510 | 79.33% 0.49% |
| 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 2025

The Public Ownership Report as of December 31, 2025 showed the Company's public float at 47.54%. 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 2025 VERSUS 2024

Results of Operations

| In Millions PhP | For the years ended | | Inc(dec) | |
|--|---------------------|----------------|----------------|-------------|
| | 31 Dec 2025 | 31 Dec 2024 | Amount | % |
| REINSURANCE PREMIUM INCOME | | | | |
| Reinsurance premiums – net of returns | P5,727.4 | P6,024.4 | (P297.0) | -5% |
| Retroceded premiums | (1,218.9) | (1,525.9) | 307.0 | -20% |
| Net premiums retained | 4,508.5 | 4,498.5 | 10.0 | 0% |
| Movement in premium reserves – net | (128.5) | 357.0 | (485.5) | -136% |
| | 4,380.0 | 4,855.5 | (475.5) | -10% |
| UNDERWRITING DEDUCTIONS | | | | |
| Claims and claims reserves – net | 2,800.8 | 3,427.8 | (627.0) | -18% |
| Commissions – net | 733.1 | 956.0 | (222.9) | -23% |
| | 3,533.9 | 4,383.8 | (849.9) | -19% |
| Other underwriting (expense) income | (101.9) | 26.3 | (128.2) | -487% |
| NET UNDERWRITING INCOME | 744.2 | 498.0 | 246.2 | 49% |
| Interest | 533.7 | 483.8 | 49.9 | 10% |
| Gain (loss) on sale of AFS | 28.2 | (24.0) | 52.2 | -218% |
| Gain on sale of HFT Securities | 22.0 | 32.9 | (4.2) | -13% |
| Foreign currency gains | 10.8 | 13.4 | (2.6) | -19% |
| Others | 75.6 | 27.0 | 41.9 | 63% |
| INVESTMENT AND OTHER INCOME AND EXPENSES– net | 670.3 | 533.1 | 137.2 | 26% |
| PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES | 1,414.5 | 1,031.1 | 383.4 | 37% |
| GENERAL AND ADMINISTRATIVE EXPENSES | 372.1 | 353.7 | 18.4 | 5% |
| PROFIT BEFORE TAX | 1,042.4 | 677.4 | 365.0 | 54% |
| TAX EXPENSE | 212.9 | 126.1 | 86.8 | 69% |
| NET PROFIT | P829.5 | P551.3 | P278.2 | 50% |

The Company recorded a net profit of P829.5 million for the year ended December 31, 2025, P278.2 million or 50% more than the net profit recognized in 2024. The Net profit resulted from generating Net underwriting income of P744.2 million and Investment and other income and expenses of P670.3 million while incurring General and administrative expenses of P372.1 million and Tax expense of P212.9 million.

Underwriting Results

Net underwriting income amounted to P744.2 million in 2025, higher by P246.2 million or 49% from P498.0 million in 2024. Higher net underwriting income in 2025 originated from the Non-life Domestic and the Life businesses, partially negated by the underwriting loss in 2025 compared to underwriting income in 2024 from the Non-life foreign business.

Better underwriting results from the Non-life domestic business in 2025 resulted mainly from favorable claims development for past underwriting years and lower commission incurred, as discussed in Claims and claims reserves – net and Commissions – net below.

Higher net underwriting income from the Life business in 2025 was mainly driven by higher premiums generated during the year as discussed in the Reinsurance premium income below. This is partially negated by other underwriting expense, unfavorable claims development for past underwriting years and higher experience refunds.

The underwriting loss from the Non-life foreign business in 2025, compared to underwriting income in 2024, was primarily attributable to lower reinsurance premium income from Agriculture treaties and the reversal of premiums related to Personal Cyber treaties, as discussed below. This was further impacted by net unfavorable claims development for past underwriting years. These were partially offset by favorable adjustments in the sliding commission of an Agriculture treaty and the favorable impact of foreign exchange movements on claims in 2025, compared to an unfavorable impact in 2024.

Reinsurance premium income

Reinsurance premium income amounted to P4,380.0 million in 2025, lower by P475.5 million or 10% from P4,855.5 million in 2024. This resulted mainly from (1) Lower reinsurance premium income from Agriculture treaties, downward adjustments in premiums for a certain Fire and Aviation treaties, and reversal of premiums for personal cyber treaties under the Non-life foreign business; (2) Lower net premiums retained from the Non-life domestic business; and (3) Higher experience refund from the Life business. These were partially negated by higher reinsurance premium income from the Life business driven mainly from a new foreign medical treaty and growth in certain existing Medical treaties.

Claims and claims reserves – net

Claims and claims reserves – net amounted to P2,800.8 million in 2025, lower by P627.0 million or 18% from P3,427.8 million in 2024, resulting to loss ratios of 64% in 2025 versus 71% in 2024 (relative to earned premiums).

Lower claims ratio in 2025 is mainly due to (1) Favorable claims development from past underwriting years for Fire under the Non-life domestic business; (2) Developments in the Life business reflect a favorable shift in business mix toward segments with relatively lower loss ratios, resulting in a lower overall claims ratio, partially negated by unfavorable development from past underwriting years; and (3) Favorable impact of foreign exchange rates to claims in 2025, compared to unfavorable impact in 2024 under the Non-life foreign business. These were partially negated by higher unfavorable claims development from past underwriting years related to agriculture treaties under the Non-life Foreign business.

Commissions – net

Commissions – net amounted to P733.1 million in 2025, lower by P222.9 million or 23% than from P956.0 million in 2024, resulting to commission ratios of 17% in 2025 and 20% in 2024 (relative to earned premiums).

Lower commission ratio resulted mainly from (1) Adjustment in the sliding commissions of an Agriculture treaty due to unfavorable claims development as discussed under Claims and claims reserves – net above and lower than expected commissions from a certain Fire treaty under the

Non-life foreign business; and (2) Lower reported commissions in 2025 compared to 2024 under the Non-life domestic business. These were partially negated by higher-than-average acquisition costs incurred from a new foreign medical treaty under the Life business.

Other underwriting (expense) income amounted to an expense of P101.9 million in 2025, resulting from costs incurred under a group life treaty that participates in a pooling arrangement. In contrast, the income of P26.3 million in 2024 was attributable to benefits received from the same arrangement.

Investment and other income and expenses – net amounted to P670.3 million in 2025, higher by P137.2 million or 26% from P533.1 million in 2024. Higher investment income in 2025 resulted mainly from (1) Higher interest income from government securities; (2) Favorable change in the net fair value of held-for-trading securities; (3) Gain on the sale of available-for-sale financial assets; and (4) Lower impairment losses related to the Company's available-for-sale equity securities.

These were partially negated by (1) Net loss on foreign exchange; and (2) Lower dividend income received for the year 2025.

General and administrative expenses amounted to P372.1 million in 2025, higher by P18.4 million or 5% from P353.7 million in 2024. This resulted mainly from higher compensation and benefits due to manpower movements and increased in subscriptions related to ongoing system enhancement projects, partially negated by lower professional fees for the year.

Tax expense amounted to P212.9 million in 2025, higher by P86.8 million or 69% from P126.1 million in 2024. This resulted from higher net underwriting income recognized in 2025 mainly coming from the decrease in claims and claims reserves – net as discussed above. Additionally, there is an increase in the final tax attributable to the increase in interest income as discussed in Investment and other income and expenses - net.

Financial Condition

(includes explanation on material changes in the financial statements)

| In Millions PhP | Audited | Audited | Inc(dec) | |
|--|------------------|------------------|-----------------|------------|
| | 31 Dec 2025 | 31 Dec 2024 | Amount | % |
| CASH AND CASH EQUIVALENTS | P486.7 | P449.7 | P37.0 | 8% |
| REINSURANCE BALANCES RECEIVABLE - net | 5,894.4 | 5,203.1 | 691.3 | 13% |
| HELD-FOR-TRADING (HFT) SECURITIES | 854.7 | 448.0 | 406.7 | 91% |
| AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS | 5,660.2 | 5,279.7 | 380.5 | 7% |
| HELD-TO-MATURITY (HTM) SECURITIES | 4,283.0 | 4,024.5 | 258.5 | 6% |
| OTHER INVESTMENTS | 112.1 | - | 112.1 | - |
| LOANS AND RECEIVABLES | 126.6 | 127.6 | (1.0) | -1% |
| PROPERTY AND EQUIPMENT - net | 29.3 | 38.2 | (8.9) | -23% |
| REINSURANCE RECOVERABLE ON REPORTED CLAIMS AND CLAIMS RESERVES – net | 2,775.0 | 2,847.5 | (72.5) | -3% |
| DEFERRED ACQUISITION COSTS | 1,145.7 | 1,096.6 | 49.1 | 4% |
| DEFERRED REINSURANCE PREMIUMS | 623.6 | 647.7 | (24.1) | -4% |
| DEFERRED TAX ASSETS – net | 677.2 | 582.3 | 94.9 | 16% |
| OTHER ASSETS – net | 129.1 | 116.1 | 13.0 | 11% |
| TOTAL ASSETS | P22,797.6 | P20,861.0 | P1,936.6 | 9% |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| REINSURANCE BALANCES PAYABLE | P2,164.7 | P1,913.1 | P251.6 | 13% |
| FORWARD LIABILITY | 1.8 | 0.2 | 1.6 | 800% |
| ACCOUNTS PAYABLE AND ACCRUED EXPENSES | 409.5 | 387.9 | 21.6 | 6% |
| CLAIMS AND CLAIMS RESERVES | 10,511.8 | 9,832.4 | 679.4 | 7% |
| PREMIUM RESERVES | 1,965.1 | 1,860.6 | 104.5 | 6% |
| DEFERRED REINSURANCE COMMISSIONS | 11.6 | 2.3 | 9.3 | 404% |
| TOTAL LIABILITIES | 15,064.5 | 13,996.5 | 1,068.0 | 8% |
| 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 | (62.9) | (60.0) | (2.9) | 5% |
| REVALUATION RESERVES | 56.8 | 14.8 | 42.0 | 284% |
| RETAINED EARNINGS | 2,638.5 | 1,809.0 | 829.5 | 46% |
| TOTAL EQUITY | 7,733.1 | 6,864.5 | 868.6 | 13% |
| TOTAL LIABILITIES AND EQUITY | P22,797.6 | P20,861.0 | P1,936.6 | 9% |

The Company's shareholders' equity amounting to P7,733.1 million as at December 31, 2025 increased by P868.6 million from the balance as at December 31, 2024 of P6,864.5 million. The increase resulted mainly from the net income of P829.5 million as discussed above and increase in revaluation reserves by P42.0 million mostly from the favorable market value movements of Available-for-Sale securities.

Cash and cash equivalents amounting to P486.7 million as at December 31, 2025 increased by P37.0 million or 8% from the balance as at December 31, 2024 of P449.7 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.

Reinsurance balances receivable – net amounting to P5,894.4 million as at December 31, 2025 increased by P691.3 million or 13% from the balance as at December 31, 2024 of P5,203.1 million. The increase in the balance resulted mainly from the accrual of reinsurance premiums, net of commissions from the Non-life foreign and the Life businesses, partially negated by collections during the year.

Held-for-trading (HFT) securities amounting to P854.7 million as at December 31, 2025 increased by P406.7 million or 91% from the balance as at December 31, 2024 of P448.0 million. The increase in balance resulted mainly from the net acquisitions amounting to P329.4 million (acquisitions net of disposals), changes in fair value amounting to P66.7 million and foreign currency gains amounting to P10.7 million.

Available-for-sale (AFS) financial assets amounting to P5,660.2 million as at December 31, 2025 increased by P380.5 million from the balance as at December 31, 2024 of P5,279.7 million. The movement in the account balance can be explained by the following:

| | 2025 | 2024 |
|--|-----------------|-----------|
| Cost | | |
| Balance at beginning of year | P5,248.7 | P5,318 |
| Acquisitions | 2,481.9 | 2,144.3 |
| Disposals/maturities | (2,129.6) | (2,216.2) |
| Impairment losses | (4.8) | (22.2) |
| Unrealized foreign currency gains (losses) | 3.8 | 24.8 |
| | 5,600.0 | 5,248.7 |
| Fair value adjustment | | |
| Balance at beginning of year | 31.0 | (17.8) |
| Changes in fair value | 52.6 | 2.6 |
| Fair value losses (gains) on disposal | (28.2) | 24.0 |
| Impairment losses | 4.80 | 22.2 |
| | 60.2 | 31.0 |
| Balance at end of year | P5,660.2 | P5,279.7 |

The increase in the balance resulted mainly from the net acquisition of fixed income and equity securities amounting to P324.1 million (acquisitions net of disposals/maturities including fair value gains on disposals). This was further increased by the foreign currency gains amounting to P3.8 million and changes in fair value amounting to P52.6 million in 2025.

Held-to-maturity (HTM) securities amounting to P4,283.0 million as at December 31, 2025 increased by P258.5 million from the balance as at December 31, 2024 of P4,024.5 million. The increase in the balance resulted mainly from the purchase of government bonds amounting to P1,362.3 million, partially negated by maturities amounting to P1,108.4 million.

Other investments amounting to P112.0 million as at December 31, 2025, compared to nil as at December 31, 2024. The balance resulted from the acquisition of short-term time deposits during the year.

Property and Equipment - net amounting to P29.3 million as at December 31, 2025 decreased by P8.9 million or 23% from the balance as at December 31, 2024 of P38.2 million. The decrease in the balance resulted from the depreciation expense recognized during the year amounting to P10.5 million, partially negated by the acquisitions amounting to P2.7 million.

Deferred tax assets – net amounting to P677.2 million as at December 31, 2025 increased by P94.9 million or 16% from the balance as at December 31, 2024 of P582.3 million. The increase in the balance resulted mainly from the increase in reserves for incurred but not reported losses that forms part of the Claims and claims reserves account.

Other assets – net amounting to P129.1 million as at December 31, 2025 increased by P13.0 million or 11% from the balance as at December 31, 2024 of P116.1 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 P2,164.7 million as at December 31, 2025 increased by P251.6 million or 13% from the balance as at December 31, 2024 of P1,913.1 million. The increase in the balance resulted mainly from the accrual of retroceded premiums during the year, partially offset by settlements.

Forward liability amounting to P1.8 million as at December 31, 2025 increased by P1.6 million from the balance as at December 31, 2024 of P0.2 million resulting from acquisition of forward contracts during the year.

Accounts payable and accrued expenses amounting to P409.5 million as at December 31, 2025 increased by P21.6 million or 6% from the balance as at December 31, 2024 of P387.9 million. The increase in the balance resulted mainly from higher income tax liability partially offset by the decrease of liabilities related to investment transactions.

Claims and Claims reserves amounting to P10,511.8 million as at December 31, 2025 increased by P679.4 million or 7% from the balance as at December 31, 2024 of P9,832.4 million. The increase in the balance resulted mainly from (1) Recognition of loss reserves from earned premiums as discussed under Reinsurance Premium Income; (2) adjustments to claims reserves as discussed under Claims and claims reserves – net; and (3) settlement of claims during the year.

Premium reserves amounting to P1,965.1 million as at December 31, 2025 increased by P104.5 million or 6% from the balance as at December 31, 2024 of P1,860.6 million. The increase was mainly driven by higher reinsurance premiums from new contracts written under the Life business, partially offset by earned premiums during the year, as discussed under Reinsurance Premium Income.

Deferred reinsurance commissions amounting to P11.6 million as at December 31, 2025 increased by P9.3 million or 404% from the balance as at December 31, 2024 of P2.3 million. The increase was mainly driven by higher commissions from the Non-life Domestic business, partially offset by earned commissions during the year.

REVIEW OF 2024 VERSUS 2023

Results of Operations

| In Millions PhP | For the years ended | | Inc(dec) | |
|--|---------------------|----------------|---------------|-------------|
| | 31 Dec 2024 | 31 Dec 2023 | Amount | % |
| REINSURANCE PREMIUM INCOME | | | | |
| 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% |
| | 4,855.5 | 4,281.4 | 574.1 | 13% |
| UNDERWRITING DEDUCTIONS | | | | |
| Claims and claims reserves – net | 3,427.8 | 2,921.9 | 505.9 | 17% |
| Commissions – net | 956.0 | 834.6 | 121.4 | 15% |
| | 4,383.8 | 3,756.5 | 627.3 | 17% |
| Other underwriting income | 26.3 | 47.6 | (21.3) | -45% |
| NET UNDERWRITING INCOME | 498.0 | 572.5 | (74.5) | -13% |
| 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% |
| INVESTMENT AND OTHER INCOME AND EXPENSES– net | 533.1 | 476.4 | 56.7 | 12% |
| PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES | 1,031.1 | 1,048.9 | (17.8) | -2% |
| GENERAL AND ADMINISTRATIVE EXPENSES | 353.7 | 365.1 | (11.4) | -3% |
| PROFIT BEFORE TAX | 677.4 | 683.8 | (6.4) | -1% |
| TAX EXPENSE | 126.1 | 147.7 | (21.6) | -15% |
| NET PROFIT | P551.3 | P536.1 | P15.2 | 3% |

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 | 5,203.1 | 4,280.7 | 922.4 | 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% |
| TOTAL ASSETS | P20,861.0 | P19,982.9 | P878.1 | 4% |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| REINSURANCE BALANCES PAYABLE | P1,913.1 | P2,160.2 | (P247.1) | -11% |
| 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% |
| TOTAL LIABILITIES | 13,996.5 | 13,729.9 | 266.6 | 2% |
| 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% |
| TOTAL EQUITY | 6,864.5 | 6,253.0 | 611.5 | 10% |
| TOTAL LIABILITIES AND EQUITY | P20,861.0 | P19,982.9 | P878.1 | 4% |

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 P5,203.1 million as at December 31, 2024 increased by P922.4 million or 22% from the balance as at December 31, 2023 of P4,280.7 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 |
|--|-----------------|-----------|
| Cost | | |
| Balance at beginning of year | P5,318.0 | P4,910.9 |
| Acquisitions | 2,144.3 | 1,808.4 |
| Disposals/maturities | (2,216.2) | (1,397.5) |
| Impairment losses | (22.2) | (2.5) |
| Unrealized foreign currency gains (losses) | 24.8 | (1.3) |
| | 5,248.7 | 5,318.0 |
| Fair value adjustment | | |
| Balance at beginning of year | (17.8) | (102.9) |
| Changes in fair value | 2.6 | 100.7 |
| Fair value losses (gains) on disposal | 24.0 | (18.1) |
| Impairment losses | 22.2 | 2.5 |
| | 31.0 | (17.8) |
| Balance at end of year | P5,279.7 | 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 P1,913.1 million as at December 31, 2024 decreased by P247.1 million or 11% from the balance as at December 31, 2023 of P2,160.2 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 | % |
| REINSURANCE PREMIUM INCOME | | | | |
| 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% |
| | 4,281.4 | 2,981.3 | 1,300.1 | 44% |
| UNDERWRITING DEDUCTIONS | | | | |
| Claims and claims reserves – net | 2,921.9 | 1,936.9 | 985.0 | 51% |
| Commissions – net | 834.6 | 826.7 | 7.9 | 1% |
| | 3,756.5 | 2,763.6 | 992.9 | 36% |
| Other underwriting income | 47.6 | 18.5 | 29.1 | 157% |
| NET UNDERWRITING INCOME | 572.5 | 236.2 | 336.3 | 142% |
| 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% |
| INVESTMENT AND OTHER INCOME AND EXPENSES– net | 476.4 | 215.4 | 261.0 | 121% |
| PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES | 1,048.9 | 451.6 | 597.3 | 132% |
| GENERAL AND ADMINISTRATIVE EXPENSES | 365.1 | 330.4 | 34.7 | 11% |
| PROFIT BEFORE TAX | 683.8 | 121.2 | 562.6 | 464% |
| TAX EXPENSE | 147.7 | 65.5 | 82.2 | 125% |
| NET PROFIT | P536.1 | P55.7 | P480.4 | 862% |

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 | 4,280.7 | 3,125.4 | 1,155.3 | 37% |
| 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% |
| TOTAL ASSETS | P19,982.9 | P18,061.3 | P1,921.6 | 11% |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| REINSURANCE BALANCES PAYABLE | P2,160.2 | P2,054.5 | P105.7 | 5% |
| 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% |
| TOTAL LIABILITIES | 13,729.9 | 12,460.8 | 1,269.1 | 10% |
| 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% |
| TOTAL EQUITY | 6,253.0 | 5,600.5 | 652.5 | 12% |
| TOTAL LIABILITIES AND EQUITY | P19,982.9 | P18,061.3 | P1,921.6 | 11% |

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 P4,280.7 million as at December 31, 2023 increased by P1,155.3 million or 37% 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 |
|--|-----------------|-----------|
| Cost | | |
| Balance at beginning of year | P4,910.9 | P5,923.5 |
| Acquisitions | 1,808.4 | 2,316.3 |
| Disposals/maturities | (1,397.5) | (3,213.3) |
| Impairment losses | (2.5) | (124.0) |
| Unrealized foreign currency gains (losses) | (1.3) | 8.4 |
| | 5,318.0 | 4,910.9 |
| Fair value adjustment | | |
| Balance at beginning of year | (102.9) | 29.2 |
| Changes in fair value | 100.7 | (232.5) |
| Fair value gains on disposal | (18.1) | (23.6) |
| Impairment losses | 2.5 | 124.0 |
| | (17.8) | (102.9) |
| Balance at end of year | P5,300.2 | 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 P2,160.2 million as at December 31, 2023 increased by P105.7 million or 5% 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.

KEY PERFORMANCE INDICATORS

| | 2025 | 2024 | 2023 |
|--------------------------|--------------|--------------|--------------|
| Net Profit | P829 million | P551 million | P536 million |
| Earnings per share | P0.391 | P0.260 | P0.252 |
| Retention ratio | 79% | 75% | 77% |
| Combined ratio | 92% | 97% | 95% |
| Return on average equity | 11.36% | 8.41% | 9.05% |

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

Net Profit – The Company's net income amounted to P829 million in 2025, P551 million in 2024 and P536 million in 2023.

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 P0.391, P0.260 and P0.252 for the years ended December 31, 2025, 2024 and 2023, 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). The retention ratio increased to 79% in 2025 from 75% in 2024 and 77% in 2023.

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 92% in 2025, 97% in 2024 and 95% in 2023.

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 11.36%, 8.41% and 9.05%, for 2025, 2024, and 2023, respectively.

FINANCIAL SOUNDNESS INDICATORS*

| | 2025 | 2024 | 2023 |
|--------------------------|------|------|------|
| Current Ratio | 2.22 | 2.17 | 1.84 |
| Asset to Equity Ratio | 2.95 | 3.04 | 3.22 |
| Total Liabilities/Equity | 1.95 | 2.04 | 2.22 |

* 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 2025, audited by the accounting firm of R.G. Manabat & Co. (KPMG in the 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 in the Philippines), our independent auditors for professional services rendered:

| | 2025 | 2024 | 2023 |
|--------------------------------------|-------------------|-------------------|-------------------|
| Audit and audit-related fees | P2,891,952* | P1,252,900 | P1,407,800 |
| Other assurance and related services | 30,000 | 30,000 | 30,000 |
| Total | P2,921,952 | P1,282,900 | P1,437,800 |

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 in the 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 | 83 | Filipino |
| Yvonne S. Yuchengco | Vice Chairperson | 72 | Filipino |
| Allan R. Santos | President and Chief Executive Officer | 59 | Filipino |
| Joli Co Wu | Treasurer | 59 | Filipino |
| Maria Consuelo A. Lukban | Director | 61 | Filipino |
| Lester Ong | Director | 43 | Filipino |
| Susana C. Fong | Director | 67 | Filipino |
| Enrico Gregorio M. Trinidad | Director | 66 | Filipino |
| Rafael G. Ayuste, Jr. | Director | 62 | Filipino |
| Antonio M. Rubin | Director | 75 | Filipino |
| Medel T. Nera | Lead Independent Director | 70 | Filipino |
| Rex Maria A. Mendoza | Independent Director | 63 | Filipino |
| Roberto G. Manabat | Independent Director | 79 | Filipino |

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

| Name | Position | Age | Citizenship |
|---|--|-----|-------------|
| Allan R. Santos | President and Chief Executive Officer | 59 | Filipino |
| Ma. Pilar M. Pilares-Gutierrez | Corporate Secretary | 49 | Filipino |
| Melina Rose E. Gutierrez | Assistant Corporate Secretary | 42 | Filipino |
| Joli Co Wu | Treasurer | 59 | Filipino |
| Jaime Jose M. Javier | Senior Vice President and Head of Life Reinsurance | 59 | Filipino |
| Jose Augurio N. De Vera, Jr. | First Vice President and Head of Non-Life Reinsurance | 52 | Filipino |
| Daisy C. Salonga | First Vice President and Head of Investments and Treasury | 59 | Filipino |
| Santino U. Sontillano | Vice President and Head of Finance | 49 | Filipino |
| Jacqueline Michelle C. Dy | Vice President and Head of Risk & Compliance | 45 | Filipino |
| Joel Claro A. Perlado <i>(until November 30, 2025)</i> | First Vice President, Chief Actuary and Head of Data Analytics | 54 | Filipino |
| Cinderella M. Gernan <i>(until August 15, 2025)</i> | Vice President and Head of Data Administration and Technology | 47 | 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, 83 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, 72 yrs. old, Vice Chairperson since June 2019, Director of the Corporation since June 2006.

