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## Information Statement

1 message

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

Wed, May 20, 2026 at 2:43 PM

Dear Sir/Madam:

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

Company Name: National Reinsurance Corporation of the Philippines

Reference Number: 0018498-2026

Date and Time: Wednesday, May 20, 2026 14:42 PM

Template Name: Information Statement

Report Number: CR03764-2026

Best Regards,  
PSE EDGE

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COVER SHEET

SEC Registration Number

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

(Company's Full Name)

31 F B P I A I A M A K A T I 6 8 1 1 A Y A L A A V E N U E , M A K A T I C I T Y

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

Atty. Ma. Pilar Pilares-Gutierrez
Atty. Melina Rose E. Gutierrez
Contact Person

8817-6791 to 95
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC Form 20-IS
Definitive Information Statement
FORM TYPE

0 6 2 4
Month Day
Annual Meeting

Secondary License Type, If Applicable

C F D
Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

**Definitive Information Statement**

2. Name of Corporation 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**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **80118**

5. BIR Tax Identification Code: **000-480-869**

6. Address of principal office Postal Code: **31st Floor BPI AIA Makati  
6811 Ayala Avenue, Makati City  
1209 Philippines**

7. Corporation's telephone number, including area code: **(632) 8988-7400**

8. Date, time and place of the meeting of security holders ([Nat Re ASM Webpage](#)):  
**June 24, 2026  
Wednesday, 2:00 P.M.  
Carlos P. Romulo Auditorium  
4F, Tower II, RCBC Plaza  
6819 Ayala Avenue, Makati City**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:  
**May 27, 2026**

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **The Management of the Corporation**

Address and Telephone No.: **31st Floor, BPI AIA Makati  
6811 Ayala Avenue, Makati City  
1209 Philippines  
Telephone number: (632)-8988-7400**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

<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

12. Are any or all of Corporation's Securities Listed with the Philippine Stock Exchange?

Yes (√)

No ( )



**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
JUNE 24, 2026 / 2:00 P.M.**

**DEAR STOCKHOLDERS:**

Please be advised that the Annual Meeting of Stockholders of **NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES** (the "**Company**") will be held on June 24, 2026, Wednesday, at 2:00 p.m., at the Carlos P. Romulo Auditorium, 4F, Tower II, RCBC Plaza, 6819 Ayala Avenue, cor. Gil Puyat Avenue, Makati City, with the following agenda:

1. Call to Order
2. Proof of Notice of Meeting and Certification of Quorum
3. Approval of Minutes of Previous Stockholders' Meeting held on June 25, 2025
4. Management Report for the Year Ended December 31, 2025
5. Ratification of All Acts of the Board of Directors and Officers during the Preceding Year
6. Appointment of Independent Auditors
7. Election of Directors
8. Other Matters
9. Adjournment

Only stockholders of record at the close of business on May 11, 2026 are entitled to notice of, to attend, and to participate in this year's Annual Meeting of the Stockholders. Stockholders who are unable to attend the Annual Meeting in person may execute a proxy or vote in absentia.

**Proxy**

Proxies must be submitted and addressed to the attention of the Corporate Secretary at the 31st Floor BPI AIA Makati, 6811 Ayala Avenue, Makati City, Philippines or via email at [asm@nat-re.com](mailto:asm@nat-re.com) not later than 3:00 p.m. on or before June 11, 2026.

A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the proxy. Validation of proxies shall be held on June 19, 2026, at 2:00 p.m. at the principal office of the Corporation.

**Voting in Absentia**

Stockholders who intend to vote in absentia must submit the requirements by email at [asm@nat-re.com](mailto:asm@nat-re.com) or at the registration portal. Please refer to this link for the list of requirements - <https://www.nat-re.com/investor-relations/annual-stockholders-meeting/#rvj>.

The link for the online voting facility will be emailed to the concerned stockholders after the Company has validated the submitted requirements. Stockholders may cast their votes in absentia from May 27, 2026, until 12:00 p.m. of June 24, 2026.

**On-site Registration**

To avoid any inconvenience in registering your attendance at the meeting, you or your duly designated proxy, are required to bring this Notice, and any identification documents containing a photograph and signature, such as a passport, driver's license, or any government-issued identification. Registration starts at exactly 1:00 p.m. and will close at 2:00 p.m. on June 24, 2026.

Copies of the Notice of the Meeting, Definitive Information Statement, and other related documents in connection with the annual meeting may be accessed through the company's website and through the PSE Edge portal at <https://edge.pse.com.ph>.

For any concerns, please reach us through [asm@nat-re.com](mailto:asm@nat-re.com).

For complete information on the Company's annual meeting, please visit [www.nat-re.com/investor-relations/annual-stockholders-meeting](http://www.nat-re.com/investor-relations/annual-stockholders-meeting).

May 20, 2026, Makati City, Metro Manila.

For the Board of Directors,

  
**MA. PILAR M. PILARES-GUTIERREZ**  
Corporate Secretary

**ANNEX A  
EXPLANATION OF AGENDA ITEMS**

**1. Call to Order**

The Chairman will welcome the stockholders and guests and formally begin the 2026 Annual Stockholders' Meeting of National Reinsurance Corporation of the Philippines.

**2. Report on Attendance and Quorum**

The Corporate Secretary will certify that the Notice of Meeting was sent to all stockholders of record as of May 11, 2026, by publication thereof in the business section of at least two newspapers of general circulation in both print and online format at least 21 days prior to the meeting. She will also certify that the notice was submitted to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE), in accordance with rules and regulations of the SEC and the PSE.

She will further certify on the existence of a quorum there being present in person or by proxy, the stockholders representing at least a majority of the outstanding capital stock.

**3. Approval of Minutes of Previous Stockholders' Meeting**

Stockholders will be requested to approve the minutes of the Stockholder's Meeting held on June 25, 2025 which contain, among others: (a) report of the President and CEO, (b) ratification of the acts of the board of directors/officers, (c) election of directors, and (d) re-election of Mr. Medel T. Nera as independent director.

The minutes of the meeting are posted at the Corporation's website, visit [www.nat-re.com/investor-relations/annual-stockholders-meeting](http://www.nat-re.com/investor-relations/annual-stockholders-meeting) and we request our stockholders to refer to it for good order.

**4. Management Report for the Year Ended December 31, 2025**

The President will report to the stockholders the result of the Company's performance for the year ending December 31, 2025.

**5. Ratification of All Acts of the Board of Directors and Officers During the Preceding Year**

The Stockholders will be requested to approve all acts, decisions, and resolutions of the Board of Directors, and Officers of National Reinsurance Corporation of the Philippines made or undertaken in the year 2025 and until the date of the Stockholders' Meeting on June 24, 2026, as these are recorded in the books and records of the Corporation.

**6. Appointment of Independent Auditors**

The stockholders will be requested to approve, ratify and confirm the appointment of R.G. Manabat & Co., KPMG Philippines as the Independent Auditors of the Company for the audit period covering the year 2026.

**7. Election of Directors, including the Independent Directors**

The Chairman will present to the stockholders the nominees for election as members of the Board of Directors, including the Independent Directors. The list of nominees with their profiles are included in the Definitive Information Statement which can be accessed through the company's website or through this link [www.nat-re.com/investor-relations/annual-stockholders-meeting](http://www.nat-re.com/investor-relations/annual-stockholders-meeting).

**8. Other Matters**

The Chairman will open the floor for comments or queries by the stockholders. Stockholders may raise matters which may be properly taken up during the 2026 Annual Stockholders' Meeting.

**9. Adjournment**

After consideration of all business, the Chairman shall declare the meeting adjourned. This formally ends the 2026 Annual Meeting of Stockholders of the National Reinsurance Corporation of the Philippines.

REPUBLIC OF THE PHILIPPINES )  
CITY OF \_\_\_\_\_ ) S.S.

**SECRETARY’S CERTIFICATE**

I, [Name of Corporate Secretary], of legal age, Filipino, with office address at [Address of Corporate Secretary], after having been sworn in accordance with law hereby depose and state that:

1. I am the Corporate Secretary of [name of corporate stockholder of NRCP] (the “Corporation”), with offices at \_\_\_\_\_;
2. In a meeting of the Board of Directors of the Corporation held at its office on \_\_\_\_\_, the following resolution was approved:

*“RESOLVED, That the Board of Directors of the Corporation authorize, as it hereby authorizes the following officers of the Corporation, to designate the proxy or otherwise act as proxy of the Corporation, authorized to vote the shares of the Corporation during the 2026 Annual Stockholders’ Meeting of National Reinsurance Corporation of the Philippines, and any of the following is likewise authorized to sign, execute and deliver, any proxy form and such other documents, forms, instruments, or papers as may be required in order to represent the shares of the Corporation at the said Annual Stockholders’ Meeting:*

Name

Specimen Signature

\_\_\_\_\_  
\_\_\_\_\_

**IN WITNESS WHEREOF**, I hereunto affixed my signature this \_\_\_\_\_, at Makati City, Metro Manila.

\_\_\_\_\_  
Corporate Secretary

**SUBSCRIBED AND SWORN TO BEFORE ME**, a Notary Public for and in the City of \_\_\_\_\_, Philippines, this \_\_\_\_\_, by the affiant, whose identity I have confirmed through his/her Passport No. \_\_\_\_\_, bearing the affiant’s photograph and signature, and who showed to me his/her Community Tax Certificate No. \_\_\_\_\_ issued at \_\_\_\_\_ City, on \_\_\_\_\_, 2026.

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2026.

## NOMINEES FOR REGULAR DIRECTORS PROFILE



**Evelina G. Escudero, 83 years old, Filipino, 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, 72 years old, Filipino, 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-Sucat, 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, 59 years old, Filipino, 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 years 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, 61 years old, Filipino, 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 years 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.



**Rafael G. Ayuste, Jr., 62 years old, Filipino, 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 years 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.



**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 of 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.

## NOMINEES FOR INDEPENDENT DIRECTORS PROFILE



**Roberto G. Manabat**, 79 years old, Filipino, 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**, 63 years old, Filipino, 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.



**Dominador T. Gregorio III, Filipino, 65 yrs. old, Independent Director since April 2026**

Mr. Dominador T. Gregorio III is the President and a Senior Managing Director in the Corporate Finance & Restructuring Practice of FTI Consulting Philippines, Inc. He has more than 35 years of professional experience in corporate finance advisory including mergers and acquisitions, valuations, transaction support, corporate debt restructuring and general financial advisory. His industry expertise includes financial services, real estate, power/renewable energy, and infrastructure.

Prior to joining FTI Consulting, Mr. Gregorio provided similar services as a partner and co-head of the Financial Advisory Services group for Deloitte in Almaty, Kazakhstan. From 2003 to 2007, he was the Chief Operating Officer and Managing Director of Ernst & Young Transaction Advisory Services, Inc. in the Philippines. He was a partner and was head of SGV & Co.'s Corporate Finance Division.

Mr. Gregorio spent seven years as a relationship manager and restructuring specialist at Citicorp Real Estate, Inc. (Citibank N.A.) in New York, Minneapolis, and Dallas, U.S.A.

Mr. Gregorio is an Independent Director in Home Credit Consumer Philippines, and Cebuana Lhuillier Rural Bank. He was a previous Independent Director in Sunlife Investment Management and Trust Corporation.

Mr. Gregorio holds a joint degree, Master of Business Administration from the Wharton School and a Master of Arts in International Studies from the Lauder Institute of Management and International Studies, University of Pennsylvania. He graduated from the University of the Philippines with a Bachelor of Science in Business Administration and Accountancy, cum laude. In 2008, he was a UP Virata School of Business Distinguished Alumni Awardee. Mr. Gregorio is a Certified Public Accountant, a Licensed Real Estate Broker and a Fellow & Faculty Lecturer of the Institute of Corporate Directors, Philippines.

**PROXY<sup>1</sup>**  
**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

PROXY SOLICITED ON BEHALF OF THE MANAGEMENT OF NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES FOR THE ANNUAL STOCKHOLDERS' MEETING TO BE HELD ON JUNE 24, 2026, WEDNESDAY, AT 2:00P.M. AT THE CARLOS P. ROMULO AUDITORIUM, 4F, RCBC PLAZA, 6819 AYALA AVENUE, MAKATI CITY

The Undersigned hereby appoints:

- (a) The Chairperson of the Board of Directors of National Reinsurance Corporation of the Philippines, or in her absence, the President of National Reinsurance Corporation of the Philippines
- (b) \_\_\_\_\_<sup>2</sup>

to act for me and on my/our behalf at the National Reinsurance Corporation of the Philippines Annual Stockholders' Meeting to be held on June 24, 2026 (and as may be rescheduled and / or adjourned) and to vote for me/us as indicated below or, if no such indication is given, as my/our proxy thinks fit:

	<b>RESOLUTIONs</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1	Approval/ratification of the Minutes of the Annual Stockholders' Meeting held on June 25, 2025			
2	Approval of the Management Report for the Year Ended December 31, 2025			
3	Ratification of all Acts of the Board of Directors and Officers during the preceding year			
4	Appointment of R.G. Manabat & Co. (KPMG Philippines) as Independent External Auditors for 2026			
5	Election of Directors 2026 -2027 1. Evelina G. Escudero 2. Yvonne S. Yuchengco 3. Allan R. Santos 4. Joli Co Wu 5. Rafael G. Ayuste, Jr. 6. Susana C. Fong 7. Maria Consuelo A. Lukban 8. Lester Ong 9. Antonio M. Rubin 10. Enrico Gregorio M. Trinidad 11. Dominador T. Gregorio III (Independent Director) 12. Roberto G. Manabat (Independent Director) 13. Rex Maria A. Mendoza (Independent Director)			

\_\_\_\_\_  
(Signature above printed name, including title when signing for a corporation) Date: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

<sup>1</sup> To be valid, a scanned signed copy of this proxy must be emailed on or before June 11, 2026 to [asm@nat-re.com](mailto:asm@nat-re.com).  
<sup>2</sup> If no name is provided, the Chairperson of the Meeting will act as the proxy.

THIS PROXY NEED NOT BE NOTARIZED.

REPUBLIC OF THE PHILIPPINES )  
CITY OF \_\_\_\_\_ ) S.S.

**SECRETARY'S CERTIFICATE**

I, [Name of Corporate Secretary], of legal age, Filipino, with office address at [Address of Corporate Secretary], after having been sworn in accordance with law hereby depose and state that:

1. I am the Corporate Secretary of [name of corporate stockholder of NRCP] (the "Corporation"), with offices at \_\_\_\_\_;
2. In a meeting of the Board of Directors of the Corporation held at its office on \_\_\_\_\_, the following resolution was approved:

***"RESOLVED, That the Board of Directors of the Corporation authorize, as it hereby authorizes the following officers of the Corporation, to designate the proxy or otherwise act as proxy of the Corporation, authorized to vote the shares of the Corporation during the 2026 Annual Stockholders' Meeting of National Reinsurance Corporation of the Philippines, and any of the following is likewise authorized to sign, execute and deliver, any proxy form and such other documents, forms, instruments, or papers as may be required in order to represent the shares of the Corporation at the said Annual Stockholders' Meeting:***

Name

Specimen Signature

\_\_\_\_\_  
\_\_\_\_\_

**IN WITNESS WHEREOF**, I hereunto affixed my signature this \_\_\_\_\_, at Makati City, Metro Manila.

\_\_\_\_\_  
Corporate Secretary

**SUBSCRIBED AND SWORN TO BEFORE ME**, a Notary Public for and in the City of \_\_\_\_\_, Philippines, this \_\_\_\_\_, by the affiant, whose identity I have confirmed through his/her Passport No. \_\_\_\_\_, bearing the affiant's photograph and signature, and who showed to me his/her Community Tax Certificate No. \_\_\_\_\_ issued at \_\_\_\_\_ City, on \_\_\_\_\_, 2026.

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2026.

**PART I**  
**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

**Item 1. Date, Time and Place of Meeting ([Nat Re ASM Webpage](#)):**

Date	:	June 24, 2026
Time	:	2:00 P.M.
Place	:	Carlos P. Romulo Auditorium 4F, Tower II, RCBC Plaza 6819 Ayala Avenue, Makati City
Mailing Address	:	<b>National Reinsurance Corporation of the Philippines</b> 31 <sup>st</sup> Floor, BPI AIA Makati 6811 Ayala Avenue, Makati City, 1209 Philippines
Telephone Number	:	(632) 8988-7400

The Corporation will be holding a physical (face-to-face) meeting.

The enclosed proxy is solicited for and on behalf of the Management of **NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**, *doing business under the names and styles of Nat Re; Philippine National Reinsurance Company; PhilNaRe* (hereinafter called the “Company” or “Nat Re”) for use in connection with the annual meeting of the stockholders of the Company.

The approximate date on which the Information Statement shall be provided to the stockholders of record as of May 11, 2026 (the “Record Date”) will be on or before May 27, 2026, through publication of the Notice of Annual Stockholders Meeting with QR Code, in the business section of two (2) newspapers of general circulation, in both print and online format for two (2) consecutive days.

The matters to be considered and acted upon at such meeting are referred to in the Notice and are more fully discussed in this statement.

**Item 2. Dissenter’s Right of Appraisal**

The dissenter’s right of appraisal under Section 80 of the Revised Corporation Code of the Philippines is not applicable in any of the matters to be submitted to the stockholders. The agenda for the annual stockholders’ meeting does not include any matter which would give rise to the appraisal right of the stockholders under Section 80 of the Revised Corporation Code.

Under the Revised Corporation Code, appraisal right shall arise when a dissenting stockholder votes against a proposed corporate action. In such a case, the dissenting stockholder may make a written demand for the payment of the fair value of his shares within 30 days from the date on which the vote was taken.

**Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon, other than election to office. No director has informed the Corporation in writing of any intention to oppose any action to be taken during the meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **Item 4. Voting Securities and Principal Holders thereof**

- (a) As of the Record Date, which is May 11, 2026, the date to determine the stockholders entitled to notice and to vote at the annual stockholders meeting on June 24, 2026, the Corporation has the following outstanding shares:

Common shares (voting) - 2,123,605,600 shares\*

*\*As of April 30, 2026, outstanding common shares of 12,846,500 under PCD nominee account representing 0.60% of the outstanding capital stock are held by foreign shareholders.*

- (b) Only holders of Common Shares as of the Record Date shall be entitled to vote in the election of directors in the manner provided hereunder. On the approval of the minutes of the previous meeting, ratification of all acts of the Board of Directors and officers during the previous year, and approval of the appointment of the independent auditor, each share of outstanding common stock is entitled to one vote.
- (c) In the election of directors, every stockholder entitled to vote shall have the right to vote in absentia or by proxy the number of common shares of stock standing in his name at record date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by a stockholder shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

The Amended By-laws of the Corporation, approved by the Securities and Exchange Commission on January 3, 2022, allow the stockholders to attend the stockholders' meetings and to exercise their right to vote in absentia or through remote communication. The registration and voting procedures are further detailed in the *Guidelines for Participating via Remote Communication and Voting in Absentia*.