Ms. Yuchengco is the Chairperson and President of Philippine Integrated Advertising Agency, Inc., Y Tower II Office Condominium Corp., Yuchengco Tower Office Condominium Corp., and XYZ Assets Corporation; Chairperson 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 A.Y. Holdings, Inc., 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-Sucacat, Inc., Luisita Industrial Park Corp., Malayan International Insurance Corp., Manila Memorial Park Cemetery, Inc., MPC Investment Corporation, Pan Malayan Express, Inc., Shayamala Corporation, and YGC Corporate Services, Inc.; 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.; and an 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, 59 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, 59 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 Philippines Insurance and Reinsurance Association (PIRA), Inc. as well as a Board Director of the Philippine Machinery Management Services Corporation (PMMSC).

Ms. Wu attended the Immaculate Concepcion Academy for her primary and secondary education and 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, 61 yrs. old, Director of the Corporation since October 2018.

Ms. Lukban is formerly the Head of Corporate Strategy, Investor Relations and Sustainability in the Bank of the Philippine Islands (BPI). She was primarily responsible for financial planning and capital management, investor relations, and enterprise development projects. She also oversaw 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 and ICCP Holdings Corporation and Beacon Ventures, Inc. from May 2021 to April 2025.

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, 75 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.

Susana C. Fong, Filipino, 67 yrs. old, Director of the Corporation since November 2025.

A seasoned finance executive and legal professional, Susana C. Fong brings over three decades of leadership experience in investment banking, trust and investments, private banking, and insurance.

Ms. Fong is currently a member of the Board of Trustees of the Government Service Insurance System (GSIS). She is an Of Counsel at Romulo Buenaventura Law Office, which she rejoined in 2024 following her retirement from senior leadership roles in the financial services sector. Her previous positions include consultancies at Malayan Insurance Co., Inc., and Private Education Retirement Annuity Association (PERAA). She was the Deputy Head of International Private Banking at ING Asia Private Bank Ltd., and was the Director of Investment Banking at Credit Agricole Indosuez Bank. She also held senior roles in Rizal Commercial Banking Corporation (RCBC), Great Pacific Life Assurance (now Sunlife Grepa Financial) and Asia Insurance (Philippines), Inc.

Ms. Fong is highly regarded not just for her financial but also her legal experience. Her practice has spanned advisory on commercial transactions, tax and estate planning, regulatory compliance, and securities law. She has represented clients before key government agencies such as the Bangko Sentral ng Pilipinas, Securities and Exchange Commission, Bureau of Internal Revenue, and the Insurance Commission.

She currently sits as an Independent Director of Berjaya Philippines Inc., and the Baguio Country Club Corporation. She also serves as Corporate Secretary of the Young Musicians Development Organization and is a Trustee of Hands On Manila Foundation. She is also an elected Kagawad (Councilor) of a local government unit in Makati City since 2018.

Ms. Fong earned her Bachelor of Laws from Ateneo de Manila University in 1985 and was admitted to the Philippine Bar in 1986. She also holds a Bachelor of Commerce degree, major in Management of Financial Institutions (1980), and a degree in History-Political Science (1981), both from De La Salle University.

Enrico Gregorio M. Trinidad, Filipino, 66 yrs. old, Director of the Corporation since November 2025.

Mr. Enrico Gregorio M. Trinidad is currently a Trustee of the Government Service Insurance System (GSIS). He is an accomplished leader with over three decades of experience in the Philippine financial sector. He is currently the president of MOCYRI Holdings Corporation and serves as senior adviser and senior vice president (SVP) of Century Peak Cement Corporation.

Previously, Mr. Trinidad served as Vice President of the Philippine Stock Exchange. His extensive background includes senior roles such as SVP and chief finance officer of Century Peak Metals Holdings Corporation, President of Sun Hung Kai Capital (Philippines) Inc., and Executive Vice President of MAA Mutualife Philippines Inc., among others.

Mr. Trinidad earned his master's degree in Business Economics degree from the University of Asia and the Pacific. He graduated with honors and distinction from De La Salle University with a Bachelor of Science degree majoring in Management of Financial Institutions.

Rafael G. Ayuste, Jr., Filipino, 62 yrs. old, Director of the Corporation since June 2012.

Mr. Rafael G. Ayuste, Jr. has served as Chairman of the Investment Committee since July 2015. He brings over three decades of leadership experience in trust, wealth management, and investment banking. Prior to his retirement, he was Senior Vice President and Group Head of the Trust and Investments Group of BDO Unibank, Inc., where he led one of the country's largest trust and asset management platforms. Before this, he served as Senior Vice President of the Wealth Advisory and Trust Group of BDO Private Bank, Inc., and as First Senior Vice President and Head of the Trust Banking Group of Philippine National Bank (2009–2013). Earlier in his career, he held senior leadership roles across major financial institutions, including - Vice President and Head of Retail Branch Business, Citibank Savings, Citibank N.A. Philippines (2008–2009), Senior Vice President / Deputy Group Head, Trust Banking, Metropolitan Bank & Trust Company (2000–2008), following its merger with Global Business Bank, Vice President and Head of Securities Distribution, Banco Santander Philippines, Inc. (1999–2000), Vice President and Head of Trust Division, Security Bank Corporation (1996–1999), and Assistant Vice President and Head of Peso and Dollar Trading Desks, Citibank, N.A. / Citibank Global Asset Management (1989–1996)

Mr. Ayuste is a four-term President and multi-term Director of the Trust Officers Association of the Philippines (TOAP), reflecting his deep influence and leadership within the trust and investment management industry.

He has completed executive programs and seminars in Enterprise Risk Management, Financial Risk Management, and Corporate Governance. He holds a Bachelor of Science in Business Administration from the University of Santo Tomas.

Lester Ong, Filipino, 43 yrs.old, Director of the Corporation since January 2024.

Mr. Ong is the President 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 entire business enterprise of BPI Capital from the origination and execution of various investment banking products and services including debt, equity, strategic advisory and M&A, to client relationship management. Mr. Ong is also the Chairman of the Board of BPI Securities Corporation, a stock brokerage firm wholly-owned by 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, 70 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, 79 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 EEI Corporation, 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 the President of the KPMG R.G. Manabat Foundation. He is a Life Member of the Management 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 was honored as an Outstanding Alumnus of the University of the East 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, 63 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 an independent director of the Ayala Land, Inc., a publicly listed company.

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. (GXl, or GCash). Mr. Mendoza is a director of the following companies: Anvaya Cove Beach and Nature Club, Inc., Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., Healthway Philippines, Inc., Globe Fintech Innovations, Inc., Seedbox Technologies, Inc., and Malayan Savings Bank Inc. 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.

Ma. Pilar M. Pilares-Gutierrez, Filipino, 49 yrs. old, Corporate Secretary since June 2025 and 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.

Melina Rose E. Gutierrez, Filipino, 42 yrs. old, Assistant Corporate Secretary since June 2025.

She is presently a Partner at Castillo Laman Tan Pantaleon & San Jose Law Offices. She serves as the Corporate Secretary or Assistant Corporate Secretary of several Philippine corporations across various industries.

She earned her Bachelor of Arts in Humanities with a professional certificate in Political Economy from the University of Asia & the Pacific, and her Juris Doctor Degree from the Ateneo de Manila University, School of Law.

Jaime Jose M. Javier, Filipino, 59 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, 52 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.

Daisy C. Salonga, Filipino, 59 yrs. old, First Vice President and Head of Investments and Treasury.

Ms. Daisy Salonga joined the Company in 2011 as a Portfolio Manager and was promoted to Head of Investments in 2017. She was further appointed as Head of Investments and Treasury in 2025.

Prior to joining the Company, Daisy held various executive positions in Treasury, covering foreign exchange, fixed income, sales, and market studies, at leading financial institutions including Citibank N.A. Manila, Crédit Agricole Indosuez Offshore Bank Manila, China Banking Corporation, and Greenwich Associates.

She was recognized by The Asset Benchmark Research as one of the Most Astute Investors in Philippine peso bonds for three consecutive years from 2012 to 2014.

Daisy earned a Bachelor of Science in Commerce, major in Business Management, from De La Salle University.

Santino U. Sontillano, Filipino, 49 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, 45 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.

Joel Claro A. Perlado, Filipino, 54 yrs. old, Vice President, Chief Actuary and Head of Data Analytics (until November 30, 2025)

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 (until August 15, 2025)

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.

Directorships in Other Listed Companies

| | |
|------------------------------|--|
| Evelina G. Escudero | Philippine National Construction Corporation |
| Yvonne S. Yuchengco | iPeople Inc. House of Investments, Inc. Petro Energy Resources Corporation |
| Rafael G. Ayuste, Jr. | Bank of Commerce |
| Rex Maria A. Mendoza | Ayala Land, Inc. |
| Roberto G. Manabat | Union Bank of the Philippines |
| Medel T. Nera | 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

| Name of Director/Officer | Date of Training | Program | Name of Training Institution |
|--|-------------------------|--|--|
| 1. Evelina G. Escudero (Chairperson) | October 3, 2025 | Roles, Responsibilities and Liabilities of Boards Directors | Center for Global Best Practices, Inc. |
| | April 28-30, 2025 | Dubai World Insurance Congress 2025 | Global Reinsurance |
| | 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) | September 27, 2025 | 2025 YGC Annual Corporate Governance Seminar "Strategy in Motion: The Evolving Role of Governance" | YGC Group of Companies |

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| | 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 BMI |
| | October 1, 2024 | 8th NatRe Annual Technical Forum | Nat Re |
| | September 13, 2024 | AMLC Registration and Reporting Guidelines | Anti-Money Laundering Council |
| | July 23, 2024 | 2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption | Yuchengco Group of Companies |
| | July 6, 2024 | Target Financial Sanctions | Anti-Money Laundering Council |
| | June 20, 2024 | AML/CTF Fundamentals | Anti-Money Laundering Council |
| | June 4, 2024 | PIRA Innovating to Include Expanding Financial Inclusion Through Agent Network Development | PIRA |
| | May 3, 2024 | Board Strategy Planning Session | RCBC |
| | Match 15, 2024 | Cyberviser Executive Training Program on Cybersecurity Fundamentals | YGC-RCBC |
| | February 6 & 13, 2024 | 2023 Ayala Integrated Governance and Sustainability Summit | Institute of Corporate Directors |
| | October 3, 2023 | Building Trust and Ethical Leadership: Enhancing Corporate Governance for Sustainable Success | Yuchengco Group of Companies |
| | September 9, 2023 | The Board's Agenda: Mindset Shifts for a Sustainable and Equitable Future | Institute of Corporate Directors |
| | October 18, 2022 | 2022 YGC Annual Corporate Governance Seminar "Going From Good to Great" via zoom | Yuchengco Group of Companies |
| | November 19, 2022 | Risk Management in the age of Covid | Institute of Corporate Directors |

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| | May 14, 2021 | Economic Briefing for Insurance Industry Executives | Insurance Institute of Asia and the Pacific |
| 3. Allan R. Santos (Director, President and CEO) | September 16-18, 2025 | Crisis Management | Ateneo Graduate School of Business-Center for Continuing Education |
| | August 15, 2025 | Mandatory Eight (8) Hour Safety and Hazard Training | Health and Safety Solutions Philippines |
| | May 20, 2025 | Philippine Insurance Summit 2025 | PIRA & IIAP |
| | March 6, 2025 | Improving access to finance for productivity and resilience to climate shocks | World Bank |
| | January 15, 2025 | Climate Adaptation | Agrilever Phils Corp |
| | 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 th ASEAN Reinsurance Working Committee Meeting | ASEAN Reinsurance Working Committee | |

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| | October 26, 2021 | 4 th ASEAN Insurance Summit | ASEAN Insurance Council |
| 4. Joli Co Wu (Director, Treasurer) | May 20, 2025 | Philippine Insurance Summit 2025 | PIRA & IIAP |
| | 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. |
| 5. Rafael G. Ayuste, Jr. (Director) | Aug-Sep 2025 | Professional Directors Program | Institute of Corporate Directors |
| | 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 |
| 6. Antonio M. Rubin (Director) | August 1, 2025 | Data-Driven Fraud Protection & AML Best Practices | Institute of Corporate Directors |
| | June 26, 2025 | Driving Board Excellence: The Power of the OECD Principles | Institute of Corporate Directors |
| | July 23-24, 2024 | AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines | Anti-Money Laundering Council |

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| | 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 |
| 7. Maria Consuelo A. Lukban (Director) | September 19, 2025 | Nat Re Annual Technical Forum | Nat Re |
| | August 19, 2025 | Webinar on Reinsurance | AIRDC |
| | 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. |
| 8. Susana C. Fong (Director) | June 3-4, 2025 | Corporate Governance Orientation Program | Institute of Corporate Directors |
| 9. Enrico Gregorio M. Trinidad (Director) | December 4-5, 2025 | Corporate Governance Orientation Program | Institute of Corporate Directors |
| 10. Lester Ong (Director) | November 4, 2025 | 2025 Ayala Integrated Corporate Governance Risk Mgt & Sustainability Summit | Institute of Corporate Directors |
| | 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) | September 27, 2025 | 2025 YGC Annual Corporate Governance Seminar "Strategy in Motion: The Evolving Role of Governance" | YGC Group of Companies |

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| | September 19, 2025 | Nat Re Annual Technical Forum | Nat Re |
| | 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 |
| 12. Roberto G. Manabat (Independent Director) | December 19, 2025 | UBP Board and Senior Executive Management AML, CFT and CPF Training | Unionbank |
| | October 30, 2025 | Governance of Internal Audit by the Board Audit Committee | Institute of Corporate Directors |
| | October 10, 2025 | Advanced Corporate Governance Training | Institute of Corporate Directors |
| | September 27, 2025 | 2025 YGC Annual Corporate Governance Seminar "Strategy in Motion: The Evolving Role of Governance" | YGC Group of Companies |
| | June 26, 2025 | Driving Board Excellence: The Power of the OECD Principles | Institute of Corporate Directors |
| | 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 |

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| | 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) | November 4, 2025 | 2025 Ayala Integrated Corporate Governance Risk Mgt & Sustainability Summit | Institute of Corporate Directors |
| | September 9, 2024 | AML/CTF Fundamentals | AMLC |
| | September 4, 2024 | Targeted Financial Sanctions | AMLC |

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| | 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 |
| 14. Atty. Ma. Pilar P. Gutierrez (Corporate Secretary) | November 25, 2025 | Corporate Governance Forum | SEC |
| | July 4, 2025 | AML/CFT Compliance Series | AMLC |
| | June 24, 2025 | 10 in 1 AM: CTPF Refresher and Updates | AMLC |
| | May 21, 2025 | Navigating SEC RENT | SEC |
| | April 2025 | Mandatory Continuing Legal Education (8th Compliance) | Access Inc. |
| | July 23, 2024 | AML Registration & Reporting Guidelines | The Philippine Stock Exchange, Inc. (PSE) |
| | 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 | SEC |
| | May 27, 2022 | 2022 SEC Communication, Advocacy and Network Webinar Series – As Easy as SEC: How to File Annual Reports | SEC |

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| | <p>June 2022</p> <p>October 27, 2022</p> <p>November 25, 2022</p> <p>August 18, 2021</p> | <p>2022 SEC-GRI Workshop Series</p> <p>Anti-Fraud Session</p> <p>9th SEC-PSE Corporate Governance Forum</p> <p>Updates and Guidance on Sustainability Reporting for Philippine Publicly-Listed Companies</p> | <p>SEC</p> <p>Mr. Dante Fuentes, accredited Anti-Money Laundering Council (AMLC) trainer</p> <p>SEC</p> <p>SEC & GRI</p> |
| 15. Atty. Melina Rose E. Gutierrez (Asst. Corporate Secretary) | April 8-14, 2025 | Mandatory Continuing Legal Education (8th Compliance) | UP Institute of the Administration of Justice (UP-IAJ) |
| 16. Jaime Jose M. Javier (Senior Vice President) | <p>September 19, 2025</p> <p>September 13, 2024</p> <p>July 23, 24 & 29, 2024</p> <p>September 22, 2023</p> <p>October 27, 2022</p> <p>November 9-10, 2021</p> | <p>Annual Technical Forum</p> <p>8th Annual Technical Forum</p> <p>AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines</p> <p>7th Annual Technical Forum</p> <p>Anti-Fraud Session</p> <p>Corporate Governance Orientation Program</p> | <p>Nat Re</p> <p>Nat Re</p> <p>AMLC</p> <p>Nat Re</p> <p>GGAPP</p> <p>Institute of Corporate Directors</p> |
| 17. Jose Augurio N. De Vera, Jr. (First Vice President) | <p>September 19, 2025</p> <p>September 13, 2024</p> <p>August 28-29, 2024</p> <p>April 23-24, 2024</p> | <p>Annual Technical Forum</p> <p>8th Annual Technical Forum</p> <p>AML/CTF Fundamentals/ Targeted Financial Sanction</p> <p>Corporate Governance Orientation Program</p> | <p>Nat Re</p> <p>Nat Re</p> <p>AMLC</p> <p>Institute of Corporate Directors</p> |
| 18. Joel Claro A. Perlado (First Vice President <i>until Nov. 30, 2025</i>) | <p>September 19, 2025</p> <p>September 13, 2024</p> | <p>Annual Technical Forum</p> <p>8th Annual Technical Forum</p> | <p>Nat Re</p> <p>Nat Re</p> |

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| | July 23 & 24, 2024 | AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines | AMLC |
| | November 7-8, 2023 | Corporate Governance Orientation Program | Institute of Corporate Directors |
| 19. Daisy C. Salonga (First Vice President) | November 19, 2025 | Beyond the Numbers: Yr-end review and 2026 Outlook | Makati Business Club |
| | October 3, 2025 | 20 th Philippine Summit: Empowering the Future: Resilience, Innovation and Sustainable Growth | The Asset |
| | September 19, 2025 | Annual Technical Forum | Nat Re |
| | July 17, 2025 | Fueling Uncertainty: The Impact of Rising Oil Prices | BMI |
| | March 28, 2025 | Mandatory 8-hour Safety and Hazard Training | DOLE |
| | February 28, 2025 | Vision 2025: Market Forecast and Fund Excellence | CFA Philippines |
| | September 13, 2024 | 8 th 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 Macroeconomics 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 |

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| | October 19, 2021 | 16th Philippine Summit: Reviving Paths To Recovery | The Asset |
| 20. Jacqueline Michelle C. Dy (Vice President) | November 21, 2025 | 12th SEC Corporate Governance Forum | SEC |
| | September 19, 2025 | Annual Technical Forum | Nat Re |
| | July 23, 2025 | Insights from the London Market: Emerging Risks and Strategic Responses | Singapore College of Insurance |
| | November 28, 2024 | 11th Annual SEC-PSE CG Forum | SEC & PSE |
| | September 13, 2024 | 8th Annual Technical Forum | Nat Re |
| | July 23, 24, & 29, 2024 | AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines | AMLC |
| | May 3, 2024 | Tax Treaty Relief Availment and Application Process | PICPA |
| | November 24, 2023 | 10th SEC-PSE Corporate Governance Forum | SEC & PSE |
| | October 17, 2023 | Navigating AI Governance and ESG reporting for the future | KPMG |
| | July 6, 2023 | 2023 Board and Audit Committee Priorities | 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 | |

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| 21. Santino U. Sontillano (Vice President) | September 19, 2025 | Annual Technical Forum | Nat Re |
| | May 2024-Jan 2025 | Chief Financial Officer Program | Asian Institute of Management |
| | September 13, 2024 | 8th Annual Technical Forum | Nat Re |
| | July 4 & 30, 2024 | AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines | AMLC |

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| | 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 Consequences. What Boards Can Do Against Ransomware Attacks | Institute of Corporate Directors |

ITEM 10. EXECUTIVE COMPENSATION

ANNUAL COMPENSATION IN PHILIPPINE PESOS

| Name | Year | Salary | Bonus | Other annual compensation |
|---|-------------|---------------|--------------|----------------------------------|
| 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 | 35,869,764.00 | 5,978,294.00 | 9,921,959.00 |
| All other officers and directors as a group unnamed | Actual | 13,930,380.26 | | 1,605,992.00 |
| CEO and key executive officers named* | 2026 | 38,264,980.80 | 6,377,496.80 | 12,530,000.00 |
| All other officers and directors as a group unnamed | Estimates | 16,589,173.00 | | 2,998,326.50 |

*Officers and directors named for 2025 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 (until Nov. 30, 2025)
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 2025 for the members of the Board of Directors amounted to P7,970,000.00. The total compensation for each director for 2025 is disclosed in the 2025 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, 2025, 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.

| Title of Class | Name, Address of Record Owner and Relationship with Issuer | Name and Address of Beneficial Owner and Relationship with Record Owner | Citizenship | Number of Shares Held | Percent of Class |
|-----------------------|--|--|--------------------|------------------------------|-------------------------|
| 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) ¹ , G/F MSE Building, 6754 Ayala Avenue, Makati City | Government Service Insurance System ² , New GSIS Headquarters, Financial Center, Pasay City | Filipino | 547,465,396 ¹ | 25.78% |
| Common | PCD Nominee Corporation (Filipino) ¹ , G/F MSE Building, 6754 Ayala Avenue, Makati City | MICO Equities Inc. ² Yuchengco Bldg., 484 Quintin Paredes Street Manila | Filipino | 273,716,100 ² | 12.89% |

^{1,2}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, 2025 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 1,208,000 Beneficial | Filipino | 0.06% |
| 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 | Susana C. Fong | 1 Record | Filipino | 0.00% |
| Common | Enrico Gregorio M. Trinidad | 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% |
| | TOTAL FOR DIRECTORS | 1,957,303 | | 0.09% |
| | GRAND TOTAL | 1,957,303 | | 0.09% |

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, 2025 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 2025 and 2024 information (refer to Note 28 of the accompanying audited financial statements):

| Shareholder/Related Party/Director Corporation | 2025 | | | | |
|--|----------------|------------|---------------------|---------------------|----------------------------|
| | In Million PHP | Premiums | Commission Expenses | Retroceded premiums | Claims Incurred (Reversal) |
| GSIS | - | - | - | 4.2 | - |
| BPI AIA | 92.9 | 0.1 | - | (9.0) | - |
| BPI/MS Insurance | 26.0 | 7.3 | - | (13.7) | - |
| Total BPI Group | 118.9 | 7.4 | - | (22.7) | - |
| Sunlife Grepa Financial | 32.8 | - | - | 10.0 | - |
| Malayan Insurance | 45.1 | 0.5 | - | (27.5) | - |
| Total Malayan Group | 77.9 | 0.5 | - | (17.5) | - |
| GRAND TOTAL | 196.8 | 7.9 | - | (36.0) | - |

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

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, 2025 and 2024 (refer to Note 28 of the accompanying audited financial statements):

| Shareholder/ Related Party/Director Corporation | 2025 | | | | | |
|--|----------------|---------------------------------|--------------------------------------|---|--------------|-----------------------------|
| | In Million PHP | Due from Ceding Companies | Funds held by Ceding Companies | Reinsurance recoverable on reported claims | Claims | Due to Retrocessionaires |
| GSIS | - | - | - | 2.0 | 151.0 | 0.2 |
| BPI AIA | 177.0 | - | - | - | 75.6 | 13.6 |
| BPI/MS Insurance | 19.8 | 6.3 | - | - | 330.1 | - |
| Total BPI Group | 196.8 | 6.3 | - | - | 405.7 | 13.6 |
| Sunlife Grepa Financial | 6.9 | - | - | - | - | - |
| Malayan Insurance | 26.8 | - | - | - | 221.7 | - |
| Total Malayan Group | 33.7 | - | - | - | 221.7 | - |
| GRAND TOTAL | 230.5 | 6.3 | - | 2.0 | 778.4 | 13.8 |

| 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 |

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

1. *Custodianship Agreement.* The Corporation entered into Custodianship Agreements with BPI Wealth and RCBC for the purpose of opening and maintaining custodianship accounts over certain securities owned by the Corporation. BPI Wealth and RCBC act as custodians of such securities. For services rendered, they are entitled to custodianship fees based on the value of the securities held. The Agreements shall continue in full force and effect unless earlier terminated by either of the parties concerned for any reason, 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 earlier terminated by either of the parties concerned for any reason, 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 earlier terminated by either of the parties concerned for any reason, 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 2025 Sustainability Report is posted on the Company's Website with this link:

<https://www.nat-re.com/naresite/wp-content/uploads/2026/04/2025-Nat-Re-Sustainability-Report.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:

- December 15, 2025 re: Promotion of Company Officers: Jaime Jose M. Javier, Jr., Von Edward M. Ebron and Arlene Gay B. Santos.
- November 27, 2025 re: Appointment of Atty. Susana C. Fong and Mr. Enrico M. Trinidad as Directors of Corporation
- October 27, 2025 re: Resignation of Nat Re Director Emmanuel De Leon Samson
- October 24, 2025 re: Resignation of Nat Re Director Rita E. Riddle
- October 13, 2025 re: Resignation Mr. Joel Claro A. Perlado, First Vice President, Chief Actuary and Head of Analytics
- September 10, 2025 re: Change in the building name of Nat Re's principal office address
- August 28, 2025 re: Board approval of the Corporation's Revised Related Party Transactions Policy
- July 15, 2025 re: Nat Re Organizational Changes

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) | 2025 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 23rd day of April 2026.