**(d) Security Ownership of Certain Record and Beneficial Owners**

The following table sets forth as of April 30, 2026, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Corporation and the amount of such record and/or beneficial ownership.

<b>Title of Class</b>	<b>Name, Address of Record Owner and Relationship with Issuer</b>	<b>Name and Address of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>Number of Shares Held</b>	<b>Percent Per Class</b>
Common	Bank of Philippine Islands <sup>1</sup> Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo St., Legaspi Village, Makati City	Bank of Philippine Islands <sup>1</sup> Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo St., Legaspi Village, Makati City	Filipino	290,795,500	13.69%
Common	PCD Nominee Corporation. (Filipino) <sup>2,3</sup> G/F MSE Building 6754 Ayala Ave. Makati City	Government Service Insurance System <sup>2,3</sup> New GSIS Headquarters, Financial Center, Pasay City	Filipino	547,465,392	25.78%
Common	PCD Nominee Corporation. (Filipino) <sup>2,4</sup> G/F MSE Building 6754 Ayala Ave. Makati City	MICO Equities Inc. <sup>2,4</sup> Yuchengco Bldg., 484 Quintin Paredes Street, Manila	Filipino	273,716,100	12.89%

**(e) Security Ownership of Management**

The following table sets forth as of April 30, 2026, the record or beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	Evelina G. Escudero	1 Record	Filipino	0.000000%
Common	Yvonne S. Yuchengco	100 Record 26,000 Beneficial	Filipino	0.001229%

<sup>1</sup> The shares of BPI will be voted by the person to be designated by BPI in the proxy that will be submitted to the Corporation. The deadline for submission of proxies is on June 11, 2026.

<sup>2</sup>The PCD is not related to the Company. The 547,465,392 shares and 273,716,100 shares beneficially owned by GSIS and MICO Equities, respectively, form part of the 1,682,694,792 shares registered in the name of PCD Nominee Corporation (Filipino).

<sup>3</sup> The shares of GSIS will be voted by the person to be designated by GSIS in the proxy that will be submitted to the Corporation on or before June 11, 2026.

<sup>4</sup> The shares of MICO Equities, Inc. will be voted by the person to be designated by MICO Equities in the proxy that will be submitted to the Corporation on or before June 11, 2026.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Allan R. Santos	5,000 Record 1,208,000 Beneficial	Filipino	0.057120%
Common	Joli Co Wu	344,100 Record 260,000 Beneficial	Filipino	0.028447%
Common	Maria Consuelo A. Lukban	50 Record	Filipino	0.000002%
Common	Antonio M. Rubin	1,000 Record 10,000 Beneficial	Filipino	0.000518%
Common	Rafael G. Ayuste, Jr.	100,000 Record	Filipino	0.004709%
Common	Lester Ong	50 Record	Filipino	0.000002%
Common	Susana C. Fong	1 Record	Filipino	0.000000%
Common	Enrico Gregorio M. Trinidad	1 Record	Filipino	0.000000%
Common	Roberto G. Manabat	1,000 Record	Filipino	0.000047%
Common	Rex Maria A. Mendoza	1,000 Record	Filipino	0.000047%
Common	Dominador T. Gregorio III	1,000 Record	Filipino	0.000047%
	<b>TOTAL FOR DIRECTORS</b>	<b>1,957,303</b>		<b>0.092169%</b>
Common	Santino U. Sontillano	10,000	Filipino	0.000471%
	<b>TOTAL FOR OFFICER</b>	<b>10,000</b>		<b>0.000471%</b>
	<b>GRAND TOTAL</b>	<b>1,967,303</b>		<b>0.092640%</b>

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

**(f) 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.

**(g) 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 5. Directors and Executive Officers**

**(a) Incumbent Directors and Executive Officers.**

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

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Citizenship</b>
Evelina G. Escudero	Director/Chairperson of the Board	83	Filipino
Yvonne S. Yuchengco	Director/Vice Chairperson of the Board	72	Filipino
Allan R. Santos	Director/President/Chief Executive Officer	59	Filipino
Joli Co Wu	Director/Treasurer	59	Filipino
Enrico Gregorio M. Trinidad	Director	66	Filipino
Susana C. Fong	Director	67	Filipino
Maria Consuelo A. Lukban	Director	61	Filipino
Lester Ong	Director	43	Filipino
Antonio M. Rubin	Director	75	Filipino
Rafael G. Ayuste, Jr.	Director	62	Filipino
Rex Maria A. Mendoza	Independent Director	63	Filipino
Roberto G. Manabat	Independent Director	79	Filipino
Dominador T. Gregorio III	Independent Director	65	Filipino

*Following is the list of the Corporation’s key officers as of April 30, 2026:*

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Citizenship</b>
Evelina G. Escudero	Chairperson of the Board	83	Filipino
Yvonne S. Yuchengco	Vice Chairperson of the Board	72	Filipino
Allan R. Santos	President and Chief Executive Officer	59	Filipino
Joli Co Wu	Treasurer	59	Filipino
Ma. Pilar M. Pilares-Gutierrez	Corporate Secretary	49	Filipino
Melina Rose Gutierrez-Ner	Assistant Corporate Secretary	42	Filipino
Jaime Jose M. Javier Jr.	Executive Vice President and Chief Operating Officer	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
Von Edward M. Ebron	Vice President, Head of Life Reinsurance and Administration	51	Filipino
Arlene Gay B. Santos	Vice President, Head of Life Data Administration and Facultative Underwriting	54	Filipino

**(b) 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.

**(c) Business experience of the Directors and Officers during the past five (5) years.**

**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-Sucate, 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 of 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.

**Dominador T. Gregorio III, Filipino, 65 yrs. old, Independent Director since April 2026**

Mr. Dominador T. Gregorio III is the President and a Senior Managing Director in the Corporate Finance & Restructuring Practice of FTI Consulting Philippines, Inc. He has more than 35 years of professional experience in corporate finance advisory including mergers and acquisitions, valuations, transaction support, corporate debt restructuring and general financial advisory. His industry expertise includes financial services, real estate, power/renewable energy, and infrastructure.

Prior to joining FTI Consulting, Mr. Gregorio provided similar services as a partner and co-head of the Financial Advisory Services group for Deloitte in Almaty, Kazakhstan. From 2003 to 2007, he was the Chief Operating Officer and Managing Director of Ernst & Young Transaction Advisory Services, Inc. in the Philippines. He was a partner and was head of SGV & Co.'s Corporate Finance Division.

Mr. Gregorio spent seven years as a relationship manager and restructuring specialist at Citicorp Real Estate, Inc. (Citibank N.A.) in New York, Minneapolis, and Dallas, U.S.A.

Mr. Gregorio is an Independent Director in Home Credit Consumer Philippines, and Cebuana Lhuillier Rural Bank. He was a previous Independent Director in Sunlife Investment Management and Trust Corporation.

Mr. Gregorio holds a joint degree, Master of Business Administration from the Wharton School and a Master of Arts in International Studies from the Lauder Institute of Management and International Studies, University of Pennsylvania. He graduated from the University of the Philippines with a Bachelor of Science in Business Administration and Accountancy, cum laude. In 2008, he was a UP Virata School of Business Distinguished Alumni Awardee. Mr. Gregorio is a Certified Public Accountant, a Licensed Real Estate Broker and a Fellow & Faculty Lecturer of the Institute of Corporate Directors, Philippines.

**Roberto G. Manabat, Filipino, 79 yrs. old, Lead Independent Director since April 2026 and 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 former Assistant Corporate Secretary (December 2002 – May 2025).**

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, Executive Vice President and Chief Operating Officer since January 2026 and Senior Vice President & Head of Life Reinsurance (September 2021-December 2025).**

Mr. Jaime Jose "Jimmy" M. Javier is Nat Re's Executive Vice President and Chief Operating Officer and formerly the Corporation's Senior Vice President and Head of Life Reinsurance from September 2021 to December 2025.

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.

**Von Edward M. Ebron, Filipino, 51 yrs. old, Vice President and Head of Life Reinsurance and Data Administration**

Mr. Von Edward “Woodie” M. Ebron possesses over 20 years of extensive experience in the insurance and reinsurance industry. His expertise encompasses actuarial analysis, product development, strategic marketing, project management, corporate sales, and operations management. Throughout his career, Mr. Ebron has held leadership positions in product management, strategic marketing, business development, and corporate sales.

Prior to joining Nat Re, Mr. Ebron held the position of Corporate Solutions Sales Director for Non-Bank of AXA Philippines. He also served as the Head of Brokerage for the Insurance Company of North America (ACE INA), which is now known as CHUBB (Philippine Branch), and the Head of Affinity Sales for Pioneer Life Inc.

Mr. Ebron holds a Bachelor of Science in Applied Mathematics, with a major in Actuarial Science, from the University of the Philippines Los Baños. He has also earned units in Master of Science in Actuarial Science from the University of the Philippines Diliman.

**Arlene Gay B. Santos, Filipino, 54 yrs. old, Vice President and Head of Life Data Administration and Facultative Underwriting**

Ms. Arlene Gay B. Santos has over 20 years of professional experience in the life insurance industry, with expertise in High Net Worth (HNW) underwriting, risk management, and claims management.

Prior to joining Nat Re, she was the Assistant Vice President of Underwriting in Manulife Philippines.

Ms. Santos is a graduate of Bachelor of Science in Mathematics from the University of Santo Tomas and has completed academic units for an MS in Applied Mathematics at UP Diliman. She is a Fellow of the Academy of Life Underwriting (FALU) and Fellow of the Life Management Institute (FLMI).

**Annual 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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
	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
	December 5, 2024	Emerging Markets Key Themes for 2025 Securing Your Legacy by: Prof. Enrique Soriano	BMI
	November 21, 2024	2024 Asian Banking & Finance	RCBC Wealth
	October 10, 2024	Australia Energy Transition – A Path to Net Zero	Insurance Asia
	October 1, 2024	8th NatRe Annual Technical Forum	BMI
	September 13, 2024	AMLC Registration and Reporting Guidelines	Nat Re
	July 23, 2024	2024 YGC Annual Corporate Governance Seminar: Transforming Boards to Succeed in a World of Disruption	Anti-Money Laundering Council
	July 6, 2024	Target Financial Sanctions	Yuchengco Group of Companies
	June 20, 2024	AML/CTF Fundamentals	Anti-Money Laundering Council
	June 4, 2024	PIRA Innovating to Include Expanding Financial Inclusion Through Agent Network Development	Anti-Money Laundering Council
	May 3, 2024	Board Strategy Planning Session	PIRA
	March 15, 2024	Cyberviser Executive Training Program on Cybersecurity Fundamentals	RCBC

Name of Director/Officer	Date of Training	Program	Name of Training Institution
	February 6 & 13, 2024	2023 Ayala Integrated Governance and Sustainability Summit	YGC-RCBC
	October 3, 2023	Building Trust and Ethical Leadership: Enhancing Corporate Governance for Sustainable Success	Institute of Corporate Directors
	September 9, 2023	The Board's Agenda: Mindset Shifts for a Sustainable and Equitable Future	Yuchengco Group of Companies
	October 18, 2022	2022 YGC Annual Corporate Governance Seminar "Going From Good to Great" via zoom	Institute of Corporate Directors
	November 19, 2022	Risk Management in the age of Covid	Yuchengco Group of Companies
	May 14, 2021	Economic Briefing for Insurance Industry Executives	Institute of Corporate Directors
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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
	April 26, 2023	Philippine Insurance Summit	PIRA
	June 23, 2022	Philippine Insurance Summit	Insurance Institute for Asia and the Pacific
	October 27, 2022	Sustainability and Ethics (Anti-Bribery & Fraud Prevention)	Willis Towers Watson and GGAPP
	October 31 to November 3, 2022	Singapore International Reinsurance Conference	Singapore Reinsurers' Association
	October 15, 2021	4 <sup>th</sup> ASEAN Reinsurance Working Committee Meeting	ASEAN Reinsurance Working Committee
	October 26, 2021	4 <sup>th</sup> ASEAN Insurance Summit	ASEAN Insurance Council
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	Institute of Corporate Directors

Name of Director/Officer	Date of Training	Program	Name of Training Institution
		Consequences. What Boards Can Do Against Ransomware Attacks	
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
	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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
10. Lester Ong (Director)	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. Dominador T. Gregorio III (Independent Director, Appointed April 1, 2026)	April 12, 2025	Sustainability for Finance	PICPA-ACCA
	November 21, 2025	12 <sup>th</sup> SEC Corporate Governance Forum	SEC
12. Roberto G. Manabat (Lead 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
	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	

Name of Director/Officer	Date of Training	Program	Name of Training Institution
	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
	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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
	October 21, 2021	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit	Institute of Corporate Directors
14. Atty. Ma. Pilar P. Gutierrez (Asst. 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	AMLC
	July 18, 2024	Targeted Financial Sanctions	AMLC
	July 7, 2024	AML/CTF Fundamentals	AMLC
	July 17, 2023	SEC Amnesty Program Made Easier (Streamlined Requirements and Procedure)	SEC
	April 12, 2023	SEC CAN! Webinar on the Grant of Amnesty (MC 2, s. 2023)	SEC
	March 30, 2023	Seminar on BIR and SEC Updates	Tax Management Association of the Philippines, Inc.
	March 21, 2022	Capacity Building Top Level Learning Module Designated Non-Financial Businesses and Professions Fundamentals of Money Laundering and Terrorism Financing and Overview of Risk Management System and Preventive Measures	Mr. Dante Fuentes, accredited Anti-Money Laundering Council (AMLC) trainer
	May 27, 2022	2022 SEC Communication, Advocacy and Network Webinar Series – As Easy as SEC: How to File Annual Reports	Securities and Exchange Commission (SEC)
June 13, 17, 20 & 24, 2022	2022 SEC-GRI Workshop Series	SEC & GRI	
October 27, 2022	Anti-Fraud Session	GGAPP	

Name of Director/Officer	Date of Training	Program	Name of Training Institution
	November 25, 2022	9th SEC-PSE Corporate Governance Forum	SEC & PSE
	August 18, 2021	Updates and Guidance on Sustainability Reporting for Philippine Publicly Listed Companies	SEC & GRI
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)	September 19, 2025	Annual Technical Forum	Nat Re
	September 13, 2024	8 <sup>th</sup> Annual Technical Forum	Nat Re
	July 23, 24 & 29, 2024	AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines	AMLC
	September 22, 2023	7th Annual Technical Forum	Nat Re
	October 27, 2022	Anti-Fraud Session	GGAPP
	November 9-10, 2021	Corporate Governance Orientation Program	Institute of Corporate Directors
17. Jose Augurio N. De Vera, Jr. (First Vice President)	September 19, 2025	Annual Technical Forum	Nat Re
	September 13, 2024	8 <sup>th</sup> Annual Technical Forum	Nat Re
	August 28-29, 2024	AML/CTF Fundamentals/ Targeted Financial Sanction	AMLC
	April 23-24, 2024	Corporate Governance Orientation Program	Institute of Corporate Directors
18. 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	8 <sup>th</sup> Annual Technical Forum	Nat Re
	July 23, 24, & 29, 2024	AML/CTF Fundamentals/ Targeted Financial Sanction/	AMLC

Name of Director/Officer	Date of Training	Program	Name of Training Institution
	May 3, 2024	Registration & Reporting Guidelines	PICPA
	November 24, 2023	Tax Treaty Relief Availment and Application Process	PICPA
	October 17, 2023	10th SEC-PSE Corporate Governance Forum	SEC & PSE
	July 6, 2023	Navigating AI Governance and ESG reporting for the future	KPMG
	April 25, 2022	2023 Board and Audit Committee Priorities	KPMG
	July 22, 2022	Corporate Governance Seminar	Philippine Chamber of Commerce and Industry
	October 27, 2022	Targeted Financial Sanctions (TFS) Webinar for Covered Persons	Anti-Money Laundering Council
	November 22, 2022	Anti-Fraud Session	GGAPP
		9th SEC PSE Corporate Governance Forum	SEC & PSE
19. Daisy C. Salonga (First Vice President)	September 19, 2025	Annual Technical Forum	Nat Re
	September 13, 2024	8 <sup>th</sup> Annual Technical Forum	Nat Re
	July 2 & July 8, 2024	AML/CTF Fundamentals/ Targeted Financial Sanctions	AMLC
	September 28, 2023	Fourth Quarter Outlook	ATRAM
	September 27, 2023	Global 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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
	February 18, 2022	The Path Forward: Future-proof your portfolio with sustainable investing	BPI-AMTC
	October 19, 2021	16th Philippine Summit: Reviving Paths To Recovery	The Asset
20. Santino U. Sontillano (Vice President)	September 19, 2025	Annual Technical Forum	Nat Re
	September 13, 2024	8 <sup>th</sup> Annual Technical Forum	Nat Re
	July 4 & 30, 2024	AML/CTF Fundamentals/ Targeted Financial Sanction/ Registration & Reporting Guidelines	AMLC
	various 2023 dates	IFRS 17 and IFRS 9 Trainings	SGV
	September 22, 2023	7th Annual Technical Forum	Nat Re
	April 25, 2022	Corporate Governance Seminar	PCCI
	Aug. 22-23, 25-26, Sep 1-2, 2022	PFRS 17	SGV & Co.
	October 17, 2022	PFRS 9	SGV & Co.
	October 27, 2022	Anti-Fraud Session	GGAPP
	August 6, 2021	Technology Governance for Directors: Small Mistakes. Big Consequences. What Boards Can Do Against Ransomware Attacks	Institute of Corporate Directors

**(d) Independent Directors.**

Mr. Rex Maria A. Mendoza, Mr. Roberto G. Manabat and Mr. Dominador T. Gregorio III are currently the Corporation's Independent Directors. Messrs. Mendoza, Manabat and Gregorio have been an Independent Director since June 2019, June 2021 and April 2026, respectively.

For the year 2026 - 2027, the Corporation intends to have a total of three (3) independent directors. The Final List of Candidates for Independent Directors (Annex A) includes:

1. Mr. Rex Ma. A. Mendoza, who was nominated by Enrico U. Camince ;
2. Mr. Roberto G. Manabat, who was nominated by Enrico U. Camince; and
3. Mr. Dominador T. Gregorio III, who was nominated by Enrico U. Camince.