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)

JAIME JOSE M. JAVIER, JR.
Chief Operating Officer
(Executive Vice President)

(original signed)

MA. PILAR M. PILARES-GUTIERREZ
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 23rd day of April 2026 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 | - | - | - |
| Jaime Jose M. Javier | - | - | - |
| Santino U. Sontillano | - | - | - |
| Ma. Pilar M. Pilares-Gutierrez | - | - | - |

(original notarized)

Notary Public

Doc. No.: _____;
Page No.: _____;
Book No.: _____;
Series of 2026.



Your BIR AFS eSubmission uploads were received

1 message

Wed, Apr 29, 2026 at 5:53 PM

----- Forwarded message -----

From: <eafs@bir.gov.ph>

Date: Wed, Apr 29, 2026 at 5:29 PM

Subject: Your BIR AFS eSubmission uploads were received

Hi NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES,

Valid files

- EAFS000480869OTHTY122025.pdf
- EAFS000480869TCRTY122025-01.pdf
- EAFS000480869AFSTY122025.pdf
- EAFS000480869RPTTY122025.pdf
- EAFS000480869ITRTY122025.pdf

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- <None>

Transaction Code: **AFS-0-NXM4W4RZ023MZVMZVNN4ZWXMZ0424MMWST**

Submission Date/Time: **Apr 29, 2026 05:29 PM**

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.



**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, 2025 and 2024 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 23rd day of April, 2026.

SUBSCRIBED AND SWORN TO before me on 23rd day of April, 2026 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 | | | |

Doc. No. _____
Page No. _____
Book No. _____
Series of 2026.

(original notarized)
Notary Public

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

FINANCIAL STATEMENTS
December 31, 2025 and 2024

With Independent Auditors' Report

R.G. Manabat & Co.



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
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
National Reinsurance Corporation of the Philippines
31st Floor BPI AIA 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, 2025 and 2024, and the statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2025, 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, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 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), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Philippines. We have also 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 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

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

(P5.73 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 key internal controls over the completeness, existence and accuracy of the reinsurance premiums recognized in the financial statements. We tested reinsurance contracts on sampling basis, performed cut-off testing by 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 assessed 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

(P7.74 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

(P4.61 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, 2025. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 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.

R.G. Manabat & Co.

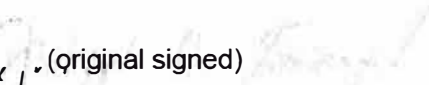


Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

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.

 (original signed)

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. 08-001987-050-2025

Issued June 9, 2025; effectivity January 7, 2025; validity January 6, 2028

PTR No. MKT 10764414

Issued January 5, 2026 at Makati City

April 21, 2026
Makati City, Metro Manila

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

(Amounts in thousands)

| | <i>Notes</i> | 2025 | 2024 |
|--|--------------|--------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | 5 | P486,711 | P449,739 |
| Reinsurance balances receivable – net | 6, 25 | 5,894,354 | 5,203,165 |
| Held-for-trading (HFT) securities | 7 | 854,725 | 447,958 |
| Available-for-sale (AFS) financial assets | 8 | 5,660,229 | 5,279,741 |
| Held-to-maturity (HTM) securities | 9 | 4,282,996 | 4,024,499 |
| Other investments | 10 | 112,054 | – |
| Loans and receivables | 11 | 126,584 | 127,614 |
| Property and equipment – net | 12 | 29,343 | 38,241 |
| Reinsurance recoverable on reported claims and claims reserves – net | 13 | 2,774,902 | 2,847,452 |
| Deferred acquisition costs | 14 | 1,145,676 | 1,096,624 |
| Deferred reinsurance premiums | 15 | 623,632 | 647,670 |
| Deferred tax assets - net | 26 | 677,208 | 582,255 |
| Other assets – net | 16 | 129,141 | 116,053 |
| TOTAL ASSETS | | P22,797,555 | P20,861,011 |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Reinsurance balances payable | 17, 25 | P2,164,670 | P1,913,080 |
| Forward liability | 7 | 1,761 | 207 |
| Accounts payable and accrued expenses | 18 | 409,459 | 387,884 |
| Claims and claims reserves | 19 | 10,511,838 | 9,832,401 |
| Premium reserves | 20 | 1,965,134 | 1,860,645 |
| Deferred reinsurance commissions | 21 | 11,604 | 2,321 |
| Total Liabilities | | 15,064,466 | 13,996,538 |
| Equity | 27 | 7,733,089 | 6,864,473 |
| TOTAL LIABILITIES AND EQUITY | | P22,797,555 | P20,861,011 |

See Notes to the Financial Statements

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

STATEMENTS OF INCOME

For the years ended December 31, 2025, 2024 and 2023

(Amounts in thousands, except Earnings Per Share)

| | <i>Notes</i> | 2025 | 2024 | 2023 |
|---|--------------|-------------|-------------|-------------|
| Reinsurance premium income | | | | |
| Reinsurance premiums – net of returns | 20 | P5,727,411 | P6,024,461 | P6,193,515 |
| Retroceded premiums | 15 | (1,218,912) | (1,525,895) | (1,428,420) |
| Net premiums retained | | 4,508,499 | 4,498,566 | 4,765,095 |
| Movement in premium reserves – net | 15, 20 | (128,527) | 356,954 | (483,709) |
| | | 4,379,972 | 4,855,520 | 4,281,386 |
| Underwriting deductions | | | | |
| Claims and claims reserves – net | 23.1, 23.2 | 2,800,797 | 3,427,785 | 2,921,859 |
| Commissions – net | 23.3 | 733,127 | 956,021 | 834,624 |
| | | 3,533,924 | 4,383,806 | 3,756,483 |
| Other underwriting (expense) income | | (101,852) | 26,342 | 47,571 |
| Net underwriting income | | 744,196 | 498,056 | 572,474 |
| Investment and other income and expenses – net | 22 | 670,258 | 533,081 | 476,457 |
| Profit after investment and other income and expenses | | 1,414,454 | 1,031,137 | 1,048,931 |
| General and administrative expenses | 24 | 372,062 | 353,668 | 365,120 |
| Profit before tax | | 1,042,392 | 677,469 | 683,811 |
| Tax expense | 26 | 212,902 | 126,125 | 147,664 |
| Net profit | | P829,490 | P551,344 | P536,147 |
| Earnings per share - basic and diluted | 30 | P0.391 | P0.260 | P0.252 |

See Notes to the Financial Statements.

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025, 2024 and 2023

(Amounts in thousands)

| | <i>Notes</i> | 2025 | 2024 | 2023 |
|--|--------------|-----------------|-----------------|-----------------|
| Net profit | | P829,490 | P551,344 | P536,147 |
| Other comprehensive income (loss) | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Remeasurement of defined benefit asset | 24.2 | (2,866) | (2,766) | 16,977 |
| Items that are and will be reclassified subsequently to profit or loss | | | | |
| Fair value gains on AFS financial assets during the year | 8 | 52,595 | 2,553 | 100,691 |
| Amortization of unrealized gains on reclassified HTM securities to profit or loss | | 13,285 | 14,851 | 14,084 |
| Fair value (gains) losses on disposal of AFS financial assets reclassified to profit or loss | 8 | (28,166) | 23,991 | (18,077) |
| Fair value losses on impairment of AFS financial assets reclassified to profit or loss | 8 | 4,753 | 22,222 | 2,515 |
| Income tax effect | | (475) | (749) | 276 |
| | | 41,992 | 62,868 | 99,489 |
| Total other comprehensive income | | 39,126 | 60,102 | 116,466 |
| Total comprehensive income | | P868,616 | P611,446 | P652,613 |

See Notes to the Financial Statements.

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025, 2024 and 2023

(Amounts in thousands)

| | Capital Stock | | Additional Paid-in Capital (Note 27) | Treasury Shares at Cost (Note 27) | Revaluation Reserves | | | Retained Earnings | | Total Equity | |
|---|---------------|---------------------------------|--|---|----------------------|-------------------------|-------------------|--|--------------|--------------|----------------|
| | Notes | No. of Shares (in thousands) | | | Amount (Note 27) | AFS Financial Assets | HTM Securities | Defined Benefit Liability (Note 24) | Appropriated | | Unappropriated |
| | | | | | | | | | | | |
| Balance at January 1, 2025 | | 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 |
| Net profit | | - | - | - | - | - | - | - | - | 829,490 | 829,490 |
| Other comprehensive income (loss): | | | | | | | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - | - | - | - | - | (2,866) | - | - | (2,866) |
| Item that are and will be reclassified subsequently to profit or loss | | - | - | - | - | 28,707 | 13,285 | - | - | - | 41,992 |
| Total comprehensive income (loss) | | - | - | - | - | 28,707 | 13,285 | (2,866) | - | 829,490 | 868,616 |
| Appropriated for contingencies | 27 | - | - | - | - | - | - | - | 82,949 | (82,949) | - |
| Balance at December 31, 2025 | | 2,181,955 | P2,181,955 | P3,019,218 | (P100,525) | P56,781 | P- | (P62,902) | P266,838 | P 2,371,724 | P7,733,089 |
| 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 |

Forward

| | Notes | Capital Stock | | Additional Paid-in Capital (Note 27) | Treasury Shares at Cost (Note 27) | Revaluation Reserves | | Defined Benefit Liability (Note 24) | Retained Earnings | | Total Equity |
|--|-------|---------------------------------|---------------------|--|---|-------------------------|-------------------|--|-------------------|----------------|--------------|
| | | No. of Shares (in thousands) | Amount (Note 27) | | | AFS Financial Assets | HTM Securities | | Appropriated | Unappropriated | |
| | | | | | | | | | | | |
| 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 |

See Notes to the Financial Statements.

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025, 2024 and 2023

(Amounts in thousands)

| | <i>Notes</i> | 2025 | 2024 | 2023 |
|--|------------------|-------------------|------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | | P1,042,392 | P677,469 | P683,811 |
| Adjustments for: | | | | |
| Movement in premium reserves – net | <i>15, 20</i> | 128,527 | (356,954) | 483,709 |
| Movement in claims and claims reserves – net | | | 241,716 | 1,263,082 |
| Commissions – net | <i>23.2</i> | 257,471 | (336,382) | (69,116) |
| Interest income | <i>14, 21</i> | (39,769) | (483,802) | (418,289) |
| Dividend income | <i>22</i> | (533,738) | (26,303) | (31,883) |
| Fair value gains on HFT securities | <i>22</i> | (23,839) | | |
| (Gain) loss on sale of AFS financial assets | <i>7, 22</i> | (66,810) | (6,780) | (11,778) |
| Movement in deposit liability | <i>8, 22</i> | (28,166) | 23,991 | (18,077) |
| Unrealized foreign currency losses | <i>18, 22</i> | 595 | 1,852 | 3,515 |
| (Reversal of) impairment losses | | | 2,095 | 10,446 |
| Unrealized (gain) loss from forward contracts | <i>6, 13, 22</i> | (22,193) | 921 | 2,515 |
| Gain on sale of non-financial assets | | | | (278) |
| Depreciation and amortization | <i>12, 22</i> | – | – | (417) |
| Depreciation and amortization | <i>24</i> | 10,453 | 10,906 | 13,589 |
| Operating income (loss) before working capital changes | | 726,773 | (251,298) | 1,910,829 |
| Decrease (increase) in: | | | | |
| Reinsurance balances receivable – net | <i>25</i> | (725,324) | (959,499) | (1,454,803) |
| HFT securities | | (329,381) | 92,360 | (244,903) |
| Loans and receivables | | 11,231 | (4,124) | 4,256 |
| Reinsurance recoverable on reported claims and claims reserves – net | | 187,134 | 356,717 | 425,095 |
| Other assets – net | | (9,255) | (7,655) | 24,941 |
| Increase (decrease) in: | | | | |
| Reinsurance balances payable | <i>25</i> | 249,906 | (178,548) | 392,118 |
| Forward liability | | 1,883 | (92,852) | 3,157 |
| Accounts payable and accrued expenses | | (87,490) | 39,140 | (70,312) |
| Claims and claims reserves | | 343,192 | 879,854 | (690,366) |
| Cash generated from (used in) operations | | 368,669 | (125,905) | 300,012 |
| Cash paid for income taxes | | (185,404) | (363,551) | (99,128) |
| Net cash from (used in) operating activities | | P183,265 | (P489,456) | P200,884 |

Forward

| | <i>Notes</i> | 2025 | 2024 | 2023 |
|---|--------------|-------------|-------------|-------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from disposal/maturities of: | | | | |
| AFS financial assets | 8 | P2,146,611 | P2,192,203 | P1,415,610 |
| HTM securities | 9 | 1,108,381 | 571,528 | 324,062 |
| Loans and receivable | 11 | 3,274 | 1,991 | 2,726 |
| Property and equipment | 12 | 1,160 | – | 752 |
| Other investments | 10 | – | 313,351 | 439,200 |
| Interest received | | 544,959 | 482,015 | 399,882 |
| Dividends received | | 24,614 | 27,221 | 32,857 |
| Acquisitions of: | | | | |
| AFS financial assets | 8 | (2,481,886) | (2,144,331) | (1,808,498) |
| HTM securities | 9 | (1,362,260) | (670,413) | (1,175,516) |
| Other investments | 10 | (110,310) | (61,549) | (248,034) |
| Loans and receivable | 11 | (1,784) | (5,845) | (2,379) |
| Property and equipment | 12 | (2,715) | (6,338) | (6,837) |
| Intangible assets | 16 | (21,345) | (34,021) | – |
| Net cash (used in) provided by investing activities | | (151,301) | 665,812 | (626,175) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | | |
| | | 31,964 | 176,356 | (425,291) |
| EFFECTS OF FOREIGN CURRENCY REVALUATION ON CASH AND CASH EQUIVALENTS | | | | |
| | | 5,008 | 1,580 | (27,632) |
| CASH AND CASH EQUIVALENTS - January 1 | | | | |
| | | 449,739 | 271,803 | 724,726 |
| CASH AND CASH EQUIVALENTS - December 31 | | | | |
| | | P486,711 | P449,739 | P271,803 |

See Notes to the Financial Statements.

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(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 31st Floor BPI AIA Makati, 6811 Ayala Avenue, Makati City.

The financial statements of the Company as at and for the year ended December 31, 2025 (including the comparative financial statements as at December 31, 2024 and for the years ended December 31, 2024 and 2023) were authorized for issue by the Company's Board of Directors (BOD) on March 26, 2026.

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) Accounting Standards 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. 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 2025 that are Relevant to the Company*

As at December 31, 2025, there are no new and amended PFRS Accounting Standards that are relevant to the Company.

(b) *Effective Subsequent to 2025 but not Adopted Early*

There are new and amended PFRS Accounting Standards effective for annual periods subsequent to 2025, 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 new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under PAS 39. This is expected to result in earlier recognition of credit losses for items measured at amortized cost.

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.

Based on the initial assessment made by the management, the table below presents the classification of the Company's financial assets as at December 31, 2025 under PAS 39 and how they will likely be classified under PFRS 9.

Management will continue to evaluate such classification based on the specific criteria and guidelines in classifying financial instruments under PFRS 9 taking into consideration the Company's business model in managing financial assets.

| Financial instruments | Classification under PAS 39 | Classification under PFRS 9 |
|---------------------------------------|-------------------------------------|---|
| Cash and cash equivalents | Loans and receivables | Financial assets at amortized cost |
| Held-for-trading securities | Held-for-trading securities | Financial assets at fair value through profit or loss |
| Available-for-sale financial assets | Available-for-sale financial assets | Financial assets at fair value through other comprehensive income |
| Held-to-maturity | Held-to-maturity | Financial assets at amortized cost |
| Other investments | Loans and receivables | Financial assets at amortized cost |
| Forward liability | Held-for-trading securities | Financial liability at fair value through profit or loss |
| Accounts payable and accrued expenses | Other financial liabilities | Financial liabilities at amortized cost |

The final quantification of the impact on the Company's equity and profit or loss—particularly the impact of the new ECL model—is still being evaluated.

- 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 is currently enhancing its data collection processes to meet the granular reporting requirements of PFRS 17.

The Company conducted a contract review to determine the application of PFRS 17 to its reinsurance and retrocession contracts. Based on the preliminary assessment, all existing products and contracts previously in scope of PFRS 4 will transition to PFRS 17.

The Company has applied the Fair Value Approach as the Full Retrospective Approach was determined to be impracticable. This is due to the unavailability of historical data resulting from legacy system limitations and the absence of certain information required to determine the Contractual Service Margin (CSM) at the date of initial recognition without the use of hindsight.

The Company continues to assess the implications of PFRS 17 and expects that it will significantly impact the Company's operational and financial reporting process. The quantitative impact on the Company's financial position, including the potential effect on total net worth and the timing of profit recognition, is still being evaluated.

- 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.

- Annual Improvements to PFRS Accounting Standards – Volume 11
 - Gain or Loss on Derecognition (Amendments to PFRS 7 Financial Instruments: Disclosures)

The amendments replace the reference to “*inputs that were not based on observable market data*” in the obsolete paragraph 27A with “*unobservable inputs*” as defined in paragraphs 72–73 of PFRS 13, *Fair Value Measurement*. This amendment aligns the disclosure requirements with the fair value hierarchy under PFRS 13, particularly with respect to Level 3 inputs. The amendment does not affect the Company's recognition or measurement of financial instruments but enhances the clarity and consistency of disclosures. The Company intends to adopt these pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements.

- Introduction, Disclosure of Deferred Difference Between Fair Value and Transaction Price and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7 Financial Instruments: Disclosures)

The amendments provide clarifications intended to enhance consistency and transparency in financial reporting. These updates cover three areas: the introduction, the disclosure of deferred differences between fair value and transaction price, and credit risk disclosures. In particular, the guidance clarifies that the illustrative examples do not necessarily reflect all the requirements in the referenced paragraphs of PFRS 7 and do not create additional requirements. In addition, the amendment requires disclosure of any deferred differences between the fair value of a financial instrument at initial recognition and the transaction price, including how such differences are subsequently recognized in profit or loss, in alignment with PFRS 7 paragraph 28 and the concepts in PFRS 9, *Financial Instruments* and PFRS 13, *Fair Value Measurement*. Further, the amendment simplifies credit risk disclosures by clarifying that the illustrative example does not cover financial assets that are purchased or originated credit-impaired, ensuring focus on assets subject to the general expected credit loss model. The Company will adopt these requirements upon their effective date, and management is currently assessing the potential impact on future financial statement disclosures.

- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37)

The IASB has issued amendments to the illustrative examples accompanying IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, and IAS 37 to enhance transparency in financial reporting, particularly in relation to uncertainties, significant judgments, and climate-related assumptions. While these amendments do not affect recognition or measurement requirements, they provide improved guidance on disclosures concerning estimation uncertainties, impairment testing, provisions, and credit risk exposures. As these amendments have not yet been locally adopted, the Company is in the process of assessing their potential impact on its financial statement disclosures pending local regulatory updates.

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 - net. 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 – net and Reinsurance recoverable on reported claims and claims reserves – net 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, 2025 and 2024, 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 amortized 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 24th 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 24th 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 24th 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 24th method. The 24th method assumes that the average date of issue of all contracts written during any one month is the middle of that month. Accordingly, 1/24th of the net premiums are considered earned in the month the reinsurance contracts are issued and 2/24th for every month thereafter (or 1/24th 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 (see Note 2.11) 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 24th 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 Company provides life and non-life reinsurance capacity, and derives its Premiums written from domestic and foreign insurance markets (see Note 20). The Company has no reliance on major customers. 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 P4.75 million and P22.22 million are considered impairment in value as at December 31, 2025 and 2024, 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, 2025 and 2024, the Company has recognized allowance for impairment loss amounting to P634.13 million and P661.52 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, 2025 and 2024, 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, 2025 and 2024, the Company recognized net deferred tax assets amounting to P677.21 million and P582.26 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 P561.20 million and P546.79 million as at December 31, 2025 and 2024, 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 P807.68 million, P957.81 million and P1,284.75 million in 2025, 2024 and 2023, 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 P3.10 million, P36.07 million and P106.49 million in 2025, 2024 and 2023 respectively, 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 judicial decisions and government legislation affect the estimates.

As at December 31, 2025 and 2024, 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 57% 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, 2025 | | |
|---------------------|---|--|-------------------------|
| | Gross Written Premiums <i>(Note 20)</i> | Retroceded Premiums <i>(Note 15)</i> | Net Written Premiums |
| Life | P3,283,451 | P804,169 | P2,479,282 |
| Agriculture | 1,221,874 | 492 | 1,221,382 |
| Fire | 774,783 | 363,767 | 411,016 |
| Casualty | 260,163 | 7,865 | 252,298 |
| Marine and aviation | 121,861 | 24,429 | 97,432 |
| Motor | 65,279 | 18,190 | 47,089 |
| | P5,727,411 | P1,218,912 | P4,508,499 |

| December 31, 2024 | | | |
|---------------------|---|--|-------------------------|
| | Gross Written Premiums <i>(Note 20)</i> | Retroceded Premiums <i>(Note 15)</i> | 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 |
| | P6,024,461 | P1,525,895 | P4,498,566 |

| December 31, 2023 | | | |
|---------------------|---------------------------|------------------------|-------------------------|
| | Gross Written Premiums | Retroceded Premiums | 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 |
| | P6,193,515 | P1,428,420 | P4,765,095 |

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, 2025 and 2024.

| December 31, 2025 | | | | | | | | | | | | |
|---|-------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|--------------|
| Underwriting Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
| At the end of the financial year | P717,719 | P897,480 | P1,138,057 | P1,165,821 | P1,290,466 | P1,183,374 | P2,040,812 | P1,339,414 | P2,279,670 | P1,605,281 | P2,117,984 | P2,117,984 |
| One year later | 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 | 3,956,420 | - | 3,956,420 |
| Two years later | 1,236,790 | 1,535,032 | 2,064,256 | 2,362,725 | 2,629,680 | 2,466,579 | 4,493,325 | 2,577,114 | 4,120,054 | - | - | 4,120,054 |
| Three years later | 1,218,140 | 1,343,396 | 1,975,410 | 2,239,296 | 2,515,554 | 2,584,542 | 4,319,863 | 2,406,307 | - | - | - | 2,406,307 |
| Four years later | 1,164,234 | 1,233,461 | 1,843,450 | 2,200,841 | 2,539,012 | 2,459,005 | 4,009,988 | - | - | - | - | 4,009,988 |
| Five years later | 1,172,752 | 1,229,371 | 1,845,777 | 2,178,926 | 2,488,791 | 2,452,563 | - | - | - | - | - | 2,452,563 |
| Six years later | 1,169,573 | 1,240,047 | 1,845,941 | 2,183,528 | 2,473,129 | - | - | - | - | - | - | 2,473,129 |
| Seven years later | 1,165,370 | 1,239,186 | 1,844,205 | 2,182,471 | - | - | - | - | - | - | - | 2,182,471 |
| Eight years later | 1,181,025 | 1,240,762 | 1,843,864 | - | - | - | - | - | - | - | - | 1,843,864 |
| Nine years later | 1,180,716 | 1,244,544 | - | - | - | - | - | - | - | - | - | 1,244,544 |
| Ten years later | 1,181,779 | - | - | - | - | - | - | - | - | - | - | 1,181,779 |
| Estimate of cumulative claims | 1,181,779 | 1,244,544 | 1,843,864 | 2,182,471 | 2,473,129 | 2,452,563 | 4,009,988 | 2,406,307 | 4,120,054 | 3,956,420 | 2,117,984 | 27,989,103 |
| Cumulative payments to date | (1,148,448) | (877,028) | (1,786,968) | (2,109,220) | (2,299,442) | (2,169,639) | (3,008,235) | (1,851,348) | (1,872,208) | (1,440,243) | (256,240) | (18,819,019) |
| Total current estimate of claims reserves (2015-2025) | P33,331 | P367,516 | P56,896 | P73,251 | P173,687 | P282,924 | P1,001,753 | P554,959 | P2,247,846 | P2,516,177 | P1,861,744 | P9,170,084 |
| Beginning balance of 2014 and prior underwriting years | | | | | | | | | | | | 1,225,756 |
| Movement of 2014 and prior underwriting years, gross of settlement | | | | | | | | | | | | (89,942) |
| Payments made during the year for 2014 and prior underwriting years | | | | | | | | | | | | (2,635) |
| Foreign exchange revaluation and other adjustments | | | | | | | | | | | | 208,575 |
| Total current estimate of claims reserves (Note 19) | | | | | | | | | | | | P10,511,838 |

Forward

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, 2025 and 2024.