The nominees for independent directors are not related to the person who has nominated them as such. The three (3) nominees for Independent Directors were selected by the Board Nomination and Compensation Committee in accordance with the guidelines in the Manual of Corporate Governance, the Insurance Commission Circular No. 31-2005 dated September 26, 2005, the Revised Code of Corporate

Governance for Publicly Listed Companies (SEC Memorandum Circular No. 19, Series of 2016), and the Guidelines on the nomination and election of Independent Directors (SRC Rule 38). The Nomination and Compensation Committee is composed of the following:

Chairman:	Maria Consuelo A. Lukban
Vice Chairman:	Yvonne S. Yuchengco
Members:	Roberto G. Manabat (Independent Director)
	Joli Co Wu
	Evelina G. Escudero

**(e) Other directorships held in reporting companies naming each company.**

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

Roberto G. Manabat, Rex Maria A. Mendoza and Dominador T. Gregorio, III are currently the Corporation's Independent Directors. To be considered an independent director under IC Circular Letter No. 31-2005, one: (i) has not been an officer or employee of the company for the last three years immediately preceding his term or incumbency; (ii) is not related by consanguinity or affinity to an officer in a senior management position in the company; and (iii) does not provide services and receives no income for other professional services to the company. The Corporation has no transactions with any of its independent directors, Messrs. Manabat, Mendoza and Gregorio.

**(f) Family Relationship**

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.

**(g) Resignation/Re-election**

Since the last annual stockholders' meeting of the Corporation, no Director has resigned or declined to stand for reelection to the Board of Directors of the Corporation because of disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

**(h) Involvement in 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 Information Statement 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.

The Company, on the other hand, is presently a party to the following legal cases:

**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* with the Supreme Court on April 13, 2026 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. During the April 7, 2026 setting, OAC manifested that it intended to present as witness Mr. Kent S. Cotoco, its Executive Vice President. However, as he was unavailable at that time, OAC moved for resetting. Granting said motion, the court set the initial presentation of OAC's evidence on May 12, 2026 at 8:30 a.m.

## **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. The BIR thereafter filed its Comment/Opposition to the Motion for Partial Reconsideration on April 13, 2026. As of date, the case is still pending.

As regards the upheld VAT assessment, the BIR has enforced the collection of the alleged deficiency tax assessment and has effectively garnished the same from the Company's bank account.

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. The CTA, in its Minute Resolution dated March 23, 2026, directed the Respondent to file its Comment/Opposition to the MPR and cancelled the presentation of Respondent's evidence scheduled on April 7, 2026 until further orders. Respondent thereafter filed its Comment/Opposition on April 21, 2026. As of date, the case is still pending.

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.

f) 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.

**(i) 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 upon termination.

(j) **Certain Relationships and Related Transactions**

The Company's corporate governance manual provide 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, and related parties under common ownership. 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)	Claims Recoveries (Reversal)
<b>GSIS</b>	-	-	-	-	<b>4.2</b>	-
BPI AIA	92.9	0.1	-	-	(9.0)	-
BPI/MS Insurance	26.0	7.3	-	-	(13.7)	-
<b>Total BPI Group</b>	<b>118.9</b>	<b>7.4</b>	-	-	<b>(22.7)</b>	-
Sunlife Grepa Financial	32.8	-	-	-	10.0	-
Malayan Insurance	45.1	0.5	-	-	(27.5)	-
<b>Total Malayan Group</b>	<b>77.9</b>	<b>0.5</b>	-	-	<b>(17.5)</b>	-
<b>GRAND TOTAL</b>	<b>196.8</b>	<b>7.9</b>	-	-	<b>(36.0)</b>	-

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

The following tables show (in millions of Philippine Pesos) **reinsurance balances receivable from and payable to related parties** as a result of the above transactions as of December 31, 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	Reinsuran ce recoverabl e on reported claims	Claims
<b>GSIS</b>	-	-	2.0	151.0	0.2
BPI AIA	177.0	-	-	75.6	13.6
BPI/MS Insurance	19.8	6.3	-	330.1	-
<b>Total BPI Group</b>	<b>196.8</b>	<b>6.3</b>	<b>-</b>	<b>405.7</b>	<b>13.6</b>
Sunlife Grepa Financial	6.9	-	-	-	-
Malayan Insurance	26.8	-	-	221.7	-
<b>Total Malayan Group</b>	<b>33.7</b>	<b>-</b>	<b>-</b>	<b>221.7</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>230.5</b>	<b>6.3</b>	<b>2.0</b>	<b>778.4</b>	<b>13.8</b>

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

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

1. *Custodianship Agreement:* The Corporation entered into a Custodianship Agreement with the BPI Wealth for purposes of opening and maintaining a custodianship account with BPI Wealth over certain securities owned by the Corporation. BPI Wealth acts as a depository of such securities. For services

rendered, BPI Wealth is entitled to the custodianship fees based on the value of the securities held. The Agreement shall continue in full force and effect unless sooner terminated by either of the parties concerned for any reason whatsoever upon giving the other party at least 30 days advance written notice of termination.

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

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

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

**(k) Disclosure under Section 49 of the Revised Corporation Code, on disclosure pertaining to Directors Disclosures on Self-Dealing and Related Party Transactions**

Mr. Allan Santos, President and CEO, acquired total of 255,000 shares of the company (NRCP) in 2025 which was duly reported and disclosed under SEC Form 23B. Apart from the acquisition of the company's shares by Mr. Santos, the other directors and officers of the Corporation did not have any dealing in the company's shares nor did they engage in any related party transactions during the year 2025.

**Item 6. Compensation of Directors and Executive Officers**

**ANNUAL COMPENSATION IN PHILIPPINE PESOS**

<b>Name</b>	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other annual compensation</b>
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 Actual	35,869,764.00	5,978,294.00	9,921,959.00
All other officers and directors as a group unnamed		13,930,380.26		1,605,992.00
CEO and key executive officers named*	2026 Estimates	38,264,980.80	6,377,496.80	12,530,000.00
All other officers and directors as a group unnamed		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 November 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."

The directors of the Corporation currently do not receive any compensation as such directors except for per diems. Each director of the Corporation receives a per diem (net of tax) based on the following schedule for attendance in meetings of the Board of Directors/ Committees:

Each director of the Corporation receives per diem based on their attendance at 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.

For the year 2025, the directors of the Corporation received the following per diems (net of tax):

<b>Directors</b>	<b>Per Diem in 2025</b>
Evelina G. Escudero	830,000.00
Yvonne S. Yuchengco,	670,000.00
Allan R. Santos	470,000.00
Joli Co Wu	650,000.00
Susana C. Fong	60,000.00
Enrico M. Trinidad	60,000.00
Maria Consueki A. Lukban	715,000.00
Lester Ong,	490,000.00
Antonio M. Rubin	465,000.00
Rafael G. Ayuste Jr.	705,000.00
Medel T. Nera	815,000.00
Rex Maria A. Mendoza	590,000.00
Roberto G. Manabat	750,000.00
Rita E. Riddle**	200,000.00
Emmanuel DL Samson**	200,000.00
Alan R. Luga*	140,000.00
Jocelyn DG. Cabreza*	160,000.00

*1 As nominee directors of their respective principals, the said directors received the per diems on behalf of their respective principals*

*\*Resigned in May 2025*

*\*\*Appointed in May 2025, resigned in October 2025*

Aside from the above, and the performance bonus system approved by the stockholders during the June 23, 2008 annual stockholders' meeting, 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 7. Independent Public Accountant**

- (a) The auditing firm of R.G. Manabat & Company (KPMG Philippines) was appointed by the stockholders as the Corporation's external auditor for the two ensuing fiscal years- 2024 and 2025 last June 26, 2024 Annual Stockholders' Meeting. KPMG Philippines was appointed for two years (2024 and 2025) because they need to perform certain audit procedures (related to the adoption of IFRS 17) for the 2025 audit in 2024. Florizza C. Simangan is the partner in charge of the Corporation's account. Conformably with SRC Rule 68(3)(b)(iv), the Corporation's independent public accountant shall be rotated, or the handling partner shall be changed, every 5 years. A two-year cooling-off period shall be observed in the re-engagement of the same signing partner or individual auditor. Florizza C. Simangan, audit partner of R.G. Manabat & Company (KPMG Philippines) will be the assigned engagement partner to the Company.
- (b) R.G. Manabat & Company (KPMG Philippines) was the former principal accountant of the Corporation for the fiscal year most recently completed (December 31, 2025).
- (c) Representatives of R.G. Manabat & Company (KPMG Philippines) are expected to be present at the stockholders' meeting to be held on June 24, 2026. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.
- (d) R.G. Manabat & Company (KPMG Philippines) has neither shareholdings in the Corporation nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Corporation. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines.
- (e) There are no disagreements on any matter of accounting principle or practices, financial statement disclosures, etc., between R.G. Manabat & Company (KPMG Philippines) and the Corporation.
- (f) The Company's Audit Committee is composed of the following who are all independent directors:
- |                |                               |
|----------------|-------------------------------|
| Chairman:      | Mr. Roberto G. Manabat        |
| Vice-Chairman: | Mr. Dominador T. Gregorio III |
| Member:        | Mr. Rex Maria A. Mendoza      |

## **Item 8. Compensation Plan**

There are no items to be taken up with respect to compensation plans.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **Item 9. Authorization or Issuance of Securities Other than for Exchange**

There are no issues regarding the issuance of securities other than for exchange.

### **Item 10. Modification or Exchange of Securities**

There are no matters or actions to be taken up with respect to the modification or exchange of the Company's securities.

**Item 11. Financial and Other Information**

The audited financial statements as of December 31, 2025, Management’s Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company’s financial information are attached hereto as “**Annex C.**”

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There is no action to be taken with respect to any merger, consolidation or acquisition.

**Item 13. Acquisition or Disposition of Property**

There is no action to be taken with respect to any acquisition or disposition of property.

**Item 14. Restatement of Accounts**

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

**D. OTHER MATTERS**

**Item 15. Action with respect to Reports**

**Summary of Items to be Submitted for Stockholders' Approval**

***(1) Approval of the Minutes of the Annual Stockholders' Meeting held on June 25, 2025***

The minutes of the annual stockholders' meeting held on June 25, 2025 will be submitted for approval of the stockholders at the annual meeting to be held on June 24, 2026. Below is a summary of the items and/or resolutions approved at the annual stockholders' meeting held on June 25, 2025:

- (a) The Chairman of the Board of Directors of the Corporation called the meeting to order. The Secretary of the meeting certified that a quorum existed for the transaction of business.

The Secretary of the meeting certified that a quorum existed for the transaction of business. The following is a record of the number of shares present via proxy or remote communication:

Number of common shares present:	1,525,109,582 shares
Percentage of the total outstanding common shares present in via remote communication or by proxies:	71.82%
Total number of issued and outstanding capital stock:	2,123,605,600 shares

- (b) The stockholders approved the minutes of the annual stockholders' meeting held on June 26, 2024 per the following resolution:

**Stockholders' Resolution ASM-2025-01**

***“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, as they hereby approve the Minutes of the Annual Stockholders' Meeting held on June 26, 2024.”***

- (c) The President of the Corporation presented the management report. He presented the highlights of the performance of the Corporation, the details of which were incorporated into the Corporation's annual report as distributed to the stockholders. The management report included a discussion on underwriting, operations, investment, financial report, outlook and plans. Upon motion duly made and seconded, the management report was approved per the following resolution:

**Stockholders' Resolution ASM-2025-02**

***“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) hereby note, and order received and filed with the Corporate Secretary the Management Report for the year ended December 31, 2024, in the form as presented.***

- (d) Upon motion duly made and seconded, the stockholders ratified the acts of the officers and the Board of Directors of the Corporation performed or undertaken in the year 2024 and until June 25, 2025, in the form as presented.

**Stockholders' Resolution ASM-2025-03**

***“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, ratify, and confirm, as they do hereby, all the acts, decisions, and resolutions of the Board of Directors and officers made or undertaken in the year 2024 and until the date of this meeting as these are reflected in the books and records of the Corporation.”***

- (e) The following were elected as directors of the Corporation for the current year; to serve as such for a period of one year and until their successors shall have been elected and qualified:

Regular Directors:

Evelina G. Escudero  
Yvonne S. Yuchengco  
Allan R. Santos  
Joli Co Wu  
Antonio M. Rubin  
Maria Consuelo A. Lukban  
Lester Ong  
Rita E. Riddle  
Emmanuel D.L. Samson  
Rafael G. Ayuste, Jr.

Independent Directors:

Medel T. Nera  
Rex Maria A. Mendoza  
Roberto G. Manabat

**Stockholders' Resolution ASM-2025-04**

***“RESOLVED, that the Stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) elect, as they hereby elect the following, as directors of the Corporation for year 2024-2025, and until their successors are duly elected and qualified:***

Regular Directors:

Evelina G. Escudero  
Yvonne S. Yuchengco  
Allan R. Santos  
Joli Co Wu  
Antonio M. Rubin  
Maria Consuelo A. Lukban  
Lester Ong  
Rita E. Riddle  
Emmanuel D.L. Samson  
Rafael G. Ayuste, Jr.

Independent directors:

Medel T. Nera  
Rex Maria A. Mendoza  
Roberto G. Manabat

- (f) Upon motion made and duly seconded, the stockholders approved the re-election of Mr. Medel T. Nera as independent director for year 2025-2026, per the following resolution:

**Stockholders' Resolution ASM-2025-05**

***“RESOLVED, that the stockholders of NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES (the “Corporation”) approve, ratify, and confirm, the re-election of Mr. Medel T. Nera as an independent director for the year 2025-2026.***

- (g) Upon motion duly made and seconded, the annual stockholders' meeting was adjourned.

**Description of Voting and Voting Tabulation Procedures used in the 2025 Annual Stockholders' Meeting**

Stockholders of record were allowed to vote by proxy or in absentia through the link provided by the Corporation for the 2025 Annual Stockholders' Meeting. R.G. Manabat (KPMG Philippines) acted as board of canvassers for the subject annual meeting. They had access to the submitted proxies and the online voting portal of the Corporation, and based on the votes submitted, KPMG was able to prepare the official tabulation of votes. Below is a summary of the tabulation of votes as confirmed by KPMG.

Resolutions	Votes Cast			
	In Favor*	Against	Abstain	Total
1. Approval of minutes of Previous Stockholders' Meeting held on June 26, 2024.	1,525,109,582	-	-	1,525,109,582
2. Approval of the Management Report for the year ended December 31, 2024.	1,525,109,582	-	-	1,525,109,582
3. Ratification of all acts of the Board of Directors and Officers during the preceding year.	1,525,109,582	-	-	1,525,109,582
4. Election of Directors including the Independent Directors	1,525,109,582	-	-	1,525,109,582
i. Evelina G. Escudero	1,525,109,582	-	-	1,525,109,582
ii. Yvonne S. Yuchengco	1,525,109,582	-	-	1,525,109,582
iii. Allan R. Santos	1,525,109,582	-	-	1,525,109,582
iv. Rafael G. Ayuste, Jr.	1,525,109,582	-	-	1,525,109,582
v. Rita E. Riddle	1,525,109,582	-	-	1,525,109,582
vi. Lester Ong	1,525,109,582	-	-	1,525,109,582
vii. Emmanuel De Leon Samson	1,525,109,582	-	-	1,525,109,582
viii. Maria Consuelo A. Lukban	1,525,109,582	-	-	1,525,109,582
ix. Antonio M. Rubin	1,525,109,582	-	-	1,525,109,582
x. Joli Co Wu	1,525,109,582	-	-	1,525,109,582
xi. Roberto G. Manabat (Independent Director)	1,525,109,582	-	-	1,525,109,582
xii. Rex Maria A. Mendoza (Independent Director)	1,525,109,582	-	-	1,525,109,582
xiii. Medel T. Nera (Independent Director)	1,525,109,582	-	-	1,525,109,582
5. Re-election of Mr. Medel T. Nera as Independent Director	1,525,109,582	-	-	1,525,109,582

\*For proxy votes wherein votes are neither "Against" or "Abstain", or otherwise not indicated, the votes are cast under "In Favor" in this report.

***Description of opportunity given to stockholders to ask questions***

The stockholders were encouraged to submit their questions before and during the June 25, 2025, the annual stockholders' meeting. There were two (2) questions raised when the Chairperson opened the floor for any question regarding the presented report by the President. These were also noted in the minutes of the Annual Stockholders' Meeting posted at the Nat Re website.

***List of Directors, Officers, Stockholders and Other Related Attendees who attended the 2025 Annual Stockholders Meeting***

**Attendance Record of the 2025 Annual Stockholders' Meeting**

**The following Directors were present:**

Evelina G. Escudero	Chairperson
Yvonne S. Yuchengco	Vice Chairman
Joli Co Wu	Treasurer
Allan R. Santos	Director / President and CEO
Maria Consuelo Lukban	Director
Antonio M. Rubin	Director
Emmanuel D.L. Samson	Director
Lester Ong	Director
Rita E. Riddle	Director
Medel T. Nera	Independent Director
Rex Maria A. Mendoza	Independent Director
Roberto G. Manabat	Independent Director

**The following Officers of the Company were present:**

Noel A. Laman	Corporate Secretary
Ma. Pilar P. Gutierrez	Assistant Corporate Secretary
Jaime Jose M. Javier	Head of Life Reinsurance
Joel Claro Perlado	Chief Actuary and Head of Analytics
Jose Augurio De Vera Jr.	Head of Non-Life Reinsurance
Santino U. Sontillano	Head of Finance   Investor Relations Officer
Daisy C. Salonga	Head of Investments
Jacqueline Michelle C. Dy	Head of Risk and Compliance

The following shareholders were represented as follows:

Number of common shares present	1,525,109,582 shares
Percentage of the total outstanding common shares present via remote communication or by proxies:	71.82 %

Other attendees:

Floriza C. Simangan	External Auditor
Myra Liza Sto. Tomas	Board of Canvasser (KPMG)
Judith I. Velano	Internal Audit Head (Nat Re)
Antonio B. Madrid, Jr.	Stock Transfer Agent Representative
Paula Jane Flores	Stock Transfer Agent Representative

**(2) Ratification of the Acts of the Board of Directors and Officers**

Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day-to-day operations of the Company as contained or reflected in the minute books, annual report and financial statements. These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of trade or business involving approval of the budget for the current year, approval of all investment-related transactions, treasury matters requiring the opening of accounts and authorization of bank transactions, approval of bank signatories and related updates or amendments thereof, engagement of consultants, manpower related decisions, approval of financial reports, election of new directors and related changes in the members of the various Board committees, among others. Specifically, these resolutions include the following:

- a) Approval of the Audited Financial Statements for the period ended December 31, 2024;
- b) Approval of the calling of the Annual Stockholders' Meeting on June 25, 2025 at 2:00 p.m. via physical meeting;
- c) Approval of the appointment of R.G. Manabat & Co. ("KPMG Philippines") as the Board of Canvassers for the Corporation's ASM on June 25, 2025;
- d) Approval of the designation of new authorized representatives of the Corporation for the Electronic Filing and Payment System ("EFPS") of the Bureau of Internal Revenue ("BIR");
- e) Approval of the 2024 Sustainability Report of the Corporation as presented to the Board on March 27, 2025;
- f) Approval of the changes made to the Underwriting Committee Charter as presented to the Board on March 27, 2025;
- g) Approval of the changes made to the Underwriting Authority Limit of the CEO as presented to the Board on March 27, 2025;
- h) Approval of the Audited Financial Statements for the period ended December 31, 2024 as presented to the Board on March 25, 2025, and authority to release and issue the same;
- i) Approval of the agenda for the 2025 Annual Stockholders' Meeting ("ASM");
- j) Approval of the Kawayan Ballroom at The City Club as the venue for the 2025 Annual Stockholders' Meeting ("ASM");
- k) Approval of the designation of officers as the new authorized signatories of the Corporation for transactions with China Banking Corporation ("CBC IMA");
- l) Approval of the updated Enterprise Risk Management Framework ("ERM") as presented to the Board on April 24, 2025;
- m) Approval of the Audited Financial Statements for the period ended March 31, 2025, as presented to the Board on April 24, 2025, and authority to release and issue the same;
- n) Approval of the authorization of the President & CEO to transact with the Insurance Commission in relation to PFRS 17;
- o) Approval of the 2024 Audit Committee Report and its inclusion as part of Nat Re's Annual Report. The Board also approved the inclusion of the AFS for the year ended December 31, 2024 as part of the Annual Report; and
- p) Approval of the list of nominee directors for 2025-2026, re-election of Mr. Medel T. Nera as independent director with meritorious justification, and approval of the independent directors certification of qualification;
- q) Approval of the nomination and election of Ms. Rita E. Riddle and Mr. Emmanuel D.L. Samson as Directors of the Corporation and to hold office for the unexpired terms of Ms. Cabreza and Gen. Luga and until their successors are duly elected and qualified;
- r) Approval of the appointment of Ms. Rita E. Riddle to the Underwriting Committee, and Mr. Emmanuel D.L. Samson to the Investment & Budget Committee on May 29, 2025;
- s) Approval of the Amended Board Charter as presented to the Board on May 29, 2025;
- t) Approval of the designation of new authorized representatives of the Corporation for the Electronic Filing and Payment System (EFPS) of the Bureau of Internal Revenue (BIR);
- u) Authority for the Corporation to update its authorized signatories on special savings, current accounts, time deposits, loans, bank contracts/agreements, bank facilities, cash management products/services, and electronic/internet banking facilities;
- v) Approval of the appointment of new accredited stockbrokers as presented to the Board on May 29, 2025;

- w) Approval of the authority of the Corporation to renew the investment/counterparty lines and limits;
- x) Approval of the authority for the Corporation to enter into and maintain Investment Management Agreement accounts with the BPI Asset Management and Trust Corporation through its Asset and Management Group;
- y) Approval of the authority for the Corporation to subscribe to, purchase, dispose of, transfer or encumber commercial papers, bonds and government securities and, in connection therewith, execute purchase agreements and such other documents as may be required;
- z) Approval of the authority to deal with and transact with the Philippine Depository and Trust Corporation (PDTC) in connection with the Corporation's membership as participant;
- aa) Approval of the authority to subscribe to, purchase, dispose of and transfer shares of capital stock of any corporation;
- bb) Approval of the authority to engage in the acquisition and sale of Government Securities being handled by the Bureau of Treasury;
- cc) Approval of the authority to subscribe to, dispose, transfer bonds and other fixed income securities and other Treasury and/or Trust products;
- dd) Approval of the authority for signatories to sign, execute, and/or deliver any and all documents in connection with the Corporation's Retirement Fund Trust Agreement with Rizal Commercial Banking Corporation and BPI Asset Management and Trust Corporation (BPI AMTC);
- ee) Approval of the authority for the Corporation to appoint BPI Asset Management and Trust Corporation ("BPI AMTC") to act as Custodian and to invest in any of the trust and investment product being offered by the BPI AMTC;
- ff) Approval of the authority for the Corporation to appoint BPI Asset Management and Trust Corporation ("BPI AMTC") to act as Investment Manager and to invest in any of the trust and investment product being offered by the BPI AMTC;
- gg) Approval of the authority for the Corporation to appoint BPI Asset Management and Trust Corporation ("BPI AMTC") to act as Trustee and to invest in any of the trust and investment product being offered by the BPI AMTC;
- hh) Approval of the authority to apply for Corporate Card Accounts with Bank of the Philippine Islands and Rizal Commercial Banking Corporation;
- ii) Approval of the authority to issue, send, transmit, and/or endorse to and Rizal Commercial Banking Corporation and/or any of its branches, as the depository of the moneys and funds of the Corporation, instructions via electronic mail and/or ephemeral means, if applicable;
- jj) Approval of the designation of the officers as the new authorized signatories of the Corporation for transactions with China Banking Corporation through its Trust and Asset Management Group (CBC IMA);
- kk) Approval of Metropolitan Bank & Trust Company as depository of the Corporation;
- ll) Approval of the Investment Policy Framework ("IPF") as presented to the Board on June 25, 2025;
- mm) Approval of the Risk Appetite Framework as presented to the Board on June 25, 2025;
- nn) Approval of the designated officers as the authorized representatives of the Corporation for the filing of the application for Tax Clearance Certificate to the BIR;
- oo) Approval of the Q2 2025 Financial Statements of the Corporation for submission to the relevant regulatory agencies;
- pp) Approval of the Amended Related Party Transactions ("RPT") Policy as presented to the Board on August 28, 2025;
- qq) Approval of the authority for the Corporation to appoint BPI Asset Management and Trust Corporation ("BPI AMTC"), a trust corporation with authority to engage in the business of trust, other fiduciary business and investment management activities, to act as TRUSTEE and to invest in any of the trust and investment products being offered by the BPI AMTC, or any of its affiliates, such as but not limited to Unit Investment Trust Funds;
- rr) Approval of the authority to issue, send, transmit, and/or endorse to and Rizal Commercial Banking Corporation and/or any of its branches, as the depository of the moneys and funds of the Corporation, instructions via electronic mail and/or ephemeral means, if applicable;
- ss) Approval of the designation of officers as the new authorized signatories of the Corporation for transactions with China Banking Corporation ("CBC IMA");
- tt) Approval of the transfer of ownership/title of properties in Davao in the name of the Corporation;
- uu) Approval of the authority of Mr. Santino U. Sontillano, Head of the Corporation's Finance Department, and/or Ms. Irene G. Lozada, Deputy Accounting Head, to sign, execute, and deliver reports to the Securities and Exchange Commission and the Insurance Commission;

- vv) Approval of the Own Risk and Solvency Assessment (“ORSA”) Report as presented to the Board on September 25, 2025;
- ww) Authority of the Corporation to invest the amount of up to One Hundred Million Pesos only in Ayala Land, Inc. Sustainability-Linked Bonds due 2030 with quarterly coupon payment;
- xx) Approval of the authority of the Corporation to transact with and engage the services of Innotech Business Travel for its official travel requirements;
- yy) Approval of the Q3 2025 Financial Statements of the Corporation for submission to the relevant regulatory agencies;
- zz) Approval of the write-off of the Corporation’s investment in Philippine Nuclear Insurance Pool Management Corporation (“PNI”) amounting to Thirty Thousand Pesos;
- aaa) Approval of the authority of the Corporation to invest in the amount of up to Fifty Million Pesos Only in SM Prime Holdings, Inc. Fixed Rate Bonds (Series AC due 2032) payable semi-annually;
- bbb) Approval of the authority of the Corporation to invest in the amount of up to Fifty Million Pesos Only in SM Prime Holdings, Inc. Fixed Rate Bonds (Series AD due 2035) payable semi-annually;
- ccc) Approval of the nomination and election of Atty. Susana C. Fong and Mr. Enrico Gregorio M. Trinidad as Directors of the Corporation. To henceforth perform the duties enjoined on them by law and the by-laws of the Corporation and to hold office for the unexpired terms of Mr. Riddle and Mr. Samson and until their successors are duly elected and qualified;
- ddd) Approval of the appointments of Ms. Rita E. Riddle to the Underwriting Committee and Mr. Emmanuel D.L. Samson to the Investment & Budget Committee;
- eee) Approval of the renovation and conversion of the Boardroom, Executive Restroom and Pantry, and Server Room, and the engagement of HBO+EMTB as contractor for a total cost of Php4,400,000;
- fff) Approval of the 2026 Business plan; and
- ggg) Approval of the authority of Mr. Santino U. Sontillano, Head of the Corporation’s Finance Department and/or Ms. Kimchie S. Gonzales, RI Accounting Head, and/or Ms. Angeline P. Asuncion, General Accounting Head, to sign, execute, and deliver reports to the Securities and Exchange Commission and the Insurance Commission.