| December 31, 2025 | | | | | | | | | | | | |
|---|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|--------------|
| Underwriting Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Total |
| At the end of the financial year | 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 | P1,569,871 | P1,569,871 |
| One year later | 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 | 3,314,953 | - | 3,314,953 |
| Two years later | 609,307 | 1,297,926 | 1,939,580 | 2,009,116 | 2,124,286 | 2,033,028 | 2,524,330 | 2,129,031 | 3,570,470 | - | - | 3,570,470 |
| Three years later | 602,343 | 1,275,113 | 1,907,942 | 1,911,154 | 2,056,128 | 2,250,450 | 2,463,408 | 2,042,355 | - | - | - | 2,042,355 |
| Four years later | 567,379 | 1,222,112 | 1,776,201 | 1,880,224 | 2,038,773 | 2,179,598 | 2,243,214 | - | - | - | - | 2,243,214 |
| Five years later | 569,312 | 1,220,092 | 1,776,254 | 1,874,027 | 2,030,816 | 2,172,026 | - | - | - | - | - | 2,172,026 |
| Six years later | 564,351 | 1,218,216 | 1,780,486 | 1,883,765 | 2,012,686 | - | - | - | - | - | - | 2,012,686 |
| Seven years later | 561,318 | 1,214,274 | 1,779,916 | 1,881,315 | - | - | - | - | - | - | - | 1,881,315 |
| Eight years later | 575,888 | 1,213,611 | 1,779,554 | - | - | - | - | - | - | - | - | 1,779,554 |
| Nine years later | 575,925 | 1,216,972 | - | - | - | - | - | - | - | - | - | 1,216,972 |
| Ten years later | 576,990 | - | - | - | - | - | - | - | - | - | - | 576,990 |
| Estimate of cumulative claims | 576,990 | 1,216,972 | 1,779,554 | 1,881,315 | 2,012,686 | 2,172,026 | 2,243,214 | 2,042,355 | 3,570,470 | 3,314,953 | 1,569,871 | 22,380,406 |
| Cumulative payments to date | (552,526) | (1,146,443) | (1,723,218) | (1,815,019) | (1,861,574) | (1,918,601) | (2,006,976) | (1,572,826) | (1,525,405) | (1,062,794) | (196,990) | (15,382,372) |
| Total current estimate of claims reserves (2015-2025) | P24,464 | P70,529 | P56,336 | P66,296 | P151,112 | P253,425 | P236,238 | P469,529 | P2,045,065 | P2,252,159 | P1,372,881 | P6,998,034 |
| Beginning balance of 2014 and prior underwriting years | | | | | | | | | | | | 426,483 |
| Movement of 2014 and prior underwriting years, gross of settlement | | | | | | | | | | | | (12,062) |
| Reversals (payments) made during the year for 2014 and prior underwriting years | | | | | | | | | | | | (5,437) |
| Allowance for impairment (see Note 13) | | | | | | | | | | | | 149,198 |
| Foreign exchange revaluation and other adjustments | | | | | | | | | | | | 180,720 |
| Total current estimate of claims reserves, net | | | | | | | | | | | | P7,736,936 |

Forward

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) | |
| | | 2025 | 2024 | 2025 | 2024 |
| Claims ratio | +5% | (P218,999) | (P241,081) | (P164,249) | (P180,811) |
| | -5% | 218,999 | 241,081 | 164,249 | 180,811 |

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 2025 and 2024, 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, 2025 and 2024, the exposure to credit risk for reinsurance balances receivable by region and source is as follows:

| By Region | <i>Note</i> | 2025 | 2024 |
|------------------|-------------|-------------------|-------------|
| Domestic | | P3,039,677 | P2,868,962 |
| Foreign | | 3,339,608 | 2,833,411 |
| | <i>6</i> | P6,379,285 | P5,702,373 |

| By Source | <i>Note</i> | 2025 | 2024 |
|------------------|-------------|-------------------|-------------|
| Life | | P1,811,036 | P1,666,763 |
| Nonlife | | 4,568,249 | 4,035,610 |
| | <i>6</i> | P6,379,285 | P5,702,373 |

As at December 31, 2025 and 2024, the exposure to credit risk for AFS financial assets – debt securities by type of security is as follows:

| | <i>Note</i> | 2025 | 2024 |
|-----------------------|-------------|------------|------------|
| Government securities | | P5,311,656 | P4,705,498 |
| Corporate bonds | | 130,677 | 90,231 |
| | 8 | P5,442,333 | P4,795,729 |

As at December 31, 2025 and 2024, the exposure to credit risk for HTM securities by type of security is as follows:

| | <i>Note</i> | 2025 | 2024 |
|-----------------------|-------------|------------|------------|
| Corporate bonds | | P3,171,799 | P2,668,511 |
| Government securities | | 1,111,197 | 1,355,988 |
| | 9 | P4,282,996 | P4,024,499 |

As at December 31, 2025 and 2024, the exposure to credit risk for Reinsurance recoverable on reported claims (excluding MfAD) by region and source is as follows:

| By Region | 2025 | 2024 |
|------------------|------------|------------|
| Domestic | P62,167 | P31,391 |
| Foreign | 1,651,563 | 1,825,027 |
| | P1,713,730 | P1,856,418 |

| By Source | 2025 | 2024 |
|------------------|------------|------------|
| Life | P34,308 | P48,112 |
| Nonlife | 1,679,422 | 1,808,306 |
| | P1,713,730 | P1,856,418 |

The tables below provide information regarding the credit risk exposure of the Company as at December 31, 2025 and 2024 by classifying assets according to the Company's credit grading of counterparties.

| | <i>Notes</i> | December 31, 2025 | | | | Total |
|--|--------------|-------------------------------|----------------------|---------------------------|----------|-------------|
| | | Neither Past Due nor Impaired | | Past Due but not Impaired | | |
| | | Investment High Grade | Non-investment Grade | Impaired | Impaired | |
| Cash and cash equivalents | 5 | P486,711 | P- | P- | P- | P486,711 |
| Reinsurance balances receivable | 6 | 1,852,589 | 3,778,294 | 263,471 | 484,931 | 6,379,285 |
| AFS financial assets - debt securities | 8 | 5,442,333 | - | - | - | 5,442,333 |
| HTM securities | 9 | 4,282,996 | - | - | - | 4,282,996 |
| Other investments | | 112,054 | - | - | - | 112,054 |
| Loans and receivables | 11 | 112,366 | 14,218 | - | - | 126,584 |
| Reinsurance recoverable on reported claims | 13 | 1,377,118 | 187,414 | - | 149,198 | 1,713,730 |
| | | P13,666,167 | P3,979,926 | P263,471 | P634,129 | P18,543,693 |

| December 31, 2024 | | | | | | |
|--|----|-----------------------|----------------------|---------------------------|----------|-------------|
| Neither Past Due nor Impaired | | | | | | |
| | | Investment High Grade | Non-investment Grade | Past Due but not Impaired | Impaired | Total |
| Cash and cash equivalents | 5 | P449,739 | P- | P- | P- | P449,739 |
| Reinsurance balances receivable | 6 | 1,766,001 | 2,167,101 | 1,270,063 | 499,208 | 5,702,373 |
| AFS financial assets - debt securities | 8 | 4,795,729 | - | - | - | 4,795,729 |
| HTM securities | 9 | 4,024,499 | - | - | - | 4,024,499 |
| Loans and receivables | 11 | 113,889 | 13,725 | - | - | 127,614 |
| Reinsurance recoverable on reported claims | 13 | 1,528,738 | 165,371 | - | 162,309 | 1,856,418 |
| | | P12,678,595 | P2,346,197 | P1,270,063 | P661,517 | P16,956,372 |

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 P1 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, 2025 and 2024 are as follows:

| | 2025 | 2024 |
|---|-----------------|------------|
| More than six months but not more than one year | P234,110 | P864,417 |
| More than one year | 29,361 | 405,646 |
| | P263,471 | P1,270,063 |

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, 2025 and 2024 are as follows:

| | <i>Notes</i> | 2025 | 2024 |
|---------------------------------|---------------|-------------------|------------|
| Reinsurance balances receivable | <i>6, 25</i> | P5,894,354 | P5,203,165 |
| Reinsurance balances payable | <i>17, 25</i> | 2,164,670 | 1,913,080 |

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, 2025 and 2024, the Company's obligations arising from reinsurance operations amounting to P4.40 billion and P4.17 billion, respectively, are expected to be settled within the normal operating cycle of the business. In addition, as at December 31, 2025 and 2024, financial liabilities included as part of the Accounts payable and accrued expenses and Forward liability accounts in the statements of financial position amounted to P173.07 million and P244.45 million, respectively, and have contractual maturities within one year after the end of the reporting period.

As at December 31, 2025 and 2024, the Company has a current ratio of 2.22:1 and 2.17:1, 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 P10.77 million, P13.45 million and P18.06 million in 2025, 2024 and 2023, 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:

| | 2025 | | 2024 | |
|-----------------------|-----------------|---------------------|-----------------|---------------------|
| | U.S. Dollars | Other Currencies | U.S. Dollars | Other Currencies |
| Financial assets | P1,766,034 | P3,109,117 | P1,556,353 | P2,468,153 |
| Financial liabilities | (636,946) | (2,144,360) | (749,160) | (1,399,460) |
| Total net exposure | P1,129,088 | P964,757 | P807,193 | P1,068,693 |

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.

| | 2025 | | | 2024 | | |
|---------------------------|------------------------------------|-----------------------------|------------------|------------------------------------|-----------------------------|------------------|
| | 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 | 5.47% | P40,452 | P30,339 | 7.08% | P57,122 | P42,841 |
| Php - Indian Rupee | 4.46% | 3,997 | 2,998 | 7.23% | 68,503 | 51,377 |
| Php - Singaporean Dollars | 2.98% | (332) | (249) | 9.55% | (1,241) | (931) |
| Php - Hongkong Dollars | 4.55% | (17) | (13) | 6.89% | (25) | (19) |
| Php - Euro | 6.79% | 1,440 | 1,080 | 5.26% | 5,518 | 4,138 |
| Php - Brazilian Real | 9.46% | - | - | 7.82% | 101 | 76 |
| Php - Thailand Baht | 5.25% | (99) | (74) | 6.37% | (92) | (69) |
| Php - Vietnamese Dong | 6.47% | (267) | (200) | 4.00% | 40 | 30 |
| Php - Indonesian Rupiah | 5.11% | (1,785) | (1,339) | 7.14% | (1,751) | (1,313) |
| Php - Malaysian Ringgit | 4.59% | 566 | 424 | 6.85% | 4,723 | 3,542 |
| Php - Japanese Yen | 7.04% | 45 | 34 | 9.60% | 34 | 25 |
| Php - China Yuan | 4.54% | (2,680) | (2,010) | 5.16% | (371) | (278) |
| Php - Sri Lankan Rupee | 5.04% | - | - | 9.41% | - | - |
| Php - British Pound | 5.12% | (21) | (16) | 5.42% | (4) | (3) |
| Php - Bhutanese | 4.69% | (6) | (5) | 7.01% | 20 | 15 |
| Php - South Korean | 6.39% | (3,425) | (2,569) | 6.43% | (710) | (532) |
| Php - Nepalese | 4.85% | (1) | (1) | 6.90% | 89 | 67 |
| Php - Turkish Lira | 5.85% | 240 | 180 | 9.58% | 34 | 26 |
| Php - Lao Kip | 4.77% | - | - | 7.12% | - | - |
| Php - South Africa Rand | 6.69% | (225) | (169) | - | - | - |
| Php - Norway Kroner | 7.62% | 1 | 1 | - | - | - |
| Php - Taiwan Dollar | 61.79% | (1,269) | (952) | - | - | - |
| Php - Australia Dollar | 4.67% | 10 | 8 | - | - | - |
| Total | | P36,624 | P27,467 | | P131,990 | P98,992 |

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, 2025 and 2024, investments in listed equities accounted for 4% of the Company's total investment portfolio,.

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, 2025 and 2024 are summarized as follows:

| | 2025 | | | 2024 | | |
|------------------------------|---------------------------|--|--------------------------------------|---------------------------|--|--------------------------------------|
| | 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) |
| HFT securities: | | | | | | |
| Common shares | 10.97% | P34,718 | P34,718 | 12.28% | P28,445 | P28,445 |
| AFS financial Assets: | | | | | | |
| Common shares | 10.97% | – | 22,427 | 12.28% | – | 40,701 |
| Preferred shares | 33.77% | – | 4,557 | 3.84% | – | 4,295 |
| | | P34,718 | P61,702 | | P28,445 | P73,441 |

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 P2.04 million and P1.21 million in 2025 and 2024, 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 86% and 87% of its total investment portfolio as at December 31, 2025 and 2024, 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.

| | 2025 | | |
|--|---------------------------------|---|-------------------------|
| | Observed Volatility Rates | Effect in Other Comprehensive Income | |
| | | Increase in variable | Decrease in variable |
| Peso-denominated securities: | | | |
| Government bonds | 4.11% | P2,540,805 | P2,632,627 |
| U.S. Dollar-denominated securities: | | | |
| Government bonds | 21.66% | 84 | 412 |
| Corporate bonds | 17.12% | 38 | 96 |
| | | P2,540,927 | P2,633,135 |
| | | | |
| | 2024 | | |
| | Observed Volatility Rates | Effect in Other Comprehensive Income | |
| | | Increase in variable | Decrease in variable |
| Peso-denominated securities: | | | |
| Government bonds | 17.00% | P2,164,588 | P2,573,607 |
| U.S. Dollar-denominated securities: | | | |
| Government bonds | 26.16% | (303) | 339 |
| Corporate bonds | 16.57% | (30) | 48 |
| | | P2,164,255 | P2,573,994 |

In 2025 and 2024, 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:

| | 2025 | 2024 |
|---------------------------|-----------------|----------|
| Cash on hand and in banks | P122,390 | P114,909 |
| Short-term placements | 364,321 | 334,830 |
| | P486,711 | P449,739 |

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 P15.52 million in 2025, P18.53 million in 2024, and P22.74 million in 2023, 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 3.20% to 5.75% in 2025, from 3.60% to 6.25% in 2024 and from 3.98% to 6.10% in 2023, while U.S. dollar short-term placements earn annual interest ranging from 3.03% to 4.83% in 2025, from 2.33% to 5.55% in 2024 and from 1.00% to 5.55% in 2023 and the Euro short-term placements earn annual interest ranging from 0.90% to 2.50% in 2025.

The Cash and cash equivalents account includes cash denominated in U.S. dollar amounting to \$1.55 million (P91.18 million) and \$2.68 million (P155.43 million) as at December 31, 2025 and 2024, respectively and cash denominated in Euro amounting to €1.30 million (P89.71 million) and €0.36 million (P21.52 million) as at December 31, 2025 and 2024, respectively.

6. REINSURANCE BALANCES RECEIVABLE – NET

The details of this account are as follows:

| | <i>Note</i> | 2025 | 2024 |
|--|-------------|-------------------|------------|
| Due from ceding companies | 28 | P5,676,122 | P4,924,204 |
| Reinsurance recoverable on paid claims | | 384,128 | 492,362 |
| Funds held by ceding companies | | 229,744 | 266,217 |
| Due from reinsurers | | 89,291 | 19,590 |
| | | 6,379,285 | 5,702,373 |
| Allowance for impairment | | (484,931) | (499,208) |
| | 25 | P5,894,354 | P5,203,165 |

The movements in these accounts are as follows:

| | Notes | 2025 | | | | Total |
|--|----------|---------------------------|--|--------------------------------|---------------------|-------------|
| | | Due from ceding companies | Reinsurance recoverable on paid claims | Funds held by ceding companies | Due from reinsurers | |
| Balance at beginning of year | | P4,924,204 | P492,362 | P266,217 | P19,590 | P5,702,373 |
| Claims recoveries during the year | 13, 23.1 | - | 602,819 | - | - | 602,819 |
| Premiums written net of funds held during the year | | 5,402,264 | - | - | - | 5,402,264 |
| Funds held during the year | | - | - | 325,147 | - | 325,147 |
| Reclassification | | 305,466 | (5,412) | (371,775) | 69,701 | (2,020) |
| Collections during the year | | (4,897,077) | (705,809) | - | - | (5,602,886) |
| Foreign exchange revaluation | | (58,735) | 168 | 10,155 | - | (48,412) |
| | | 5,676,122 | 384,128 | 229,744 | 89,291 | 6,379,285 |
| Allowance for impairment | | (148,647) | (335,199) | (25) | (1,060) | (484,931) |
| Balance at end of year | | P5,527,475 | P48,929 | P229,719 | P88,231 | P5,894,354 |

| | Notes | 2024 | | | | Total |
|--|----------|---------------------------|--|--------------------------------|---------------------|-------------|
| | | Due from ceding companies | Reinsurance recoverable on paid claims | Funds held by ceding companies | Due from reinsurers | |
| Balance at beginning of year | | P4,057,023 | P524,868 | P233,485 | P1,060 | P4,816,436 |
| 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 | | 453,183 | 70,439 | (514,178) | 18,530 | 27,974 |
| Collections during the year | | (5,057,260) | (788,062) | - | - | (5,845,322) |
| Foreign exchange revaluation | | (4,651) | 3,473 | (1,642) | - | (2,820) |
| | | 4,924,204 | 492,362 | 266,217 | 19,590 | 5,702,373 |
| Allowance for impairment | | (148,245) | (349,878) | (25) | (1,060) | (499,208) |
| Balance at end of year | | P4,775,959 | P142,484 | P266,192 | P18,530 | P5,203,165 |

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 2025 and 2024 is shown below.

| | 2025 | | | | |
|------------------------------|---------------------------|--|--------------------------------|---------------------|----------|
| | Due from ceding companies | Reinsurance recoverable on paid claims | Funds held by ceding companies | Due from reinsurers | Total |
| Balance at beginning of year | P148,245 | P349,878 | P25 | P1,060 | P499,208 |
| Additions/(Reversals) | 410 | (14,245) | – | – | (13,835) |
| Revaluation | (8) | (434) | – | – | (442) |
| Balance at end of year | P148,647 | P335,199 | P25 | P1,060 | P484,931 |

| | 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 |

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:

| | 2025 | 2024 |
|-------------------|-----------------|----------|
| Equity securities | P316,419 | P231,600 |
| UITF | 537,195 | 216,358 |
| Forward asset | 1,111 | – |
| | P854,725 | P447,958 |

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.

Outstanding forward contracts as at December 31, 2025 and December 31, 2024 are as follows:

December 31, 2025

| | | <i>in thousands</i> | |
|-------------------|------------------|---------------------|---------|
| Transaction date | Settlement date | Receivable | Payable |
| October 7, 2025 | January 21, 2026 | INR 150,000 | \$1,682 |
| October 7, 2025 | January 21, 2026 | INR 150,000 | \$1,681 |
| October 9, 2025 | January 27, 2026 | CNY 4,500 | \$637 |
| October 9, 2025 | January 27, 2026 | CNY 4,000 | \$566 |
| October 13, 2025 | January 27, 2026 | CNY 4,000 | \$566 |
| October 17, 2025 | January 27, 2026 | PHP 29,135 | \$500 |
| December 4, 2025 | January 27, 2026 | PHP 17,753 | \$300 |
| December 17, 2025 | February 5, 2026 | PHP 117,280 | \$2,000 |
| December 23, 2025 | February 5, 2026 | PHP 58,783 | \$1,000 |
| December 26, 2025 | February 5, 2026 | PHP 29,450 | \$500 |
| December 29, 2025 | February 5, 2026 | PHP 29,425 | \$500 |

December 31, 2024

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

As at December 31, 2025 and 2024, the Company recognized forward asset and liability as follows:

| | 2025 | 2024 |
|-------------------|---------------|------|
| Forward asset | P1,111 | P- |
| Forward liability | 1,761 | 207 |

The net fair value losses on forward contracts amounted to P12.29 million, P4.95 million and P3.12 million in 2025, 2024 and 2023, 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> | 2025 | 2024 |
|-----------------------------------|-------------|--------------------|-------------|
| Balance at beginning of year | | P447,958 | P532,670 |
| Acquisitions | | 2,744,100 | 3,251,907 |
| Disposals | | (2,414,719) | (3,344,267) |
| Changes in fair value | 22 | 66,726 | 6,780 |
| Unrealized foreign currency gains | | 10,660 | 868 |
| Balance at end of year | | P854,725 | P447,958 |

Dividend income earned from equities classified as HFT securities amounted to P9.98 million, P6.60 million and P10.17 million in 2025, 2024 and 2023, respectively (see Note 22).

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

This account is composed of the following:

| | 2025 | 2024 |
|--------------------------|-------------------|-------------------|
| Debt securities | P5,442,333 | P4,795,729 |
| Equity securities - net | 174,825 | 443,229 |
| Investment in ARC shares | 43,071 | 40,783 |
| | P5,660,229 | P5,279,741 |

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 2025 and 2024, and 1.10% to 8.63% in 2023. Interest income amounting to P296.39 million in 2025, P253.49 million in 2024 and P211.04 million in 2023, 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:

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Due within one year | P330,227 | P73,644 |
| Due after one year through five years | 4,418,785 | 3,819,270 |
| Due after five years through ten years | 677,048 | 897,635 |
| Due after ten years | 16,273 | 5,180 |
| | P5,442,333 | P4,795,729 |

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

| | 2025 | 2024 |
|-----------------------------------|-----------------|-----------------|
| Cost: | | |
| Quoted in the stock exchange | P162,920 | P386,522 |
| Not quoted in the stock exchange | 10,835 | 8,465 |
| | 173,755 | 394,987 |
| Unrealized foreign currency gains | 2,106 | 1,912 |
| Fair value gains (losses): | | |
| Quoted in the stock exchange | (1,842) | 46,060 |
| Not quoted in the stock exchange | 806 | 270 |
| | (1,036) | 46,330 |
| | P174,825 | P443,229 |

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

Dividend income from these equity securities amounting to P13.86 million in 2025, P19.70 million in 2024 and P21.71 million in 2023, 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 P43.07 million and P40.78 million as at December 31, 2025 and 2024, respectively.

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

| | <i>Notes</i> | 2025 | 2024 |
|---------------------------------------|--------------|-------------------|-------------------|
| Cost | | | |
| Balance at beginning of year | | P5,248,772 | P5,318,019 |
| Acquisitions | | 2,481,886 | 2,144,331 |
| Disposals/maturities | | (2,118,445) | (2,203,265) |
| Amortization | | (11,152) | (12,929) |
| Impairment losses | | (4,753) | (22,222) |
| Unrealized foreign currency gains | | 3,770 | 24,838 |
| | | 5,600,078 | 5,248,772 |
| Fair value adjustment | | | |
| Balance at beginning of year | | 30,969 | (17,797) |
| Changes in fair value | | 52,595 | 2,553 |
| Fair value losses (gains) on disposal | 22 | (28,166) | 23,991 |
| Impairment losses | 22 | 4,753 | 22,222 |
| | | 60,151 | 30,969 |
| Balance at end of year | | P5,660,229 | P5,279,741 |

Fair value gains recognized in the statements of comprehensive income amounted to P52.60 million in 2025, P2.55 million in 2024, and P100.69 million 2023.

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 P4.75 million, P22.22 million and P2.52 million, in 2025, 2024 and 2023, 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 P2.13 billion in 2025, P2.22 billion in 2024 and P1.40 billion in 2023. Accordingly, the Company recognized gain on sale of AFS financial assets amounting to P28.17 million in 2025, 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 in 2023. These are presented as part of Investment and other income and expenses – net account in the statements of income (see Note 22).

Fair value gains of P23.41 million and fair value losses of P46.21 million in 2025 and 2024, respectively and fair value gains of P15.56 million in 2023 as presented in the statements of comprehensive income, 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:

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Due within one year | P500,419 | P988,028 |
| Due after one year through five years | 1,630,218 | 1,482,905 |
| Due after five years through ten years | 1,103,497 | 1,306,109 |
| More than ten years | 1,048,862 | 247,457 |
| | P4,282,996 | P4,024,499 |

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

| | 2025 | 2024 |
|-----------------------------------|-------------------|-------------------|
| Balance at beginning of year | P4,024,499 | P3,912,145 |
| Additions | 1,362,260 | 670,413 |
| Maturities | (1,108,381) | (571,528) |
| Amortization | 739 | 5,539 |
| Unrealized foreign currency gains | 3,879 | 7,930 |
| Balance at end of year | P4,282,996 | P4,024,499 |

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%. These securities matured on September 9, 2025.

As at December 31, 2025 and 2024, the fair value of the reclassified debt securities amounted to nil and P0.58 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 nil and P2.83 million for the years ended December 31, 2025 and 2024, respectively.

The carrying amount of the reclassified debt securities amounted to nil and P0.58 billion as at December 31, 2025 and 2024, respectively.

In 2025, 2024 and 2023, the Company recognized interest income on HTM securities amounting to P221.70 million, P203.68 million and P172.02 million, respectively (see Note 22).

10. OTHER INVESTMENTS

As at December 31, 2025 and 2024, the Company's Other investments account amounted to P112.05 million and nil, respectively. This includes time deposits denominated in U.S. dollar amounting to \$1.91 million (P112.05 million) and nil as at December 31, 2025 and 2024, 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 P1.20 million, P7.55 million and P12.06 million in 2025, 2024 and 2023, 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 and from 5.25% to 6.00% in 2023 while U.S. dollar short-term placements earn annual interest ranging from 4.25% to 4.30% in 2025, from 5.15% to 5.55% in 2024 and from 3.05% to 5.55% in 2023.

11. LOANS AND RECEIVABLES

This account is comprised of the following:

| | <i>Notes</i> | 2025 | 2024 |
|----------------------------------|--------------|----------|----------|
| Current: | | | |
| Loans and notes receivable | | P11,727 | P21,881 |
| Dividend and interest receivable | | 110,877 | 99,119 |
| | <i>35</i> | 122,604 | 121,000 |
| Non-current: | | | |
| Loans and notes receivable | <i>35</i> | 3,980 | 6,614 |
| | | P126,584 | P127,614 |

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 P0.65 million in 2025, P0.67 million in 2024 and P0.46 million in 2023, 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 2025, 2024 and 2023.

12. PROPERTY AND EQUIPMENT – NET

A reconciliation of the carrying amount at the beginning and end of 2025 and 2024 of property and equipment is shown below.

| | 2025 | | | | | | |
|---------------------------------|-------------|---------------------|------------------------|-----------------------------|------------------|--------------------------------------|----------|
| | <i>Note</i> | Condominium Unit | Office Improvements | Transportation Equipment | EDP Equipment | Office Furniture and Equipment | Total |
| Cost | | | | | | | |
| Balance at beginning of year | | P101,310 | P25,285 | P13,175 | P22,216 | P11,350 | P173,336 |
| Additions | | – | 147 | 1,000 | 1,568 | – | 2,715 |
| Disposals/retirement | | – | – | (2,071) | – | – | (2,071) |
| Balance at end of year | | 101,310 | 25,432 | 12,104 | 23,784 | 11,350 | 173,980 |
| Accumulated Depreciation | | | | | | | |
| Balance at beginning of year | | 84,988 | 17,809 | 4,574 | 16,548 | 11,176 | 135,095 |
| Depreciation | <i>24</i> | 3,377 | 2,522 | 2,561 | 1,973 | 20 | 10,453 |
| Disposals/retirement | | – | – | (911) | – | – | (911) |
| Balance at end of year | | 88,365 | 20,331 | 6,224 | 18,521 | 11,196 | 144,637 |
| Net Book Value | | P12,945 | P5,101 | P5,880 | P5,263 | P154 | P29,343 |

| 2024 | | | | | | |
|---------------------------------|------------------|---------------------|--------------------------|---------------|--------------------------------|----------|
| Note | Condominium Unit | Office Improvements | Transportation Equipment | EDP Equipment | Office Furniture and Equipment | Total |
| Cost | | | | | | |
| 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 |
| Accumulated Depreciation | | | | | | |
| 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 |
| Net Book Value | P16,322 | P7,476 | P8,601 | P5,668 | P174 | P38,241 |

The Company sold and retired certain assets with book value of P1.16 million, nil and P0.34 million in 2025, 2024 and 2023, respectively, and recognized net gain amounting to nil in 2025 and 2024 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 P25.58 million and P23.65 million as at December 31, 2025 and 2024, respectively.

ROU assets capitalized are recognized as part of EDP Equipment. As at December 31, 2025 and 2024, ROU assets and Lease liabilities amounted to P0.12 million and P0.29 million, respectively.

In 2025, 2024 and 2023, depreciation associated with ROU assets amounted to P0.18 million, P0.18 million and P0.31 million, respectively.

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

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

| | 2025 | 2024 |
|--|-------------------|------------|
| Reinsurance recoverable on reported claims | P1,842,751 | P2,008,149 |
| Reinsurance recoverable on claims reserves | 932,151 | 839,303 |
| Balance at end of year | P2,774,902 | P2,847,452 |

The movements in the accounts are as follows:

| | <i>Notes</i> | Reinsurance recoverable on reported claims | Reinsurance recoverable on claims reserves |
|--|----------------|--|--|
| December 31, 2025 | | | |
| Balance at beginning of year | | P2,170,458 | P839,303 |
| Claims reported during the year | <i>23.1</i> | 411,181 | - |
| Transferred to reinsurance recovered on paid claims | <i>6, 23.1</i> | (602,819) | - |
| Claims incurred but not reported, net of adjustments | <i>23.2</i> | - | 92,848 |
| Reclassification | | 14,044 | - |
| Foreign exchange revaluation | | (915) | - |
| | | 1,991,949 | 932,151 |
| Allowance for impairment | | (149,198) | - |
| Balance at end of year | | P1,842,751 | P932,151 |
| December 31, 2024 | | | |
| Balance at beginning of year | | P2,563,832 | P848,171 |
| Claims reported during the year | <i>23.1</i> | 293,095 | - |
| Transferred to reinsurance recovered on paid claims | <i>6, 23.1</i> | (681,644) | - |
| Claims incurred but not reported, net of adjustments | <i>23.2</i> | - | (8,868) |
| Reclassification | | (5,637) | - |
| Foreign exchange revaluation | | 812 | - |
| | | 2,170,458 | 839,303 |
| Allowance for impairment | | (162,309) | - |
| Balance at end of year | | P2,008,149 | P839,303 |

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:

| | 2025 | 2024 |
|------------------------------|----------|----------|
| Balance at beginning of year | P162,309 | P143,589 |
| Additions (reversals) | (13,111) | 18,720 |
| Balance at end of year | P149,198 | P162,309 |

14. DEFERRED ACQUISITION COSTS

The movements in this account are as follows:

| | <i>Note</i> | 2025 | 2024 |
|---------------------------------|-------------|------------|------------|
| Balance at beginning of year | | P1,096,624 | P761,412 |
| Cost deferred during the year | | 811,544 | 1,313,370 |
| Cost recognized during the year | <i>23.3</i> | (762,492) | (978,158) |
| Balance at end of year | | P1,145,676 | P1,096,624 |

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:

| | 2025 | 2024 |
|-------------------------------------|--------------------|-------------|
| Balance at beginning of year | P647,670 | P652,736 |
| Premiums retroceded during the year | 1,218,912 | 1,525,895 |
| Premiums amortized during the year | (1,242,950) | (1,530,961) |
| Balance at end of year | P623,632 | P647,670 |

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:

| | 2025 | 2024 |
|-----------------------------|------------------|-----------|
| Input Value Added Tax (VAT) | P195,947 | P196,606 |
| Intangible assets – net | 55,366 | 34,021 |
| Receivable from BIR | 53,065 | 53,065 |
| Deferred creditable tax | 10,228 | 11,984 |
| Prepayments | 9,753 | 15,558 |
| Deferred withholding VAT | 9,203 | 9,203 |
| Investment properties – net | 3,705 | 3,705 |
| Deposit | 700 | 700 |
| Security fund | 644 | 644 |
| Deferred input VAT | 26 | 64 |
| Others | 137 | 136 |
| | 338,774 | 325,686 |
| Allowance for impairment | (209,633) | (209,633) |
| | P129,141 | P116,053 |

In 2025 and 2024, 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.

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, 2025 and 2024 are as follows:

| | 2025 | 2024 |
|--------------------------|------------------|-----------|
| Cost | P218,655 | P197,310 |
| Accumulated amortization | (163,289) | (163,289) |
| Balance at end of year | P55,366 | P34,021 |

A reconciliation of the carrying amount at the beginning and end of 2025 and 2024, of intangible assets is shown below.

| | <i>Note</i> | 2025 | 2024 |
|--|-------------|----------------|---------|
| Balance at beginning of year, net of accumulated amortization | | P34,021 | P645 |
| Additions | | 21,345 | 34,021 |
| Amortization | <i>24</i> | – | (645) |
| Balance at end of year, net of accumulated amortization | | P55,366 | P34,021 |

Receivable from BIR

Receivable from BIR account pertains to the amount collected by the BIR on April 20, 2023 in relation to the Final Decision on Disputed Assessment (FDDA) for VAT deficiency issued for the taxable year 2016 (see Note 36).

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, 2025 and 2024 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 P35.41 million and P34.25 million as at December 31, 2025 and 2024, 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> | 2025 | 2024 |
|----------------------------------|-------------|-------------------|------------|
| Due to retrocessionaires | | P1,792,061 | P1,863,243 |
| Due to cedant | | 347,744 | 32,671 |
| Funds held for retrocessionaires | | 24,865 | 17,166 |
| | <i>25</i> | P2,164,670 | P1,913,080 |

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> | 2025 | | | Total |
|---|-------------|--------------------------|-----------------|----------------------------------|-------------------|
| | | Due to retrocessionaires | Due to cedant | Funds held for retrocessionaires | |
| Balance at beginning of year | <i>25</i> | P1,863,243 | P32,671 | P17,166 | P1,913,080 |
| Retroceded premiums net of funds held during the year | | 1,204,075 | - | - | 1,204,075 |
| Funds held during the year | | - | - | 14,837 | 14,837 |
| Funds released during the year | | 14,258 | - | (14,258) | - |
| Reclassification | | (144,719) | 313,642 | 7,120 | 176,043 |
| Payments made during the year | | (1,145,050) | - | - | (1,145,050) |
| Foreign exchange revaluation | | 254 | 1,431 | - | 1,685 |
| Balance at end of year | | P1,792,061 | P347,744 | P24,865 | P2,164,670 |

| | <i>Note</i> | 2024 | | | Total |
|---|-------------|--------------------------|----------------|----------------------------------|-------------------|
| | | Due to retrocessionaires | Due to cedant | Funds held for retrocessionaires | |
| Balance at beginning of year | | P2,047,984 | P93,370 | P18,863 | P2,160,217 |
| Retroceded premiums net of funds held during the year | | 1,480,744 | - | - | 1,480,744 |
| Funds held during the year | | - | - | 45,151 | 45,151 |
| Funds released during the year | | 38,733 | - | (38,733) | - |
| Reclassification | | (26,249) | (59,379) | (8,115) | (93,743) |
| Payments made during the year | | (1,681,442) | - | - | (1,681,442) |
| Foreign exchange revaluation | | 3,473 | (1,320) | - | 2,153 |
| Balance at end of year | <i>25</i> | P1,863,243 | P32,671 | P17,166 | P1,913,080 |

18. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account includes the following:

| | <i>Note</i> | 2025 | 2024 |
|---------------------------------------|----------------|-----------------|----------|
| Income tax payable | | P187,088 | 81,674 |
| Accounts payable and accrued expenses | | 157,329 | P222,534 |
| Deferred output VAT | | 25,970 | 25,615 |
| Deposit liability | | 19,324 | 38,631 |
| Defined benefit liability | <i>24.2(b)</i> | 12,530 | 8,206 |
| Withholding taxes payable | | 5,556 | 9,562 |
| Dividends payable | <i>27.3</i> | 1,662 | 1,662 |
| | | P409,459 | P387,884 |

Income tax payable as at December 31, 2025 and 2024 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.

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.

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.

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, 2025 and 2024, the statutory reserves amounted to P19.32 million and P38.63 million, respectively.

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:

| | <i>Notes</i> | 2025 | 2024 |
|-----------------|--------------|--------------------|------------|
| Claims | | P5,901,510 | P5,637,256 |
| Claims reserves | 28 | 4,610,328 | 4,195,145 |
| | | P10,511,838 | P9,832,401 |

| December 31, 2025 | <i>Notes</i> | Claims | Claims Reserves |
|--|--------------|--------------------|------------------------|
| Balance at beginning of year | | P5,637,256 | P4,195,145 |
| Claims incurred during the year – net | 23.1 | 2,889,643 | – |
| Claims incurred but not reported, net of adjustments | 23.2 | – | 415,183 |
| Reclassification | | (164,019) | – |
| Claims paid during the year | 23.1 | (2,437,755) | – |
| Foreign exchange revaluation | | (23,615) | – |
| Balance at end of year | | P5,901,510 | P4,610,328 |

| December 31, 2024 | <i>Notes</i> | Claims | Claims Reserves |
|--|--------------|---------------|------------------------|
| Balance at beginning of year | | P4,715,341 | P4,014,228 |
| Claims incurred during the year – net | 23.1 | 3,531,095 | – |
| Claims incurred but not reported, net of adjustments | 23.2 | – | 180,917 |
| Reclassification | | 116,080 | – |
| Claims paid during the year | 23.1 | (2,752,859) | – |
| Foreign exchange revaluation | | 27,599 | – |
| Balance at end of year | | P5,637,256 | P4,195,145 |

20. PREMIUM RESERVES

The movements in Premium reserves are as follows:

| | 2025 | 2024 |
|----------------------------------|--------------------|-------------|
| Balance at beginning of year | P1,860,645 | P2,222,665 |
| Premiums written during the year | 5,727,411 | 6,024,461 |
| Premiums earned during the year | (5,622,922) | (6,386,481) |
| Balance at end of year | P1,965,134 | P1,860,645 |

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> | 2025 | 2024 |
|-----------------------------------|-------------|-----------------|----------|
| Balance at beginning of year | | P2,321 | P3,491 |
| Income deferred during the year | | 38,648 | 20,967 |
| Income recognized during the year | 23.3 | (29,365) | (22,137) |
| Balance at end of year | | P11,604 | P2,321 |

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> | 2025 | 2024 | 2023 |
|---|--------------|-----------------|----------|----------|
| Interest income (expense): | | | | |
| Cash and cash equivalents | 5 | P15,515 | P18,528 | P22,739 |
| AFS financial assets | 8 | 296,386 | 253,493 | 211,035 |
| HTM securities | 9 | 221,701 | 203,681 | 172,024 |
| Other investments | 10 | 1,200 | 7,551 | 12,055 |
| Loans and receivables | 11 | 647 | 671 | 463 |
| Others | | (1,711) | (122) | (27) |
| Fair value gains on HFT securities | 7 | 66,810 | 6,780 | 12,341 |
| Gain on sale of HFT securities | 7 | 21,982 | 32,884 | (4,247) |
| Gain (loss) on sale of AFS financial assets | 8 | 28,166 | (23,991) | 18,077 |
| Dividend income | 7, 8 | 23,839 | 26,303 | 31,883 |
| Foreign currency gains | | 10,773 | 13,446 | 18,063 |
| Fair value losses from forward contract | 7 | (12,287) | (4,947) | (3,122) |
| Impairment loss on AFS financial assets | 8 | (4,753) | (22,222) | (2,515) |
| Movement in deposit liability | 18 | (595) | (1,852) | (3,515) |
| Gain on sale of non-financial assets | 12 | – | – | 417 |
| Other income (charges) | | 2,585 | 22,878 | (9,214) |
| | | P670,258 | P533,081 | P476,457 |

23. UNDERWRITING DEDUCTIONS

The Claims and claims reserves – net account consists of:

| | <i>Notes</i> | 2025 | 2024 | 2023 |
|---------------------------------|--------------|-------------------|------------|------------|
| Change in reported claims – net | 23.1 | P2,478,462 | P3,238,000 | P1,658,122 |
| Change in claims reserves – net | 23.2 | 322,335 | 189,785 | 1,263,737 |
| | | P2,800,797 | P3,427,785 | P2,921,859 |

23.1 Change in Reported Claims – Net

| | Notes | 2025 | 2024 | 2023 |
|---|-------|-------------------|-------------------|-------------------|
| Gross claims paid | 19 | P2,437,755 | P2,752,859 | P2,757,931 |
| Retrocessionaires' share in claims paid | 6, 13 | (602,819) | (681,644) | (590,087) |
| Gross change in provision for claims reported | 19 | 451,888 | 778,236 | (934,591) |
| Retrocessionaires' share in change in provision for claims reported | 13 | 191,638 | 388,549 | 424,869 |
| | | P2,478,462 | P3,238,000 | P1,658,122 |

23.2 Change in Claims Reserves – Net

| | Notes | 2025 | 2024 | 2023 |
|--|-------|-----------------|-----------------|-------------------|
| Gross change in provision for IBNR | 19 | P415,183 | P180,917 | P1,188,417 |
| Retrocessionaires' share in change in provision for IBNR | 13 | (92,848) | 8,868 | 75,320 |
| | | P322,335 | P189,785 | P1,263,737 |

23.3 Commissions – Net

This account consists of the following:

| | Notes | 2025 | 2024 | 2023 |
|--------------------|-------|-----------------|-----------------|-----------------|
| Commission expense | 14 | P762,492 | P978,158 | P876,896 |
| Commission income | 21 | (29,365) | (22,137) | (42,272) |
| | | P733,127 | P956,021 | P834,624 |

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> | 2025 | 2024 | 2023 |
|---------------------------------------|--------------|-----------------|-----------------|-----------------|
| Salaries and employee benefits | 24.1 | P253,330 | P227,386 | P196,546 |
| Data, licenses and subscriptions | | 28,082 | 26,365 | 24,052 |
| Repairs and maintenance | | 24,287 | 20,504 | 11,247 |
| Professional fees | | 11,224 | 22,206 | 22,706 |
| Depreciation and amortization | 12, 16 | 10,453 | 10,906 | 13,589 |
| Outsourced functions | | 6,958 | 6,230 | 6,261 |
| Taxes, licenses and fees | | 5,476 | 5,439 | 5,903 |
| Meetings, conferences and conventions | | 4,400 | 4,291 | 2,535 |
| Dues and fees | | 3,959 | 4,115 | 3,685 |
| Advertising and publicity | | 3,698 | 3,817 | 2,932 |
| Insurance | | 2,807 | 1,065 | 879 |
| Communication and postages | | 2,513 | 2,691 | 2,776 |
| Light and water | | 1,379 | 1,472 | 1,368 |
| Representation and entertainment | | 997 | 957 | 519 |
| Rental | 31.1 | 553 | 471 | 264 |
| Impairment losses | 6 | 410 | — | 58,470 |
| Printing and office supplies | | 373 | 552 | 414 |
| Miscellaneous | | 11,163 | 15,201 | 10,974 |
| | | P372,062 | P353,668 | P365,120 |

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> | 2025 | 2024 | 2023 |
|---------------------------------|-------------|-----------------|-----------------|-----------------|
| Short-term employee benefits | | P230,489 | P207,883 | P178,493 |
| Post-employment defined benefit | 24.2 | 16,524 | 13,971 | 12,013 |
| Compensated absences | | 6,317 | 5,532 | 6,040 |
| | | P253,330 | P227,386 | P196,546 |

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 2025 and 2024. The amount of defined benefit liability as at December 31, 2025 and 2024 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:

| | 2025 | 2024 |
|---------------------------------|------------------|-----------|
| Fair value of the plan assets | P109,558 | P96,434 |
| Present value of the obligation | (122,088) | (104,640) |
| | (P12,530) | (P8,206) |

The movements in the fair value of plan assets are presented below.

| | 2025 | 2024 |
|----------------------------------|-----------------|----------|
| Balance at beginning of year | P96,434 | P93,510 |
| Interest income | 5,902 | 5,657 |
| Return on plan assets | (1,118) | (1,448) |
| Contributions paid into the plan | 16,524 | 13,971 |
| Benefits paid by the plan | (8,184) | (15,256) |
| Balance at end of year | P109,558 | P96,434 |

The movements in the present value of the retirement benefit obligation are as follows:

| | <i>Note</i> | 2025 | 2024 |
|---|-------------|-----------------|----------|
| Balance at beginning of year | | P104,640 | P97,770 |
| Current service cost | 24.1 | 16,524 | 13,971 |
| Interest expense | | 6,404 | 5,915 |
| Remeasurements – actuarial losses (gains) arising from: | | | |
| Experience adjustments | | 3,292 | 2,696 |
| Changes in financial assumptions | | (588) | (456) |
| Benefits paid by the plan | | (8,184) | (15,256) |
| Balance at end of year | | P122,088 | P104,640 |

The composition of the fair value of plan assets at the end of the reporting period by category and risk characteristics is shown below.

| | 2025 | 2024 |
|----------------------------------|-----------------|---------|
| Cash and cash equivalents | P5,373 | P2,611 |
| Philippine government securities | 86,623 | 67,788 |
| Equity securities | 16,162 | 15,959 |
| Corporate notes | 6,003 | 6,840 |
| Mutual fund | 1,670 | 2,359 |
| Loans and receivables | 1,415 | 1,182 |
| Accounts payable | (7,688) | (305) |
| | P109,558 | P96,434 |

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 P4.78 million, P4.21 million and P5.45 million in 2025, 2024 and 2023, respectively.

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:

| | 2025 | 2024 | 2023 |
|--|----------------|---------|---------|
| <i>Reported in statements of income:</i> | | | |
| Current service cost | P16,524 | P13,971 | P12,013 |
| Net interest expense (income) | 502 | 258 | 140 |
| | P17,026 | P14,229 | P12,153 |

| | 2025 | 2024 | 2023 |
|--|---------------|---------------|---------------|
| <i>Reported in other comprehensive loss (income):</i> | | | |
| Actuarial gains (losses) arising from: | | | |
| Experience adjustments | P3,292 | P2,696 | (P3,094) |
| Changes in financial assumptions | (588) | (456) | 5,210 |
| Return on plan assets (excluding amounts included in net interest) | 1,118 | 1,448 | (2) |
| | P3,822 | P3,688 | P2,114 |

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:

| | 2025 | 2024 | 2023 |
|----------------------------------|--------|--------|--------|
| Discount rate | 6.12% | 6.12% | 6.05% |
| Expected rate of salary increase | 6.00% | 6.00% | 6.00% |
| Employee turn-over rate | 10.00% | 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, 2025 | Impact on Defined Benefit Liability | | |
|-------------------|-------------------------------------|------------------------|------------------------|
| | Change in Assumption | Increase in Assumption | Decrease in Assumption |
| Discount rate | +/- 1.0% | (P6,118) | P7,058 |
| Salary growth | +/- 1.0% | 6,931 | (6,293) |
| Turn-over rate | +/- 10.0% | (773) | 773 |

| 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 |

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, 2025 and 2024 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 P12.53 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, 2025 and 2024, the maturity profile of undiscounted expected benefit payments from the plan for the next 20 years is as follows:

| | 2025 | 2024 |
|----------------------------------|-----------------|-----------------|
| Within one year | P52,193 | P10,051 |
| More than one year to five years | 40,225 | 78,825 |
| More than five years to 10 years | 85,460 | 80,953 |
| More than 10 years to 15 years | 105,587 | 96,379 |
| More than 15 years to 20 years | 94,605 | 75,161 |
| | P378,070 | P341,369 |

The weighted average duration of the defined benefit obligation at the end of the reporting period is 14 years.

25. **RECLASSIFICATION**

In 2025, the Company reclassified certain accounts and transactions in the statements of financial position as at December 31, 2024 and statements of cash flows for the years ended December 31, 2024 and 2023 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, 2024

| Statements of financial position | <i>Notes</i> | As previously presented | Reclassification adjustment | As reclassified |
|---------------------------------------|-----------------|-------------------------|-----------------------------|-----------------|
| Reinsurance balances receivable – net | <i>6, 25.a</i> | P5,379,932 | (P176,767) | P5,203,165 |
| Reinsurance balances payable | <i>17, 25.a</i> | 2,089,847 | (176,767) | 1,913,080 |

| Statement of cash flows | <i>Note</i> | As previously presented | Reclassification adjustment | As reclassified |
|---------------------------------------|-----------------|-------------------------|-----------------------------|-----------------|
| Decrease (increase) in: | | | | |
| Reinsurance balances receivable – net | <i>6, 25.a</i> | (P924,128) | (P35,371) | (P959,499) |
| Increase (decrease) in: | | | | |
| Reinsurance balances payable | <i>17, 25.a</i> | (213,919) | 35,371 | (178,548) |

December 31, 2023

| Statement of cash flows | Note | As previously presented | Reclassification adjustment | As reclassified |
|---------------------------------------|----------|-------------------------|-----------------------------|-----------------|
| Decrease (increase) in: | | | | |
| Reinsurance balances receivable – net | 6, 25.a | (P1,313,407) | (P141,396) | (P1,454,803) |
| Increase (decrease) in: | | | | |
| Reinsurance balances payable | 17, 25.a | 250,722 | 141,396 | 392,118 |

In prior years, certain inward cash call transactions relating to claims settlements with ceding companies were presented under **Reinsurance balances payable**. In 2025, management reassessed the presentation of these balances and reclassified them to **Reinsurance balances receivable** to align the presentation of transactions with ceding companies under a single account classification.

In addition, certain excess-of-loss (XOL) related balances previously presented under **Reinsurance balances receivable** were reclassified to **Reinsurance balances payable** to align the presentation with the nature of the balances as settlements relating to reinsurance obligations.

The above reclassifications have 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:

| | 2025 | 2024 | 2023 |
|-------------------------------------|-----------------|----------|-----------|
| Current tax expense: | | | |
| Regular corporate income tax (RCIT) | P204,600 | P94,189 | P302,454 |
| Final tax at 20%, 7.5%, and 15% | 102,775 | 90,759 | 84,315 |
| Deferred tax benefit | (94,473) | (58,823) | (239,105) |
| | P212,902 | P126,125 | P147,664 |

The reconciliation of the tax on pretax profit computed at the applicable rates to tax expense in the statements of income is as follows:

| | 2025 | 2024 | 2023 |
|--|-----------------|----------|----------|
| Tax on pretax profit (25%) | P260,598 | P169,368 | P170,953 |
| Non-deductible expenses | 8,850 | 5,642 | 2,291 |
| Non-taxable income | (39,905) | (18,528) | (18,619) |
| Adjustment for income subjected to lower tax rates | (30,923) | (29,888) | (20,113) |
| Others | (128) | (64) | 15,545 |
| Tax effects of movements in unrecognized deferred tax assets | 14,410 | (405) | (2,393) |
| Tax expense reported in statements of income | P212,902 | P126,125 | P147,664 |

Presented below is the composition of the deferred tax asset and deferred tax liabilities recognized as at December 31, 2025 and 2024.

| | 2025 | | 2024 | |
|--|--------------------|------------------|-------------|------------|
| | Tax Base | Tax Amount | Tax Base | Tax Amount |
| Profit or loss: | | | | |
| Claims and claims reserves | P3,662,837 | P915,709 | P3,240,452 | P810,113 |
| Accrued commission expense, net of DAC | 300,598 | 75,150 | 245,033 | 61,258 |
| Reinsurance recoverable on reported claims and claims reserves | (1,146,349) | (286,587) | (1,063,042) | (265,761) |
| Defined benefit asset | (71,339) | (17,835) | (71,842) | (17,961) |
| Prepaid expenses | (9,733) | (2,433) | (15,544) | (3,886) |
| Unrealized foreign currency gains: | | | | |
| Cash and cash equivalents | (3,928) | (982) | - | - |
| HFT securities | (13,615) | (3,404) | (2,954) | (738) |
| AFS financial assets | (62,059) | (15,515) | (58,289) | (14,572) |
| HTM investments | (10,400) | (2,600) | (6,521) | (1,630) |
| Other investments | (1,744) | (436) | - | - |
| Reinsurance recoverable on reported claims and claims reserves | (5,627) | (1,407) | (6,542) | (1,636) |
| | 2,638,641 | 659,660 | 2,260,751 | 565,187 |
| Other comprehensive income (loss): | | | | |
| Remeasurement of defined benefit asset | 83,869 | 20,967 | 80,048 | 20,012 |
| Revaluation reserves on AFS financial assets | (13,677) | (3,419) | (11,776) | (2,944) |
| | 70,192 | 17,548 | 68,272 | 17,068 |
| Net deferred tax assets | P2,708,833 | P677,208 | P2,329,023 | P582,255 |

The Company has not recognized deferred tax assets on the following temporary differences as at December 31, 2025 and 2024.

| | 2025 | | 2024 | |
|--|------------|------------|------------|------------|
| | Tax Base | Tax Amount | Tax Base | Tax Amount |
| Deferred tax assets: | | | | |
| Claims and claims reserves | P1,390,844 | P347,711 | P1,342,722 | P335,681 |
| Allowance for impairment | 629,493 | 157,373 | 656,439 | 164,110 |
| Accrued expense | 56,961 | 14,240 | 61,520 | 15,380 |
| Premium reserves | 15,421 | 3,855 | - | - |
| Fair value changes from forward contract | 650 | 163 | 207 | 52 |
| Unrealized foreign currency losses: | | | | |
| Cash and cash equivalents | - | - | 1,081 | 270 |
| Reinsurance balances receivable | 61,573 | 15,393 | 13,161 | 3,290 |
| Allowance for impairment | 4,636 | 1,159 | 5,077 | 1,269 |
| Loans and receivables | 141 | 35 | 131 | 33 |
| Reinsurance balances payable | 12,815 | 3,204 | 11,130 | 2,782 |
| Accounts payable and accrued expenses | 404 | 101 | 214 | 54 |
| Claims and claims reserves | 71,879 | 17,970 | 95,493 | 23,873 |
| Unrecognized deferred tax assets | P2,244,817 | P561,204 | P2,187,175 | P546,794 |

In 2025 and 2024, the Company opted to claim itemized deductions in determining its tax expense.

The Company's current tax is determined as higher between Minimum Corporate Income Tax (MCIT) or RCIT. MCIT is calculated as 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:

| | Notes | 2025 | 2024 |
|----------------------------|-------|------------|------------|
| Capital stocks | | P2,181,955 | P2,181,955 |
| Additional paid-in capital | | 3,019,218 | 3,019,218 |
| Treasury shares | 27.1 | (100,525) | (100,525) |
| Revaluation reserves | | (6,121) | (45,247) |
| Retained earnings | | 2,638,562 | 1,809,072 |
| | | P7,733,089 | P6,864,473 |

27.1 Capital Stock

As at December 31, 2025 and 2024, 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, 2025 and 2024, there are 271 and 268 holders of the listed shares, respectively. Such listed shares closed at P0.77 and P0.69 per share, as at those dates, respectively.

As at December 31, 2025 and 2024, total treasury shares amounted to P100.53 million representing 58,349,000 shares. There were no treasury stock transactions in 2025 and 2024.

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, 2025 and 2024, the Company appropriated P82.95 million and P55.13 million, respectively, for special reserve.

27.3 Retained Earnings

There was no declaration of cash dividends in 2025 and 2024. The total outstanding dividends payable amounted to P1.66 million and P1.66 million as at December 31, 2025 and 2024, 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:

| | 2025 | | 2024 | |
|------------------------------|--------------|--|--------------|--|
| | Stockholders | Related Parties Under Common Ownership | Stockholders | Related Parties Under Common Ownership |
| Premiums | P- | P196,810 | P- | P252,138 |
| Commission expense | - | 7,937 | - | 15,308 |
| Retroceded premiums | - | - | - | 5,414 |
| Claims incurred (reversal) | 4,247 | (40,172) | 4,261 | 20,725 |
| Claims recoveries (reversal) | 2 | - | (1,637) | - |

The outstanding balance of the Reinsurance balances receivable from and payable to related parties as at December 31, 2025 and 2024 are presented as follows:

| | <i>Notes</i> | 2025 | | 2024 | |
|--|--------------|--------------|--|--------------|--|
| | | Stockholders | Related Parties Under Common Ownership | Stockholders | Related Parties Under Common Ownership |
| Due from ceding companies | <i>6</i> | P- | P230,485 | P- | P152,726 |
| Funds held for retrocessionaires | | 1 | - | 1 | - |
| Funds held by ceding companies | | - | 6,296 | - | - |
| Reinsurance recoverable on reported claims | | 1,996 | - | 1,995 | - |
| Claims payable | <i>19</i> | 150,959 | 627,415 | 149,146 | 685,657 |
| Due to retrocessionaires | | 197 | 13,606 | 55 | 12,375 |

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 P65.23 million and P65.60 million as at December 31, 2025 and 2024, respectively.

The reversed allowance for impairment from related parties under Reinsurance recoverable on paid claims amounted to P0.45 million and P1.96 million as at December 31, 2025 and 2024, respectively.

28.2 Other Transactions

The Company's other transactions with related parties are presented as follows:

| | | 2025 | | 2024 | |
|--|-----|------------------------|---------------------|------------------------|---------------------|
| | | Amount of Transactions | Outstanding Balance | Amount of Transactions | Outstanding Balance |
| Stockholder: | | | | | |
| Cash and cash equivalents | (a) | (P7,566) | P10,782 | P8,799 | P18,348 |
| HFT securities | (b) | 36,874 | 78,009 | (45,968) | 41,135 |
| AFS financial assets | (b) | (27,680) | 7,264 | 10,049 | 34,944 |
| Interest income – cash and cash equivalents | (a) | 16 | – | 308 | – |
| Dividend income – HFT securities | (b) | 696 | – | 594 | – |
| Dividend income – AFS financial assets | (b) | 359 | – | 1,095 | – |
| Other expenses | (c) | 81 | – | 149 | – |
| Related Party Under Common Ownership: | | | | | |
| Cash and cash equivalents | (a) | (88,677) | 268,081 | 152,225 | 356,758 |
| HFT securities | (b) | 8,003 | 66,789 | 51,128 | 58,786 |
| AFS financial assets | (b) | (19,663) | 47,415 | 28,148 | 67,077 |
| HTM securities | (b) | (151,414) | 406,102 | 68,046 | 557,516 |
| Other investments | (a) | – | – | (182,814) | – |
| Forward liability | (b) | – | – | (92,852) | – |
| Interest income – cash and cash equivalents | (b) | 14,368 | – | 5,349 | – |
| Interest income – bonds | (b) | 22,127 | – | – | – |
| Other expenses | (c) | 6,829 | – | – | – |

(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 UITF 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 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).

28.2 *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, 2025 and 2024.

28.3 *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:

| | 2025 | 2024 | 2023 |
|---------------------------------|----------------|----------------|----------------|
| Short-term benefits | P86,745 | P83,356 | P67,210 |
| Post-employment defined benefit | 6,725 | 5,654 | 5,118 |
| | P93,470 | P89,010 | P72,328 |

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:

| | 2025 | 2024 | 2023 |
|---|------------------|-----------|-----------|
| Net profit | P829,490 | P551,344 | P536,147 |
| Divided by the average number of outstanding shares (in thousands) | 2,123,606 | 2,123,606 | 2,123,606 |
| | P0.391 | P0.260 | P0.252 |

Diluted earnings per share is not determined since the Company does not have dilutive shares as at December 31, 2025, 2024 and 2023.

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, 2025 and 2024 is P1.14 million and P1.03 million, respectively, which is payable not later than one year.

Rental expense recognized amounted to P0.55 million, P0.47 million and P0.26 million in 2025, 2024, and 2023, 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, 2025 and 2024 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, 2025 and 2024, 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, 2025 and 2024, 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.

| | Notes | 2025 | | 2024 | |
|--|--------|-------------------|-------------------|-------------------|-------------------|
| | | Carrying Values | Fair Values | Carrying Values | Fair Values |
| Financial assets: | | | | | |
| Loans and receivables: | | | | | |
| Cash and cash equivalents | 5 | P486,711 | P486,711 | P449,739 | P449,739 |
| Reinsurance balances receivable - net | 6, 25 | 5,894,354 | 5,894,354 | 5,203,165 | 5,203,165 |
| Loans and receivables | 11 | 126,584 | 126,584 | 127,614 | 127,614 |
| Reinsurance recoverable on reported claims and claims reserves - net | 13 | 1,564,532 | 1,564,532 | 1,694,109 | 1,694,109 |
| | | P8,072,181 | P8,072,181 | P7,474,627 | P7,474,627 |
| HFT securities: | | | | | |
| Equity securities | | P316,419 | P316,419 | P231,600 | P231,600 |
| UITF | | 537,195 | 537,195 | 216,358 | 216,358 |
| Forward assets | | 1,111 | 1,111 | - | - |
| | 7 | P854,725 | P854,725 | P447,958 | P447,958 |
| AFS financial assets: | | | | | |
| Debt securities | | P5,442,333 | P5,442,333 | P4,795,729 | P4,795,729 |
| Equity securities – net | | 174,825 | 174,825 | 443,229 | 443,229 |
| Investment in ARC shares | | 43,071 | 43,071 | 40,783 | 40,783 |
| | 8 | P5,660,229 | P5,660,229 | P5,279,741 | P5,279,741 |
| HTM securities | 9 | P4,282,996 | P4,278,863 | P4,024,499 | P3,990,349 |
| Other investments | 10 | P112,054 | P112,054 | P- | P- |
| Financial liabilities: | | | | | |
| Reinsurance balances payable | 17, 25 | P2,164,670 | P2,164,670 | P1,913,080 | P1,913,080 |
| Forward liability | 7 | 1,761 | 1,761 | 207 | 207 |
| Accounts payable and other accrued expenses* | 18 | 178,315 | 178,315 | 262,827 | 262,827 |
| Claims and claims reserves | 19 | 5,295,455 | 5,295,455 | 5,030,137 | 5,030,137 |
| | | P7,640,201 | P7,640,201 | P7,206,251 | P7,206,251 |

* 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).

| | <i>Notes</i> | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|--------------|----------------|----------------|----------------|--------------|
| December 31, 2025 | | | | | |
| HFT securities | 7 | P853,614 | P1,111 | P– | P854,725 |
| AFS financial assets | 8 | 5,605,518 | 5,750 | 48,961 | 5,660,229 |
| Other investments | 10 | 112,054 | – | – | 112,054 |
| Forward liability | 7 | – | 1,761 | – | 1,761 |
| December 31, 2024 | | | | | |
| HFT securities | 7 | P447,958 | P– | P– | P447,958 |
| AFS financial assets | 8 | 5,230,223 | 5,100 | 44,418 | 5,279,741 |
| Forward liability | 7 | – | 207 | – | 207 |

The movements of the AFS financial assets classified under Level 3 in the fair value hierarchy are shown below.

| | 2025 | 2024 |
|---------------------------------|----------------|---------|
| Balance at beginning of year | P44,418 | P42,453 |
| Fair value gains | 4,155 | 2,806 |
| Disposals | - | (2,065) |
| Foreign currency gains (losses) | 388 | 1,224 |
| Balance at end of year | P48,961 | P44,418 |

There has been no transfer between levels in 2025 and 2024.

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, 2025 and 2024, 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, 2025 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|-------|------------|---------|------------|-------------|
| Financial assets: | | | | | |
| Cash and cash equivalents | 5 | P486,711 | P- | P- | P486,711 |
| Reinsurance balances receivable - net | 6 | - | - | 5,894,354 | 5,894,354 |
| HTM securities | 9 | 4,278,863 | - | - | 4,278,863 |
| Other investments | 10 | 112,054 | - | - | 112,054 |
| Loans and receivables | 11 | - | - | 126,584 | 126,584 |
| Reinsurance recoverable on reported claims and claims reserves - net | 13 | - | - | 1,564,532 | 1,564,532 |
| | | P4,877,628 | P- | P7,585,470 | P12,463,098 |
| Financial liabilities: | | | | | |
| Reinsurance balances payable | 17 | P- | P- | P2,164,670 | P2,164,670 |
| Accounts payable and other accrued expenses* | 18 | - | - | 178,315 | 178,315 |
| Claims and claims reserves | 19 | - | - | 5,295,455 | 5,295,455 |
| | | P- | P- | P7,638,440 | P7,638,440 |

* Excluding taxes payable and defined benefit liability

| December 31, 2024 | Notes | Level 1 | Level 2 | Level 3 | Total |
|--|--------|------------|---------|------------|-------------|
| Financial assets: | | | | | |
| Cash and cash equivalents | 5 | P449,739 | P- | P- | 449,739 |
| Reinsurance balances receivable - net | 6, 25 | - | - | 5,203,165 | 5,203,165 |
| 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- | P7,024,888 | P11,464,976 |
| Financial liabilities: | | | | | |
| Reinsurance balances payable | 17, 25 | P- | P- | P1,913,080 | P1,913,080 |
| Accounts payable and other accrued expenses* | 18 | - | - | 262,827 | 262,827 |
| Claims and claims reserves | 19 | - | - | 5,030,137 | 5,030,137 |
| | | P- | P- | P7,206,044 | P7,206,044 |

* 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, 2025 and 2024, the fair value of the investment properties is P35.41 million and P34.25 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, 2025 and 2024, 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:

| 2025 | | | | | |
|---|-------|---|----------|---|---------|
| 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 | P486,711 | P- | P- | P- |
| AFS financial assets | 8 | - | - | 5,660,229 | 52,595 |
| HTM securities | 9 | 4,278,863 | (4,133) | - | - |
| Other investments | 10 | 112,054 | - | - | - |
| Loans and receivables | 11 | 126,584 | - | - | - |
| Funds held by ceding companies | 6 | 229,744 | - | - | - |
| | | P5,233,956 | (P4,133) | P5,660,229 | P52,595 |

* 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.

| 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.

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, 2025 and 2024, 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, 2025 and 2024, 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:

| | 2025 | 2024 |
|---|-------------------|-------------------|
| Goodwill, trade names, and other like intangible assets | P55,366 | P34,021 |
| Prepaid or deferred charges for expenses and commissions paid by such insurance company | 1,655,211 | 1,505,485 |
| 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 | 8,265 | 9,770 |
| Furniture, furnishing, fixtures, safes, equipment, library, stationery, literature, and supplies | 6,034 | 8,775 |
| Other non-admitted assets as determined by IC | 73,901 | 76,861 |
| Total Non-admitted Assets | P1,798,777 | P1,634,912 |

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, 2025 and 2024.

| | <i>Notes</i> | 2025 | 2024 |
|--|--------------|--------------------|-------------|
| Current Assets: | | | |
| Cash and cash equivalents | 5 | P486,711 | 449,739 |
| Reinsurance balances receivable - net | 6, 25 | 5,894,354 | 5,203,165 |
| HFT securities | 7 | 854,725 | 447,958 |
| AFS financial assets | 8 | 5,617,158 | 5,238,958 |
| HTM securities | 9 | 500,419 | 988,028 |
| Other investments | 10 | 112,054 | |
| Loans and receivables | 11 | 122,604 | 121,000 |
| Reinsurance recoverable on reported claims and claims reserves – net | 13 | 448,925 | 442,137 |
| Deferred acquisition costs | 14 | 329,619 | 309,298 |
| Deferred reinsurance premiums | 15 | 622,300 | 647,405 |
| Other assets – net | 16 | 20,681 | 28,240 |
| Total Current Assets | | P15,009,550 | P13,875,928 |

| | <i>Notes</i> | 2025 | 2024 |
|---------------------------------------|--------------|-------------------|------------|
| Current Liabilities: | | | |
| Reinsurance balances payable | 17, 25 | P2,164,670 | P1,913,080 |
| Forward liability | 7 | 1,761 | 207 |
| Accounts payable and accrued expenses | 18 | 389,924 | 361,098 |
| Claims and claims reserves | 19 | 2,237,275 | 2,254,184 |
| Premium reserves | 20 | 1,948,356 | 1,857,479 |
| Deferred reinsurance commissions | 21 | 11,604 | 2,291 |
| Total Current Liabilities | | P6,753,590 | P6,388,339 |

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, 2025 and 2024.

| | <i>Notes</i> | 2025 | 2024 |
|--|--------------|-------------------|------------|
| Non-current Assets: | | | |
| AFS financial assets | 8 | P43,071 | P40,783 |
| HTM securities | 9 | 3,782,577 | 3,036,471 |
| Loans and receivables | 11 | 3,980 | 6,614 |
| Property and equipment – net | 12 | 29,343 | 38,241 |
| Reinsurance recoverable on reported claims and claims reserves – net | 13 | 2,325,977 | 2,405,315 |
| Deferred acquisition costs | 14 | 816,057 | 787,326 |
| Deferred reinsurance premiums | 15 | 1,332 | 265 |
| Deferred tax assets – net | 26 | 677,208 | 582,255 |
| Other assets – net | 16 | 108,460 | 87,813 |
| Total Non-current Assets | | P7,788,005 | P6,985,083 |

| | Notes | 2025 | 2024 |
|---------------------------------------|-------|-------------------|-------------------|
| Non-current Liabilities: | | | |
| Accounts payable and accrued expenses | 18 | P19,535 | P26,786 |
| Claims and claims reserves | 19 | 8,274,563 | 7,578,217 |
| Premium reserves | 20 | 16,778 | 3,166 |
| Deferred reinsurance commissions | 21 | – | 30 |
| Total Non-current Liabilities | | P8,310,876 | P7,608,199 |

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 2025, the Company declared output VAT amounting to P670,426, which is set off against input VAT, based on the following gross receipts/income:

| | Tax Base | Output VAT |
|-----------------------------------|-----------------------|-----------------|
| Exempt receipts/income | P5,266,769,688 | P– |
| Commission earned on retrocession | 4,939,577 | 592,749 |
| Interest income on loans | 647,308 | 77,677 |
| | P5,272,356,573 | P670,426 |

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 2025 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 2025 statements of income.

As at December 31, 2025, the Company also has deferred output VAT amounting to P25,970,131 pertaining to uncollected commission income from retrocessionaires (see Note 18).

(b) Input VAT

The movements of input VAT in 2025 are summarized below.

| | |
|--|--------------|
| Balance at beginning of year | P145,225,284 |
| Services lodged under other accounts | 7,640,631 |
| Goods other than for resale or manufacture | 753,791 |
| Amortization of input VAT | 38,357 |
| Applied against output VAT | (670,426) |
| Input VAT on exempt sales | (8,421,890) |
| Balance at end of year | P144,565,747 |

The balance of input VAT as at December 31, 2025 is recorded under Other assets – net account in the statements of financial position (see Note 16). As at December 31, 2025, the Company also has deferred input VAT amounting to P25,571 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 2025 since it does not have any importation.

(d) Excise Tax

The Company does not have excise tax in 2025 since it does not have any transactions which are subject to excise tax.

(e) Documentary Stamp Tax (DST)

Total DST accrued and paid in 2025 amounted to P12,950 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, 2025. Reinsurance contracts are not subject to DST.

(f) Taxes and Licenses

The details of taxes and licenses for 2025, which are presented under General and administrative expenses account in the statements of income are as follows:

| | |
|--------------------------------|-------------------|
| Fringe benefit tax | P3,364,875 |
| Municipal licenses and permits | 1,281,035 |
| Real estate taxes | 294,761 |
| Deficiency tax assessment | 99,588 |
| Registration | 106,050 |
| DST | 12,950 |
| Miscellaneous | 261,985 |
| Penalties | 21,000 |
| | P5,442,244 |

(g) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2025 are shown below.

| | |
|---------------------------|--------------------|
| Compensation and benefits | P42,929,274 |
| Expanded | 15,266,417 |
| Final | - |
| | P58,195,691 |

(h) 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.

On June 2, 2025, the CTA promulgated its decision denying the Petition for Review. Thereafter, the Company filed its Motion for Reconsideration on June 25, 2025. Subsequently, on February 6, 2026, the CTA issued a Resolution denying the said Motion for Reconsideration. The Company received the said Resolution on February 11, 2026 and has filed a Petition for Review before the CTA – En Banc to appeal the decision and the denial of its Motion for Reconsideration on February 25, 2026.

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.

On February 24, 2026, the Company received the Decision dated February 13, 2026. In the said Decision, the CTA partially denied the petition for Review by upholding the VAT assessment while cancelling the compromise penalties.

The Company filed a Motion for Partial Reconsideration with the CTA-Special Second Division on March 11, 2026.

On March 25, 2026, the BIR served the Company a Warrant of Dstraint and/or Levy (WDL), authorizing the BIR to collect the disputed 2017 VAT deficiency amounting to P78.19 million. Subsequently, on April 8, 2026, BIR served a Writ of Garnishment (WG) to a local bank where the Company maintains an account sufficient to cover the amount specified in the WDL and in the WG.

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.

On 11 June 2025, the Company filed its 2nd offer letter for compromise settlement with the BIR Litigation Division and subsequently paid the offer amount on 13 June 2025. As of date, the 2nd offer letter is still pending with the BIR Litigation Division.

As regards the Petition for Review, on May 29, 2025 and August 28, 2025, the Company's witnesses were presented before the CTA. On September 30, 2025, the Company filed its Formal Offer of Evidence (FOE). Thereafter, on February 11, 2026, the Company received a Resolution dated February 5, 2026, which resolved that most of the exhibits were admitted and has scheduled the presentation of BIR's witness on April 7, 2026.

On February 24, 2026, the Company filed a Motion for Partial Reconsideration for the admission of the exhibits which were denied by CTA.

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.

The BIR has yet to issue its final tax assessment for the taxable years 2021 and 2022 investigations.

e. Taxable year 2024

On March 30, 2026, 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 year 2024. Management is in the process of consolidating the documents required by the BIR.

R.G. Manabat & Co.



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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
31st Floor BPI AIA 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, 2025 and 2024, 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, 2025, 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 21, 2026.

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 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



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, 2025 and no material exceptions were noted.

R.G. MANABAT & CO.

A handwritten signature in black ink that reads 'Florizza C. Simangan'.

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. 08-001987-050-2025

Issued June 9, 2025; effectivity January 7, 2025; validity January 6, 2028

PTR No. MKT 10764414

Issued January 5, 2026 at Makati City

April 21, 2026

Makati City, Metro Manila

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
Supplemental Schedule of Financial Soundness Indicators
December 31, 2025 and 2024
(Amounts in thousands)

| Ratio | Formula | 2025 | Formula | 2024 |
|------------------------------|--|-----------|--|-----------|
| Current ratio | Total Current Assets divided by Total Current Liabilities Total Current Assets 15,009,550 Divide by: Total Current Liabilities <u>6,753,590</u> Current ratio 2.22 | 2.22 | Total Current Assets divided by Total Current Liabilities Total Current Assets 13,875,928 Divide by: Total Current Liabilities <u>6,388,339</u> Current ratio 2.17 | 2.17 |
| 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 486,711 Reinsurance balances receivable – net 5,894,354 Loans and receivables <u>122,604</u> Quick Assets 6,503,669 Divide by: Total Current Liabilities <u>6,753,590</u> Acid test ratio 0.96 | 0.96 | 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 5,203,165 Loans and receivables <u>127,614</u> Quick Assets 5,780,518 Divide by: Total Current Liabilities <u>6,388,339</u> Acid test ratio 0.90 | 0.90 |
| Solvency ratio | Total Assets divided by Total Liabilities Total Assets 22,797,555 Divide by: Total Liabilities <u>15,064,466</u> Solvency ratio 1.51 | 1.51 | Total Assets divided by Total Liabilities Total Assets 20,861,011 Divide by: Total Liabilities <u>13,996,538</u> Solvency ratio 1.49 | 1.49 |
| Debt-to-equity ratio | Total Liabilities divided by Total Equity Total Liabilities 15,064,466 Divide by: Total Equity <u>7,733,089</u> Debt-to-equity ratio 1.95 | 1.95 | Total Liabilities divided by Total Equity Total Liabilities 13,996,538 Divide by: Total Equity <u>6,864,473</u> Debt-to-equity ratio 2.04 | 2.04 |
| Assets-to-equity ratio | Total Assets divided by Total Equity Total Assets 22,797,555 Divide by: Total Equity <u>7,733,089</u> Assets-to-equity ratio 2.95 | 2.95 | Total Assets divided by Total Equity Total Assets 20,861,011 Divide by: Total Equity <u>6,864,473</u> Assets-to-equity ratio 3.04 | 3.04 |
| Interest rate coverage ratio | Earnings before interest and taxes (EBIT) divided by Interest expense EBIT 1,042,415 Divide by: Interest expense <u>23</u> Interest rate coverage ratio 45,322.39 | 45,322.39 | Earnings before interest and taxes (EBIT) divided by Interest expense EBIT 677,492 Divide by: Interest expense <u>23</u> Interest rate coverage ratio 29,456.17 | 29,456.17 |
| Return on equity | Net Profit divided by Total Equity Net Profit 829,490 Divide by: Total Equity <u>7,733,089</u> Return on equity 0.11 | 0.11 | Net Profit divided by Total Equity Net Profit 551,344 Divide by: Total Equity <u>6,864,473</u> Return on equity 0.08 | 0.08 |
| Return on assets | Net Profit divided by Total Assets Net Profit 829,490 Divide by: Total Assets <u>22,797,555</u> Return on assets 0.04 | 0.04 | Net Profit divided by Total Assets Net Profit 551,344 Divide by: Total Assets <u>20,861,011</u> Return on assets 0.03 | 0.03 |
| Net profit margin | Net Profit divided by Total Revenue* Net Profit 829,490 Divide by: Total Revenue* <u>4,278,120</u> Net profit margin 0.19 | 0.19 | Net Profit divided by Total Revenue* Net Profit 551,344 Divide by: Total Revenue* <u>4,881,862</u> Net profit margin 0.11 | 0.11 |

**Composed of Reinsurance premiums – net of returns, Retroceded premiums, Movement in premium reserves - net and Other underwriting income*

R.G. Manabat & Co.



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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
31st Floor BPI AIA 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, 2025 and 2024, 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, 2025, 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 21, 2026.

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 until the year ended December 31, 2025, pursuant to SEC Notice dated April 4, 2025, and Certificate of Accreditation issued on March 19, 2026, valid for five (5) years covering the audit of 2026 to 2030 financial statements
BSP Selected EAs of BSFIs-Group A, valid for five (5) years covering the audit of 2025 to 2029 financial statements under BSP Letter No. FSD VI-2025-02-0054g-FSD6L-External

R.G. Manabat & Co.



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'.

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. 08-001987-050-2025

Issued June 9, 2025; effectivity January 7, 2025; validity January 6, 2028

PTR No. MKT 10764414

Issued January 5, 2026 at Makati City

April 21, 2026

Makati City, Metro Manila

**NATIONAL REINSURANCE CORPORATION OF THE
PHILIPPINES**

List of Supplementary Information

December 31, 2025

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)

| Schedule | No. of Pages |
|---|-------------------------|
| A Financial Assets | 4 |
| B Amounts Receivable from Directors, Officers, Employees, Related Parties & Principal stockholders other than related parties | 2 |
| C Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements | 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 | 3 |

**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, 2025

| 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

| | | | | |
|------------------------------------|--|--------------------|--------------------|-------------------|
| Cash and Cash Equivalents | | | | |
| Cash on hand and in banks | | 122,390,481 | 122,390,481 | 117,207 |
| Short-term placements | | 364,320,839 | 364,320,839 | 15,893,018 |
| Total Cash and Cash Equivalents | | 486,711,320 | 486,711,320 | 16,010,225 |
| Funds at Lloyds | | - | - | - |
| Other Receivables | | | | |
| Accrued interest receivable | | 110,876,621 | 110,876,621 | - |
| Dividends receivable | | - | - | - |
| Other accounts receivable | | 15,707,079 | 15,707,079 | 647,308 |
| Other Assets | | | | |
| Deposit | | 699,568 | 699,568 | - |
| Security fund | | 643,925 | 643,925 | - |
| TOTAL LOANS AND RECEIVABLES | | 614,638,513 | 614,638,513 | 16,657,533 |
| | | 112,053,740 | 112,053,740 | 1,200,119 |

II. OTHER INVESTMENTS

III. AVAILABLE FOR SALE SECURITIES

INVESTMENT IN EQUITY SECURITIES:

| | | | | |
|---|------------------|--------------------|--------------------|-------------------|
| Ayala Corporation | 3,997 | 1,870,596 | 1,870,596 | 18,406 |
| Aboitiz Power Corporation | 229,533 | 10,099,452 | 10,099,452 | 86,088 |
| Asian Reinsurance Corporation | 980 | 43,071,224 | 43,071,224 | - |
| AREIT, Inc. | 223,900 | 9,739,650 | 9,739,650 | 161,233 |
| Brightnote Assets Corporation | 220,000 | 220,000 | 220,000 | - |
| Benguet Corporation | 18 | 90 | 90 | - |
| BDO Unibank Inc | 53,823 | 7,244,576 | 7,244,576 | 536,182 |
| Bank of the Philippine Islands | 62,567 | 7,264,029 | 7,264,029 | 359,380 |
| Calatagan Golf Club, Inc. | 1 | 650,000 | 650,000 | - |
| Double Dragon Property Corporation Preferred Shares | 41,880 | 4,062,360 | 4,062,360 | 2,624,054 |
| Globe Telecom, Inc. | 8,499 | 13,462,416 | 13,462,416 | 821,400 |
| Phil Hoteliers Inc | 750 | 96,972 | 96,972 | - |
| International Container Terminal Services, Inc. | 15,316 | 8,684,172 | 8,684,172 | 1,023,768 |
| Jollibee Foods Corporation | 3,710 | 667,800 | 667,800 | 64,819 |
| Metropolitan Bank & Trust Company | 115,036 | 7,879,966 | 7,879,966 | 764,929 |
| Manila Electric Company | 14,090 | 8,087,660 | 8,087,660 | 607,251 |
| Makati Sports Club "A" | 1 | 2,000,000 | 2,000,000 | - |
| Maynilad Water Services, Inc. | 250,000 | 4,225,000 | 4,225,000 | - |
| Orchard Golf Club - C | 1 | 3,100,000 | 3,100,000 | - |
| Philippine Nuclear Ins | 300 | 30,000 | 30,000 | - |
| Petron Preferred Shares Series 3B | 34,185 | 34,355,925 | 34,355,925 | 3,004,689 |
| RL Commercial REIT, Inc. | 1,000,000 | 8,020,000 | 8,020,000 | 315,600 |
| 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 | 15,145 | 10,593,928 | 10,593,928 | 314,275 |
| SM Prime Holdings Inc. | 278,167 | 6,328,299 | 6,328,299 | 225,419 |
| Cirtek Holdings Corporation Preferred Shares B2 | 250,000 | 734,875 | 734,875 | 1,305,350 |
| PLDT Inc. | 15,765 | 19,863,900 | 19,863,900 | 1,287,350 |
| Sold/Disposed | | | | 335,249 |
| SUBTOTAL INVESTMENT IN EQUITY SECURITIES | 2,922,542 | 217,895,794 | 217,895,794 | 13,855,442 |

INVESTMENT IN DEBT SECURITIES:

A. NRCP-MANAGED

Fixed Rate Treasury Bonds

| | | | | |
|----------------------------|----------------------|----------------------|----------------------|--------------------|
| PH0000057374 | 30,000,000 | 30,985,408 | 30,985,408 | 1,080,648 |
| PH0000058109 | 194,500,000 | 195,802,958 | 195,802,958 | 9,995,207 |
| PH0000058133 | 150,000,000 | 151,982,306 | 151,982,306 | 8,920,770 |
| PH0000058281 | 600,000,000 | 609,720,588 | 609,720,588 | 29,527,882 |
| PH0000060907 | 93,500,000 | 94,013,932 | 94,013,932 | 747,249 |
| PIBD0526D772 | 80,000,000 | 79,670,429 | 79,670,429 | 2,718,058 |
| PIBD0728D649 | 20,150,000 | 19,520,209 | 19,520,209 | 374,556 |
| PIBD0728H654 | 75,000,000 | 72,499,175 | 72,499,175 | 2,753,163 |
| PIBD0729E673 | 300,000,000 | 306,248,140 | 306,248,140 | 16,075,711 |
| PIBD0729J687 | 150,800,000 | 156,395,875 | 156,395,875 | 7,435,099 |
| PIBD1029A644 | 104,000,000 | 107,429,905 | 107,429,905 | 6,690,108 |
| PIBD1032F689 | 40,000,000 | 42,409,418 | 42,409,418 | 1,899,965 |
| PIBD1032I695 | 125,000,000 | 129,693,984 | 129,693,984 | 6,747,412 |
| PIBD1032J701 | 5,000,000 | 5,362,374 | 5,362,374 | 357,993 |
| PIBD2031G171 | 50,000,000 | 54,349,565 | 54,349,565 | 3,416,449 |
| PIID0527C159 | 153,950,000 | 153,477,441 | 153,477,441 | 3,095,378 |
| PIID0527L140 | 100,000,000 | 99,344,793 | 99,344,793 | 5,711,403 |
| PIID0528B176 | 210,000,000 | 212,860,799 | 212,860,799 | 9,328,009 |
| Matured/Sold | | | | 19,546,170 |
| Subtotal-Peso Bonds | 2,481,900,000 | 2,521,767,299 | 2,521,767,299 | 136,421,230 |

| | | | | |
|--|---------------|---------------|---------------|-------------|
| Treasury Bills | | | | - |
| Matured/Sold | | | | - |
| Subtotal-Peso Bonds | | | | - |
| Government Bonds - USD | | | | |
| PH0000057598 | 88,185,000 | 90,833,196 | 90,833,196 | 4,962,173 |
| RODB0526J014 | 14,697,500 | 14,335,207 | 14,335,207 | 197,749 |
| US718286BN61 | 176,370,000 | 177,144,264 | 177,144,264 | 7,706,778 |
| US718286CC97 | 29,395,000 | 28,786,817 | 28,786,817 | 1,463,703 |
| US718286CV78 | 132,277,500 | 134,905,854 | 134,905,854 | 6,280,296 |
| US718286CW51 | 105,822,000 | 108,676,019 | 108,676,019 | 4,832,866 |
| US718286CY18 | 17,637,000 | 17,881,625 | 17,881,625 | 743,312 |
| | 564,384,000 | 572,562,982 | 572,562,982 | 26,186,877 |
| Corporate Bonds - USD | | | | |
| XS2407048623 | 29,395,000 | 27,748,880 | 27,748,880 | 978,111 |
| XS2690996827 | 23,516,000 | 24,212,544 | 24,212,544 | 1,198,365 |
| XS2774954650 | 11,758,000 | 12,133,080 | 12,133,080 | 621,122 |
| XS2862924532 | 17,637,000 | 18,093,975 | 18,093,975 | 30,208 |
| XS3070012250 | 18,518,850 | 18,566,258 | 18,566,258 | 61,852 |
| XS3177885418 | 29,982,900 | 29,921,735 | 29,921,735 | 381,644 |
| Matured/Sold | | | | 1,475,105 |
| | 130,807,750 | 130,676,472 | 130,676,472 | 4,746,407 |
| Subtotal-Dollar Bonds | 695,191,750 | 703,239,454 | 703,239,454 | 30,933,284 |
| TOTAL NRCF-MANAGED | 3,177,091,750 | 3,225,006,753 | 3,225,006,753 | 167,354,514 |
| B. BPI-MANAGED | | | | |
| Fixed Rate Treasury Bonds | | | | |
| PH0000057218 | 75,000,000 | 76,435,395 | 76,435,395 | 2,587,028 |
| PH0000058281 | 330,000,000 | 335,345,493 | 335,345,493 | 20,621,449 |
| PH0000060907 | 105,500,000 | 106,079,891 | 106,079,891 | 1,411,809 |
| PIBD0729E673 | 35,000,000 | 35,728,950 | 35,728,950 | 2,252,863 |
| PIBD0729J687 | 243,000,000 | 252,079,621 | 252,079,621 | 15,164,554 |
| PIBD0730D690 | 30,000,000 | 30,236,100 | 30,236,100 | 1,665,009 |
| PIBD1027E617 | 5,000,000 | 4,973,232 | 4,973,232 | 277,440 |
| PIBD1028C635 | 10,000,000 | 10,141,348 | 10,141,348 | 628,449 |
| PIBD1029A644 | 42,100,000 | 43,488,452 | 43,488,452 | 2,685,880 |
| PIBD1032I695 | 45,000,000 | 46,689,834 | 46,689,834 | 315,766 |
| PIBD2027I140 | 245,000,000 | 254,988,761 | 254,988,761 | 16,506,924 |
| PIBD2031G171 | 2,780,000 | 3,021,836 | 3,021,836 | 194,524 |
| PIID0528B176 | 128,000,000 | 129,743,725 | 129,743,725 | 7,455,362 |
| PIID0528I160 | 402,000,000 | 404,652,297 | 404,652,297 | 23,121,050 |
| Matured/Sold | | | | 5,386,061 |
| Subtotal-Peso Bonds | 1,698,380,000 | 1,733,604,935 | 1,733,604,935 | 100,274,168 |
| Treasury Bills | | | | |
| Matured/Sold | | | | - |
| Subtotal-Peso Bills | | | | - |
| TOTAL BPI-MANAGED | 1,698,380,000 | 1,733,604,935 | 1,733,604,935 | 100,274,168 |
| C. RCBC-MANAGED | | | | |
| Fixed Rate Treasury Bonds | | | | |
| PH0000057218 | 35,000,000 | 35,669,851 | 35,669,851 | 2,276,667 |
| PH0000057473 | 4,000,000 | 4,024,338 | 4,024,338 | 250,000 |
| PH0000058117 | 7,000,000 | 7,099,552 | 7,099,552 | 428,750 |
| PH0000058125 | 25,000,000 | 25,231,307 | 25,231,307 | 1,402,398 |
| PH0000058133 | 20,000,000 | 20,264,307 | 20,264,307 | 1,229,542 |
| PH0000058281 | 20,000,000 | 20,323,969 | 20,323,969 | 1,250,000 |
| PH0000060345 | 30,000,000 | 30,632,302 | 30,632,302 | 1,085,543 |
| PH0000060907 | 11,200,000 | 11,261,562 | 11,261,562 | 244,533 |
| PIBD0726B627 | 55,000,000 | 55,052,372 | 55,052,372 | 2,112,548 |
| PIBD0729E673 | 2,000,000 | 2,041,654 | 2,041,654 | 124,823 |
| PIBD0729J687 | 30,000,000 | 31,202,374 | 31,202,374 | 1,937,275 |
| PIBD0730D690 | 60,000,000 | 60,472,201 | 60,472,201 | 3,617,811 |
| PIBD1029A644 | 40,000,000 | 41,319,194 | 41,319,194 | 2,591,700 |
| PIBD1336D016 | 5,000,000 | 5,066,815 | 5,066,815 | 277,609 |
| PIBD2027I140 | 50,000,000 | 52,040,876 | 52,040,876 | 3,629,228 |
| PIBD2039A232 | 5,000,000 | 5,210,972 | 5,210,972 | 335,367 |
| PIID0528B176 | 50,000,000 | 50,681,143 | 50,681,143 | 3,059,763 |
| PIID0528I160 | 20,000,000 | 20,131,955 | 20,131,955 | 1,196,788 |
| PIID2537J015 | 6,000,000 | 5,994,985 | 5,994,985 | 329,403 |
| Matured/Sold | | | | 882,246 |
| Subtotal-Peso Bonds | 475,200,000 | 483,721,729 | 483,721,729 | 28,262,074 |
| Treasury Bills | | | | |
| Matured/Sold | | | | - |
| Subtotal-Peso Bills | | | | - |
| TOTAL RCBC-MANAGED | 475,200,000 | 483,721,729 | 483,721,729 | 28,262,074 |
| SUBTOTAL-INVESTMENT IN DEBT SECURITIES | 5,350,671,750 | 5,442,333,417 | 5,442,333,417 | 295,890,756 |
| TOTAL AVAILABLE FOR SALE SECURITIES | 5,353,594,292 | 5,660,229,211 | 5,660,229,211 | 309,746,198 |

IV. HELD-TO-MATURITY INVESTMENTS

| | | | | |
|---|----------------------|----------------------|----------------------|--------------------|
| Corporate Bonds | | | | |
| ACFXBOND2026 | 30,000,000 | 29,740,367 | 29,640,900 | 1,736,508 |
| AEVFXBND2027 | 54,920,000 | 55,437,940 | 54,273,647 | 2,997,427 |
| AL2FXBD2026 | 125,000,000 | 125,523,327 | 124,835,250 | 6,493,771 |
| ALIFXBND2026 | 25,000,000 | 25,025,419 | 24,948,245 | 1,095,505 |
| ALIFXBND2027 | 50,000,000 | 50,812,845 | 49,595,766 | 2,043,367 |
| ALIFXBND2031 | 50,000,000 | 50,000,000 | 48,897,550 | 2,038,800 |
| APC2FXBD2026 | 200,000,000 | 201,289,143 | 197,690,800 | 8,958,840 |
| APC2FXBD2027 | 5,000,000 | 5,000,000 | 4,974,233 | 265,330 |
| CNVRGFBD2027 | 10,000,000 | 10,000,000 | 9,963,142 | 559,420 |
| DNLFXBND2026 | 17,200,000 | 17,200,000 | 16,826,175 | 618,546 |
| EDCFXBND2026 | 12,090,000 | 12,090,000 | 11,919,809 | 451,017 |
| FLI2FXBD2027 | 2,500,000 | 2,500,000 | 2,486,555 | 160,365 |
| FLIFXBND2027 | 19,500,000 | 19,500,000 | 19,265,323 | 1,025,291 |
| PH0000057051 | 50,000,000 | 50,000,000 | 47,959,200 | 3,147,400 |
| PH0000057143 | 15,000,000 | 15,000,000 | 15,020,995 | 914,580 |
| PH0000058810 | 30,000,000 | 30,305,297 | 29,976,750 | 449,806 |
| PH0000058828 | 51,500,000 | 52,274,528 | 51,552,788 | 1,941,091 |
| PH0000058836 | 30,000,000 | 31,258,655 | 30,147,210 | 474,708 |
| PH0000059065 | 10,000,000 | 10,000,000 | 9,932,820 | 670,920 |
| PH0000059073 | 41,990,000 | 43,688,155 | 41,970,937 | 1,337,410 |
| PH0000059115 | 10,000,000 | 10,000,000 | 9,947,590 | 699,310 |
| PH0000059628 | 60,000,000 | 60,000,000 | 56,585,460 | 3,680,040 |
| PH0000061269 | 5,000,000 | 5,000,000 | 4,962,165 | 57,300 |
| PH0000061475 | 50,000,000 | 50,000,000 | 49,064,800 | 371,910 |
| PH0000061483 | 50,000,000 | 50,000,000 | 48,779,150 | 384,114 |
| SMPHFXBD2026 | 75,000,000 | 74,550,974 | 74,347,818 | 3,904,411 |
| SMPHFXBD2028 | 25,000,000 | 25,000,000 | 23,859,550 | 1,274,850 |
| Matured/Sold | | | | 23,946,551 |
| | 1,104,700,000 | 1,111,196,650 | 1,089,424,628 | 71,698,588 |
| Government Bonds | | | | |
| PH0000057218 | 100,000,000 | 100,120,289 | 101,913,860 | 6,351,405 |
| PH0000058109 | 55,960,000 | 55,813,313 | 56,334,877 | 3,495,207 |
| PH0000058117 | 20,300,000 | 20,300,000 | 20,588,699 | 1,243,375 |
| PH0000058125 | 11,800,000 | 11,896,258 | 11,909,177 | 175,069 |
| PH0000058133 | 260,100,000 | 266,734,283 | 263,537,319 | 14,979,072 |
| PH0000058281 | 130,000,000 | 130,494,391 | 132,105,800 | 7,160,078 |
| PH0000058786 | 59,000,000 | 61,820,777 | 61,605,475 | 371,678 |
| PH0000059891 | 100,000,000 | 98,739,581 | 99,665,614 | 1,212,623 |
| PH0000060345 | 416,800,000 | 427,760,179 | 425,584,785 | 7,042,908 |
| PIBD0728D649 | 25,000,000 | 24,072,989 | 24,218,622 | 802,543 |
| PIBD0729E673 | 300,000,000 | 303,261,354 | 306,248,140 | 15,241,866 |
| PIBD0729J687 | 70,000,000 | 71,387,672 | 72,597,555 | 3,803,017 |
| PIBD0730D690 | 13,000,000 | 13,045,486 | 13,102,310 | 295,408 |
| PIBD1028C635 | 100,000,000 | 99,908,978 | 101,413,482 | 6,284,492 |
| PIBD1029A644 | 245,000,000 | 248,630,819 | 253,080,065 | 15,756,032 |
| PIBD1032A675 | 107,000,000 | 100,388,808 | 102,485,874 | 3,764,598 |
| PIBD1032F689 | 253,470,000 | 260,493,587 | 268,737,881 | 17,473,907 |
| PIBD1032I695 | 400,730,000 | 412,306,208 | 415,778,162 | 22,647,451 |
| PIBD2027I140 | 50,000,000 | 51,413,045 | 52,040,876 | 3,525,457 |
| PIBD2031G171 | 62,500,000 | 70,698,002 | 67,936,956 | 3,695,220 |
| PIBD2535L086 | 77,500,000 | 87,414,208 | 87,130,077 | 3,601,356 |
| US718286BW60 | 14,109,600 | 14,476,460 | 14,259,444 | 116,135 |
| US718286CU95 | 117,580,000 | 125,960,039 | 124,151,546 | 6,650,600 |
| US718286CX35 | 77,308,850 | 79,556,914 | 77,531,499 | 3,675,408 |
| US718286DH75 | 33,745,460 | 35,105,725 | 35,480,652 | 637,785 |
| | 3,100,903,910 | 3,171,799,365 | 3,189,438,747 | 150,002,690 |
| TOTAL HELD-TO-MATURITY INVESTMENTS | 4,205,603,910 | 4,282,996,015 | 4,278,863,375 | 221,701,278 |

V. HELD FOR TRADING SECURITIES

| | | | | |
|---|------------------|-----------------------|-----------------------|--------------------|
| INVESTMENT IN EQUITY SECURITIES: | | | | |
| Ayala Corporation | 44,314 | 20,874,626 | 20,874,626 | 92,717 |
| Ayala Land, Inc. | 927,733 | 20,827,606 | 20,827,606 | 334,772 |
| Abotiz Power Corporation | 282,700 | 12,438,800 | 12,438,800 | 141,705 |
| AREIT, Inc. | 227,300 | 9,887,550 | 9,887,550 | 454,985 |
| BDO Unibank Inc | 167,790 | 22,584,534 | 22,584,534 | 538,962 |
| Bank of the Philippine Islands | 191,125 | 22,189,613 | 22,189,613 | 695,796 |
| Globe Telecom, Inc. | 9,681 | 15,334,704 | 15,334,704 | 694,225 |
| GT Capital Holdings, Inc. | 890 | 529,550 | 529,550 | 336,970 |
| International Container Terminal Services, Inc. | 85,880 | 48,693,960 | 48,693,960 | 236,472 |
| Jollibee Foods Corporation | 34,230 | 6,161,400 | 6,161,400 | 92,935 |
| Metropolitan Bank & Trust Company | 298,530 | 20,449,305 | 20,449,305 | 950,450 |
| Manila Electric Company | 26,480 | 15,199,520 | 15,199,520 | 716,778 |
| Manila Water Corporation, Inc. | 97,000 | 3,909,100 | 3,909,100 | 178,577 |
| Puregold Price Club, Inc. | 29,000 | 1,102,000 | 1,102,000 | 20,880 |
| Robinsons Land Corporation | 1,500 | 24,240 | 24,240 | 61,875 |
| Robinsons Retail Holdings, Inc. | 10,000 | 330,500 | 330,500 | - |
| SM Investments Corporation | 21,090 | 14,752,455 | 14,752,455 | 274,170 |
| SM Prime Holdings Inc. | 673,300 | 15,317,575 | 15,317,575 | 971,184 |
| PLDT Inc. | 16,935 | 21,338,100 | 21,338,100 | 1,038,475 |
| Universal Robina Corporation | 280,850 | 18,901,205 | 18,901,205 | 1,392,000 |
| RL Commercial REIT, Inc. | 2,015,500 | 16,164,310 | 16,164,310 | 748,228 |
| Maynilad Water Services, Inc. | 420,000 | 7,098,000 | 7,098,000 | - |
| China Banking Corporation | 30,710 | 1,750,470 | 1,750,470 | - |
| MREIT, Inc. | 40,000 | 560,000 | 560,000 | 10,019 |
| Sold/Disposed | | | | 1,222 |
| | <u>5,932,538</u> | <u>316,419,123</u> | <u>316,419,123</u> | <u>9,983,397</u> |
| UNIT INVESTMENT TRUST FUND: | | | | |
| BPI-MANAGED | | | | |
| BPI Investment Short Term Fund | 290,757 | 52,225,421 | 52,225,421 | - |
| BPI Invest US Dollar Short Term Fund | 172 | 3,579,082 | 3,579,082 | - |
| | <u>290,929</u> | <u>55,804,503</u> | <u>55,804,503</u> | <u>-</u> |
| INVESTMENT IN GLOBAL FUND: | | | | |
| iShares Core MSCI World UCITS ETF | 19,339 | 149,064,178 | 149,064,178 | - |
| BlackRock World Technology Fund | 6,740 | 50,456,670 | 50,456,670 | - |
| iShares MSCI Emerging Markets IMI UCITS | 5,070 | 13,448,706 | 13,448,706 | - |
| iShares MSCI ACWI UCITS ETF | 38,130 | 244,968,900 | 244,968,900 | - |
| Wellington Strategic European Eq Fund | 12,596 | 23,452,193 | 23,452,193 | - |
| | <u>81,875</u> | <u>481,390,647</u> | <u>481,390,647</u> | <u>-</u> |
| FORWARD ASSET | <u>-</u> | <u>1,111,296</u> | <u>1,111,296</u> | <u>-</u> |
| TOTAL HELD-FOR-TRADING SECURITIES | <u>6,305,342</u> | <u>854,725,569</u> | <u>854,725,569</u> | <u>9,983,397</u> |
| GRAND TOTAL FINANCIAL ASSETS | | <u>11,524,643,048</u> | <u>11,520,510,408</u> | <u>559,288,525</u> |

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Stockholders¹ (Other than Related Parties)
December 31, 2025

| Name of employee | Designation | Date of Availment | Bal. at beg. of period | Additions | Deductions | | Ending Balance | | Balance at end of period |
|---|---------------------------------|-------------------|------------------------|-----------|-------------------|---------------------|----------------|-------------|--------------------------|
| | | | | | Amounts collected | Amounts Written off | Current | Non-Current | |
| A. Emergency Loans | | | | | | | | | |
| 1 BETHZAYDA M CRUZ | Rank & File | 11/12/2024 | 26,443 | - | 26,443 | - | - | - | - |
| 2 CYRINE GRACE S ROMANO ¹ | Rank & File | 05/06/2024 | 24,043 | - | 24,043 | - | - | - | - |
| 3 GRACE Y CARRASCO ¹ | Rank & File | 03/13/2024 | 25,246 | - | 25,246 | - | - | - | - |
| 4 JACKLYN M MELLENDEZ | Rank & File | 02/06/2024 | 3,949 | - | 3,949 | - | - | - | - |
| 5 JANINETH F ROLDAN | Rank & File | 07/08/2024 | 16,695 | - | 16,695 | - | - | - | - |
| 6 JOCELYN A CASTILLO | Rank & File | 09/20/2024 | 22,833 | - | 22,833 | - | - | - | - |
| 7 LILYBETH R AVILA | Rank & File | 06/18/2024 | 15,449 | - | 15,449 | - | - | - | - |
| 8 MIKAELA S GALANG | Rank & File | 02/19/2024 | 5,253 | - | 5,253 | - | - | - | - |
| 9 NISSL MARAVILLA | Rank & File | 08/16/2024 | 20,396 | - | 20,396 | - | - | - | - |
| 10 RAUL G TUMANGDAY | Senior Manager | 05/14/2024 | 20,803 | - | 20,803 | - | - | - | - |
| 11 SHAN B TABIOLA ¹ | Rank & File | 02/05/2025 | - | 30,000 | 22,160 | - | 7,840 | - | 7,840 |
| 12 JACKLYN M. MELLENDEZ | Rank & File | 02/28/2025 | - | 30,000 | 23,450 | - | 6,550 | - | 6,550 |
| 13 LILYBETH R. AVILA | Rank & File | 06/05/2025 | - | 30,000 | 15,804 | - | 14,196 | - | 14,196 |
| 14 RAUL G. TUMANGDAY | Senior Manager | 08/06/2025 | - | 60,000 | 21,663 | - | 38,337 | - | 38,337 |
| 15 KRVIN DOMINIC A. GARGIA ¹ | Rank & File | 08/29/2025 | - | 30,000 | 7,167 | - | 22,833 | - | 22,833 |
| 16 MIKAELA S. GALANG | Rank & File | 10/17/2025 | - | 30,000 | 3,489 | - | 26,511 | - | 26,511 |
| 17 IVY E. MAGTALAS | Senior Manager | 10/27/2025 | - | 60,000 | 9,508 | - | 50,492 | - | 50,492 |
| ¹ Resigned and retired employees | | | 181,110 | 270,000 | 284,351 | - | 166,759 | - | 166,759 |
| B. Car Facility Loan | | | | | | | | | |
| 1 ANELISA TRINIDAD M MERIDA | Asst. Vice President | 04/07/2022 | 314,876 | - | 125,342 | - | 135,762 | 53,772 | 189,534 |
| 2 ANNKYE A. VITUG | Manager | 08/08/2023 | 327,012 | - | 78,876 | - | 85,434 | 162,702 | 248,136 |
| 3 APRIL ROSE R. AGSAWAY | Manager | 02/06/2024 | 326,719 | - | 68,798 | - | 74,519 | 183,402 | 257,921 |
| 4 ARLENE GAY SANTOS | Senior Assistant Vice President | 09/23/2021 | 236,905 | - | 128,056 | - | 108,869 | - | 108,869 |
| 5 AYR AINNIE MANIO | Manager | 02/02/2024 | 412,698 | - | 86,904 | - | 94,129 | 231,665 | 325,794 |
| 6 CINDERELLA M. GERNAN ¹ | Vice President | 10/25/2022 | 274,186 | - | 50,660 | - | 223,526 | - | 223,526 |
| 7 DAISY C. SALONGA | Vice President | 10/25/2022 | 277,715 | - | 88,025 | - | 95,344 | 94,346 | 189,690 |
| 8 DARIUS DE GUZMAN | Senior Manager | 07/10/2024 | 510,318 | - | 93,941 | - | 101,750 | 314,627 | 416,377 |
| 9 ENRICO U. GAMINCE | Manager | 02/09/2021 | 109,622 | - | 96,950 | - | 12,672 | - | 12,672 |
| 10 FRANCIS ALBERT J. ALVAREZ | Senior Manager | 07/04/2024 | 384,770 | - | 73,164 | - | 79,248 | 232,358 | 311,606 |
| 11 FRANCIS ANDRES B LAGMAN ¹ | Manager | 06/27/2022 | 267,847 | - | 267,847 | - | - | - | - |
| 12 GREZIEL C. QUILOP | Senior Manager | 08/04/2023 | 373,728 | - | 90,144 | - | 97,639 | 185,945 | 283,584 |
| 13 IRENE G. LOZADA ¹ | Manager | 05/27/2024 | 442,430 | - | 69,636 | - | 372,794 | - | 372,794 |
| 14 IVY MAGTALAS | Senior Manager | 08/23/2022 | 287,485 | - | 97,314 | - | 105,405 | 84,766 | 190,171 |
| 15 JACQUELINE MICHELLE C DY | Vice President | 11/20/2024 | 468,161 | - | 148,389 | - | 160,727 | 159,045 | 319,772 |
| 16 JOEL CLARO A. PERLADO ¹ | First Vice President | 09/14/2023 | 349,177 | - | 74,991 | - | 274,186 | - | 274,186 |
| 17 JOSE AUGURIO JR N DE VERA | Vice President | 07/22/2024 | 446,909 | - | 84,060 | - | 91,048 | 271,801 | 362,849 |
| 18 JUDITH VELANO | Asst. Vice President | 11/21/2024 | 197,279 | - | 34,104 | - | 36,940 | 126,235 | 163,175 |
| 19 LILLE G REDON ¹ | Asst. Vice President | 04/06/2022 | 383,499 | - | - | - | 383,499 | - | 383,499 |
| 20 MARIA CARMEN C. ORTIZ | Senior Manager | 02/20/2024 | 464,286 | - | 97,767 | - | 105,895 | 260,624 | 366,519 |
| 21 MARILYN T DELA PAZ ¹ | Manager | 12/18/2020 | 97,922 | - | 97,922 | - | - | - | - |
| 22 MARY GRACE D BELSARIO ¹ | Senior Manager | 06/11/2021 | 498,981 | - | 498,981 | - | - | - | - |
| 23 RAUL TUMANGDAY | Senior Manager | 06/29/2021 | 168,900 | - | 107,173 | - | 61,727 | - | 61,727 |
| 24 REGINA LOURDES D PAPA | Senior Assistant Vice President | 10/28/2021 | 258,669 | - | 130,015 | - | 128,654 | - | 128,654 |
| 25 ROJANE MENDOZA | Manager | 02/28/2022 | 206,272 | - | 88,915 | - | 96,307 | 21,050 | 117,357 |
| 26 RUSSELL B. AGUSTIN | Senior Manager | 9/13/2023 | 380,920 | - | 89,546 | - | 96,991 | 194,383 | 291,374 |
| 27 SHERWIN T. PARUNGAO | Senior Manager | 02/08/2024 | 558,690 | - | 117,646 | - | 127,427 | 313,617 | 441,044 |
| 28 VON EDWARD EBRON | Senior Asst. Vice President | 01/16/2024 | 562,670 | - | 119,891 | - | 129,859 | 312,920 | 442,779 |
| 29 MARY ANGEL EVANGELISTA | Executive Assistant | 05/08/2025 | - | 480,000 | 46,639 | - | 85,186 | 348,175 | 433,361 |
| 30 SIDNEY C. ALONZO | Manager | 09/15/2025 | - | 540,000 | 18,459 | - | 93,006 | 428,535 | 521,541 |
| 31 MARIA IVY D. PEREZ | Manager | 12/01/2025 | - | 660,000 | - | - | 660,000 | - | 660,000 |
| ¹ Resigned and retired employees | | | 9,588,644 | 1,680,000 | 3,170,135 | - | 4,118,543 | 3,979,968 | 8,098,511 |

| Name of employee | Designation | Date of Availment | Dtl. n/bwg of period | Additions | Deductions | | Ending Balance | | Balance at end of period |
|--|---------------------------------|-------------------|----------------------|------------------|-------------------|------------------|------------------|------------------|--------------------------|
| | | | | | Amounts collected | Amounts Withheld | Current | Non-Current | |
| C. Receivables from Employees (HMO & Car Insurance) | | | | | | | | | |
| 1 ALLAN R. SANTOS | President | | - | 35,161 | 22,481 | - | 12,680 | - | 12,680 |
| 2 ANELISA TRINIDAD M. MERIDA | Asst. Vice President | | 64,792 | 22,900 | 26,387 | - | 61,305 | - | 61,305 |
| 3 ANNE MARIZ ANGELES ¹ | Rank & File | | 12,847 | - | - | - | 12,847 | - | 12,847 |
| 4 APRIL ROSE R. AGSAWAY | Manager | | 86,913 | 14,275 | 14,275 | - | 86,913 | - | 86,913 |
| 5 ARLENE GAY SANTOS | Senior Assistant Vice President | | 17,476 | 12,418 | 13,225 | - | 16,669 | - | 16,669 |
| 6 BLESILDA S. BESABE ¹ | Rank & File | | 195 | - | - | - | 195 | - | 195 |
| 7 CARMEL F. TORRALBA ¹ | Manager | | 46,810 | - | 23,417 | - | 23,393 | - | 23,393 |
| 8 CHERRY LOU R. LORENZO ¹ | Rank & File | | 55,243 | - | - | - | 55,243 | - | 55,243 |
| 9 DAISY C. SALONGA | Vice President | | 26,366 | - | 26,366 | - | - | - | - |
| 10 DARIUS DE GUZMAN | Manager | | 7,194 | 28,980 | 8,280 | - | 27,894 | - | 27,894 |
| 11 DAVID MOTLEY ¹ | Rank & File | | 13,730 | - | - | - | 13,730 | - | 13,730 |
| 12 DIANNE MONIQUE G. GARCIA ¹ | Rank & File | | 3,212 | - | - | - | 3,212 | - | 3,212 |
| 13 EDELITA P. SUYO ¹ | Rank & File | | - | - | - | - | - | - | - |
| 14 ENRICO U. CAMINCE | Manager | | 34,794 | 12,641 | 17,284 | - | 30,151 | - | 30,151 |
| 15 EVELYN N. BUENO ¹ | Rank & File | | 66,641 | - | - | - | 66,641 | - | 66,641 |
| 16 FRANCIS ALBERT J. ALVAREZ | Senior Manager | | - | 7,886 | 7,886 | - | - | - | - |
| 17 IRENE C. LOZADA ¹ | Manager | | 45,609 | 78,678 | 62,028 | - | 62,259 | - | 62,259 |
| 18 IVY E. MAGTALAS | Senior Manager | | 15,885 | 13,457 | 21,567 | - | 7,855 | - | 7,855 |
| 19 JACKLYN M. MELLENDEZ | Rank & File | | 16,381 | 28,979 | 27,420 | - | 17,940 | - | 17,940 |
| 20 JAVIER JAIME JOSE | First Vice President | | 33,640 | 55,250 | 55,468 | - | 35,422 | - | 35,422 |
| 21 JANNETH F. ROLDAN | Rank & File | | 10,466 | - | - | - | 10,466 | - | 10,466 |
| 22 JOSE VINCENT B. DALINO ¹ | Rank & File | | - | - | - | - | - | - | - |
| 23 MARIA CARMEN C. ORTIZ | Manager | | 3,061 | 15,978 | 16,376 | - | 2,663 | - | 2,663 |
| 24 MARILYN T. DELA PAZ ¹ | Manager | | 5,466 | 11,145 | 16,611 | - | - | - | - |
| 25 MARTHS B. BALAJADIA | Senior Manager | | 24,732 | 40,348 | 38,176 | - | 26,904 | - | 26,904 |
| 26 MARK QUINTIN G. NUNEZ ¹ | Rank & File | | 18,656 | - | - | - | 18,656 | - | 18,656 |
| 27 NATALIE S. MAGALONA ¹ | Manager | | 35,960 | - | - | - | 35,960 | - | 35,960 |
| 28 PATRICK BASOBAS ¹ | Rank & File | | 15 | - | - | - | 15 | - | 15 |
| 29 RAUL G. TUMANGDAY | Senior Manager | | 4,421 | 6,691 | 7,209 | - | 3,903 | - | 3,903 |
| 30 REGINA LOURDES D. PAPA | Senior Assistant Vice President | | 31,871 | 14,193 | 34,828 | - | 11,236 | - | 11,236 |
| 31 REGINA S. RAMOS ¹ | Rank & File | | - | - | - | - | - | - | - |
| 32 ROJANE C. MENDOZA | Manager | | 47,938 | 91,831 | 88,838 | - | 50,931 | - | 50,931 |
| 33 RUBYLEN T. VILLAMER | Rank & File | | - | - | - | - | - | - | - |
| 34 RUSSELL B. AGUSTIN | Manager | | 17,444 | - | 17,444 | - | - | - | - |
| 35 VICTOR DEL ROSARIO TANJUA ¹ | Rank & File | | 21,600 | - | - | - | 21,600 | - | 21,600 |
| 36 VON EDWARD EBRO N | Senior Asst. Vice President | | 23,052 | 64,458 | 62,111 | - | 25,399 | - | 25,399 |
| 37 FRANCISCO ANDRES B. LAGMA ¹ | Rank & File | | 30,386 | 14,510 | 31,076 | - | 13,820 | - | 13,820 |
| 38 AMILLET GUTIERREZ | Rank & File | | 22,806 | 40,347 | 38,176 | - | 24,977 | - | 24,977 |
| 39 CINDERELLA M. GERMANO ¹ | Vice President | | 39,693 | - | 35,117 | - | 4,576 | - | 4,576 |
| 40 RUTH FATIMA YLASC0 | Rank & File | | 32,760 | 57,960 | 54,840 | - | 35,880 | - | 35,880 |
| 41 SHERWIN T. PARUNGAO | Senior Manager | | 28,144 | 11,995 | 17,796 | - | 22,341 | - | 22,341 |
| 42 LILIE G. REDON ¹ | Rank & File | | 11,401 | - | - | - | 11,401 | - | 11,401 |
| 43 JACQUELINE MICHELLE C. DY | Vice President | | 9,596 | - | 9,596 | - | - | - | - |
| 44 GREZIEL R. CURAMING | Senior Manager | | 24,520 | 57,159 | 34,712 | - | 46,967 | - | 46,967 |
| 45 CHARICE C. CORTES ¹ | Rank & File | | - | - | - | - | - | - | - |
| 46 MIKAELA S. GALANG | Rank & File | | 15,561 | 27,531 | 26,049 | - | 17,043 | - | 17,043 |
| 47 JOEL CLARO A. PERLADO ¹ | First Vice President | | 8,583 | 8,794 | 9,683 | - | 7,694 | - | 7,694 |
| 48 NERISSA QUEBEC | Rank & File | | - | - | - | - | - | - | - |
| 49 SAM ATTVO ¹ | Rank & File | | 16,380 | 84,042 | 48,396 | - | 52,026 | - | 52,026 |
| 50 AYR AINNIE MANIO | Manager | | 2,142 | 12,156 | 11,259 | - | 3,039 | - | 3,039 |
| 51 AYESA LOUISE LOGO ¹ | Rank & File | | - | - | - | - | - | - | - |
| 52 RIJZA ANGELICA EUGENIO ¹ | Rank & File | | 16,381 | 2,414 | 16,380 | - | 2,415 | - | 2,415 |
| 53 ANNYKYE VITUG | Manager | | 4,841 | 7,447 | 7,944 | - | 4,344 | - | 4,344 |
| 54 JOSE AUGURIO JR N DE VERA | Vice President | | 9,936 | 12,939 | 9,134 | - | 13,741 | - | 13,741 |
| 55 MAI BAGLI | Rank & File | | 17,735 | 28,980 | 28,775 | - | 17,940 | - | 17,940 |
| 56 MARIA LORENA TABAO | Rank & File | | 26,898 | 40,348 | 42,269 | - | 24,977 | - | 24,977 |
| 57 JUDITH VELANO | Asst. Vice President | | - | 33,681 | 19,645 | - | 14,036 | - | 14,036 |
| 58 RASTY M. RASTRULLO | Rank & File | | - | 45,885 | 27,945 | - | 17,940 | - | 17,940 |
| 59 MARIA THERESA C. ROA ¹ | Rank & File | | - | 27,047 | 4,918 | - | 22,129 | - | 22,129 |
| 60 JERICO C. SANTIAGO | Rank & File | | - | 27,531 | 10,488 | - | 17,043 | - | 17,043 |
| 61 KEVIN DOMINIC A. GARCIA ¹ | Supervisor | | - | 27,531 | 9,177 | - | 18,354 | - | 18,354 |
| 62 DARIUS M. DE GUZMAN | Manager | | - | 27,531 | 5,382 | - | 22,149 | - | 22,149 |
| 63 SIDNEY C. ALONZO | Manager | | - | 52,693 | 7,864 | - | 44,829 | - | 44,829 |
| 64 MELIZZE YVONNE MEJICO | Supervisor | | - | 54,097 | 8,873 | - | 45,224 | - | 45,224 |
| ¹ Resigned and retired employees | | | 1,110,273 | 1,257,865 | 1,121,171 | - | 1,246,967 | - | 1,246,967 |
| GRAND TOTAL | | | 10,880,029 | 3,207,865 | 4,575,657 | - | 5,532,269 | 3,979,968 | 9,512,237 |

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
Schedule C - Amounts Receivable from Related Parties which are
eliminated during the consolidation of financial statements
December 31, 2025

| Name of employee | Designation | Bal. at beg. of period | Additions | Deductions | | Ending Balance | | Balance at end of period |
|------------------|-------------|---------------------------|-----------|-----------------------|-------------------------|----------------|-------------|-----------------------------|
| | | | | Amonunts collected | Amonunts Written off | Current | Non-Current | |

NA

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
Schedule D - Long-term Debt
December 31, 2025

| 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, 2025

| Name of related party (i) | Balance at beginning of period | Balance at end of period (ii) |
|------------------------------|-----------------------------------|----------------------------------|
|------------------------------|-----------------------------------|----------------------------------|

NA

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2025

| 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, 2025

| 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 BANCOM 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 BFI/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 CORPORATION | Common | 1,872,400.00 | NIL | - | - | 1,872,400 |
| 17 FEDERAL PHOENIX ASSURANCE COMPANY INC | Common | 3,786,300.00 | NIL | - | - | 3,786,300 |
| 18 PGU 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 ASIA INS. 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 INC | 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 ZENTH 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 |

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|-----|---|--------|--------------|-----|---|-----|-----------|
| 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 YTURRALDE | Common | 75,700.00 | NIL | - | - | 75,700 |
| 120 | MACROHON JR., IGNACIO | Common | 100.00 | NIL | - | - | 100 |
| 121 | LIM, 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 SANLUIS | 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 P. 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., ALONSO 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 P. | 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 | JUNTERREAL 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 | CARRIDO, 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 |

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|--------------|--|--------|-------------------------|-----|----------------------|----------------|--------------------|
| 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 | MALLILIN, 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 JOSEPHINI | 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 TITIA 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, DANILLO 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, ALPONSO 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, VLADEMR 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 CORPORATION | 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 ITP LI 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 DULALLA | Common | 1,000.00 | NIL | - | - | 1,000 |
| 249 | WILFREDO C. MALDIA | 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 ASSURANCE | Common | 3,597,700.00 | NIL | - | - | 3,597,700 |
| 262 | EVELINA G. ESCUDERO | Common | 1.00 | NIL | - | 1 | - |
| 263 | SGI PHILIPPINES GENERAL INSURANCE COMPA | 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 | EMMANUEL L. SAMSON | Common | 1.00 | NIL | - | - | 1 |
| 267 | RITA E. RIDDLE | Common | 1.00 | NIL | - | - | 1 |
| 268 | ENRICO GREGORIO M. TRINIDAD | Common | 1.00 | NIL | - | 1 | - |
| 269 | SUSANA C. FONG | Common | 1.00 | NIL | - | 1 | - |
| 270 | PCD NOMINEE CORP - FILIPINO | Common | 1,684,742,082.00 | NIL | 1,684,742,082 | - | - |
| 271 | PCD NOMINEE CORP - NON FILIPINO | Common | 10,465,510.00 | NIL | - | - | 10,465,510 |
| Total | | | 2,123,605,600.00 | | 2,015,296,682 | 453,303 | 107,855,615 |

**RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025**

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
31/F BPI AIA Makati, 6811 Ayala Avenue, Makati City

| | | |
|---|------------|-----------------------|
| Unappropriated Retained Earnings, beginning of the reporting period | | P1,130,359,906 |
| Add: Category A: Items that are directly credited to Unappropriated Retained Earnings | | |
| Reversal of Retained Earnings Appropriation/s | P- | |
| Effect of restatements or prior-period adjustments | - | |
| Others (describe nature) | - | - |
| Less: Category B: Items that are directly debited to Unappropriated Retained Earnings | | |
| Dividend declaration during the reporting period | - | |
| Retained Earnings appropriated during the reporting period | 82,948,988 | |
| Effects of restatements or prior-period adjustments | - | |
| Others (describe nature) | - | 82,948,988 |
| Unappropriated Retained Earnings, as adjusted | | 1,047,410,918 |
| Add/Less: Net Income for the current year | | 829,489,879 |
| Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax) | | |
| Equity in net income of associate/joint venture, net of dividends declared | - | |
| Unrealized foreign exchange gain, except those attributable to cash and cash equivalents | 32,750,644 | |
| Unrealized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | 66,810,327 | |
| 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 | | 99,560,971 |
| 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) | | |
| Realized foreign exchange gain, except those attributable to cash and cash equivalents | 9,650,845 | |
| Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | 21,981,557 | |
| 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 | | 31,632,402 |

Forward

| | | |
|--|---------------|-----------------------|
| 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) | | |
| Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents | (P25,836,315) | |
| Reversal of previously recorded fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | (6,780,190) | |
| 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 | | (P32,616,505) |
| Adjusted Net Income/Loss | | 728,944,805 |
| Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax) | | |
| Depreciation on revaluation increment (after tax) | – | |
| Sub-total | | – |
| Add/Less: Category E: Adjustment related to relief granted by the SEC and BSP | | |
| Amortization of the effect of reporting relief | – | |
| Total amount of reporting relief granted during the year | – | |
| Others (describe nature) | – | |
| Sub-total | | – |
| Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution | | |
| 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 | (94,475,017) | |
| 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 | (955,261) | |
| Adjustment due to deviation from PFRS/GAAP - gain (loss) | – | |
| Others (describe nature) | – | |
| Sub-total | | (95,430,278) |
| Total Retained Earnings, end of the reporting period available for dividend | | P1,680,925,445 |

Map of Conglomerate As of December 31, 2025
NATIONAL REINSURANCE CORPORATION OF THE
PHILIPPINES
31st floor BPI AIA 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, 2025

| | Current Year | Prior Year |
|---|-------------------|-------------------|
| Total Audit Fees | P3,916,000 | P1,139,000 |
| Non-audit services fees: | | |
| Other assurance services | 30,000 | 30,000 |
| Tax services | - | - |
| All other services | - | - |
| Total Non-audit Fees | 30,000 | 30,000 |
| Total Audit and Non-audit Fees | P3,946,000 | P1,169,000 |
| Audit and Non-audit fees of other related entities | | |
| | Current Year | Prior Year |
| Audit fees | P - | P - |
| Non-audit services fees: | | |
| Other assurance services | - | - |
| Tax services | - | - |
| All other services | - | - |
| Total Audit and Non-audit Fees of other related entities | P - | P - |