**(4) Election of Directors**

There are 13 seats in the Board and the Company received 13 nominees to the position of 13 board seats:

**Regular Directors:**

Evelina G. Escudero  
 Yvonne S. Yuchengco  
 Allan R. Santos  
 Rafael G. Ayuste, Jr.  
 Susana C. Fong<sup>5</sup>  
 Lester Ong  
 Enrico Gregorio M. Trinidad<sup>6</sup>  
 Maria Consuelo A. Lukban  
 Antonio M. Rubin  
 Joli Co Wu

**Independent Directors:**

Roberto G. Manabat  
 Rex Maria A. Mendoza  
 Dominador T. Gregorio III<sup>7</sup>

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<sup>5</sup> Ms. Susana C. Fong is being nominated for election as a director of the Corporation for the first time. Please refer to Annex A-1 for her Business Profile.

<sup>6</sup> Mr. Enrico Gregorio M. Trinidad is being nominated for election as a director of the Corporation for the first time. Please refer to Annex A-1 for his Business Profile.

<sup>7</sup> Mr. Dominador T. Gregorio is being nominated for election as an independent director of the Corporation for the first time. Please refer to Annex – A for his Business Profile

## **Item 16. Matters Not Required to be Submitted**

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

## **Item 17. Other Proposed Action**

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

## **Item 18. Summary of Voting Matters/Voting Procedures**

### **(a) Summary of Matters to be presented to the Stockholders**

- (1) Approval/ratification of the minutes of the annual meeting of stockholders held on June 24, 2026. Approval of said minutes shall constitute confirmation of all the matters stated in the minutes.
- (2) The President of the Corporation will present the Management Report for the year ended December 31, 2025. He will present the highlights of the performance of the Corporation, the details of which were incorporated into the Corporation's annual report as distributed to the stockholders. The management report will include discussion of the financial report, underwriting performance, investment, outlook and plans.
- (3) Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day-to-day operations of the Company as contained or reflected in the minutes book and attached management report and financial statements. These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of trade or business involving approval of the budget for the current year, approval of investments, treasury matters requiring the opening of accounts and authorization of bank transactions, approval of bank signatories and related updates and amendments thereof, engagement of consultants, approval of various transactions in furtherance of the business of the Corporation and approval of company policies in compliance with regulatory requirements. A summary of the resolutions approved by the Board is provided in item 15 (2) of this report.
- (4) Selection of R.G. Manabat & Co. (KPMG Philippines) as independent auditors for the audit period covering the year ended 2026.
- (5) Election of Directors

Election of a Board of thirteen (13) directors, at least 3 of whom shall be independent directors, and will hold office for a period of one year and until the next annual meeting of stockholders and until his or her successor is elected and qualified. The nominees for directors are:

#### **Regular Directors:**

Evelina G. Escudero  
Yvonne S. Yuchengco  
Joli Co Wu  
Allan R. Santos  
Rafael G. Ayuste, Jr.  
Susana C. Fong  
Lester Ong  
Enrico Gregorio M. Trinidad

Maria Consuelo A. Lukban  
Antonio M. Rubin

**Independent Directors:**

Roberto G. Manabat  
Rex Maria A. Mendoza  
Dominador T. Gregorio III

The nominees for Independent Directors<sup>8</sup> of the Corporation for the Annual Stockholders' Meeting on June 24, 2026, within the purview of SRC Rule 38 are Roberto G. Manabat, Rex Maria A. Mendoza and Dominador T. Gregorio III.

**(b) Voting Procedures**

- (1) Approval/ratification of the minutes of the annual stockholders' meeting held on June 25, 2025.
  - (A) Vote required: A majority of the outstanding common stock represented by stockholders participating through remote communication or in absentia or by proxy, provided constituting a quorum.
  - (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or upon motion duly made and seconded, by secret ballot, or votes casted through: (a) accomplished proxy form sent through email to [asm@nat-re.com](mailto:asm@nat-re.com); and (b) voting portal using google form. Please refer to the Guidelines for Participating via Physical Meeting and Voting in Absentia (Annex B).
- (2) Management Report for the year ended, December 31, 2025 as presented by the President of the Corporation.
  - (A) Vote required: A majority of the outstanding common stock represented by stockholders participating through remote communication or in absentia or by proxy, provided constituting a quorum.
  - (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or upon motion duly made and seconded, by secret ballot, or votes casted through: (a) accomplished proxy form sent through email to [asm@nat-re.com](mailto:asm@nat-re.com); and (b) voting portal using google form. Please refer to the Guidelines for Participating via Physical Meeting and Voting in Absentia (Annex B).

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<sup>8</sup>An "Independent Director" shall mean a person other than an officer or employee of the Corporation or its subsidiaries, or any other individual having a relationship with the Corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

(3) Ratification of the acts of the Board of Directors and Officers

- (A) Vote required: A majority of the outstanding common stock represented by stockholders participating through remote communication or in absentia or by proxy, provided constituting a quorum.
- (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or upon motion duly made and seconded, by secret ballot, or votes casted through: (a) accomplished proxy form sent through email to [asm@nat-re.com](mailto:asm@nat-re.com); and (b) voting portal using google form. Please refer to the Guidelines for Participating via Physical Meeting and Voting in Absentia (Annex B).

(4) Appointment of Independent External Auditors

- (A) Vote required: A majority of the outstanding common stock represented by stockholders participating through remote communication or in absentia or by proxy, provided constituting a quorum.
- (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by votes casted through the secured online voting facility with the link emailed to registered stockholders of record and by proxy sent through email to [asm@nat-re.com](mailto:asm@nat-re.com).

(5) Election of Directors

- (A) Vote required: The 10 candidates for regular directors and 3 candidates for independent directors receiving the highest number of votes cast for regular directors and votes cast for independent directors shall be declared elected.
- (B) Method by which votes will be counted: The votes shall be counted by a show of hands or upon motion duly made and seconded, by secret ballot, or votes casted through: (a) accomplished proxy form sent through email to [asm@nat-re.com](mailto:asm@nat-re.com); and (b) voting portal using google form. Please refer to the Guidelines for Participating via Physical Meeting and Voting in Absentia (Annex B).

For the election of directors, cumulative voting applies. Under this method of voting, a stockholder entitled to vote shall have the right to vote in absentia or by proxy the number of shares of stock standing in his own name on the stock books of the Corporation as of the Record Date, and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.

(c) At the regular meeting of the Board of Directors held on January 29, 2026, R.G. Manabat and Co. (KPMG Philippines) was appointed as Board of Canvassers. The Board of Canvassers shall have the power to count and tabulate all votes, assents and consents; determine and announce the result; and to do such acts as may be proper to conduct the election or vote with fairness to all stockholders.

**PART II**  
**INFORMATION REQUIRED IN A PROXY FORM**

**Item 1. Identification**

This proxy is being solicited for and on behalf of the Management of the Corporation. The Chairman of the Board of Directors or, in his absence, the President of the Corporation will vote the proxies at the annual stockholders' meeting to be held on June 24, 2026.

**Item 2. Instruction**

- (a) The proxy must be duly accomplished by the stockholder of record as of Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy. Attached to the Notice of Meeting is a sample board resolution to designate a proxy for the annual stockholders' meeting.
- (b) Duly accomplished proxies shall be submitted and addressed to the attention of the Corporate Secretary at 31<sup>st</sup> Floor, BPI-Philam Life Makati, 6811 Ayala Avenue, Makati City, Philippines, or via email at [asm@nat-re.com](mailto:asm@nat-re.com) not later than *June 11, 2026*, (not less than 10 calendar days prior to the date of the stockholders' meeting).
- (c) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.
- (d) On *June 19, 2026 at 2:00 P.M.*, the Corporate Secretary will lead the validation of proxies in coordination with the company's stock and transfer agent.
- (e) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the President of the Corporation, as proxy for the annual stockholders meeting to be held on June 24, 2026.
- (f) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in the Corporation as of Record Date.
- (g) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of Rule 20.5 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code.
- (h) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on any of the matters in items (1) to (6) below by checking the appropriate box. Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote for the matter. *(Note: If you intend to submit a proxy, please fill up and submit the enclosed proxy instrument, not the following Item 2(h).)*

(1) Approval/ratification of the minutes of the annual stockholders' meeting held on June 25, 2025

FOR                       AGAINST                       ABSTAIN

(2) Approval of the Management Report for the year ended, December 31, 2025.

FOR                       AGAINST                       ABSTAIN

(3) Ratification of the acts of the Board of Directors and Officers

FOR             AGAINST             ABSTAIN

(4) Appointment of Independent Auditors

FOR             AGAINST             ABSTAIN

(5) Election of Directors.

- FOR all nominees listed below, except those whose names are stricken out
- WITHHOLD authority to vote for all nominees listed below.

**(Instruction:** To strike out a name or withhold authority to vote for any individual nominee, draw a line through the nominee's name in the list below).

Regular Directors:

Evelina G. Escudero  
Yvonne S. Yuchengco  
Allan R. Santos  
Rafael G. Ayuste, Jr.  
Susana C. Fong  
Lester Ong  
Enrico Gregorio M. Trinidad  
Maria Consuelo A. Lukban  
Antonio M. Rubin  
Joli Co Wu

Independent Directors:

Roberto G. Manabat  
Rex Maria A. Mendoza  
Dominador T. Gregorio III

**Item 3. Revocability of Proxy**

Any stockholder who executes the proxy enclosed with this statement may revoke it at any time before it is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

**Item 4. Persons Making the Solicitation**

The solicitation is made by the Management of the Corporation. No director of the Corporation has informed the Corporation in writing that he intends to oppose an action intended to be taken up by the Management of the Corporation at the annual meeting. Solicitation of proxies shall be made through the use of mail, email or if feasible, by personal delivery by its regular employees. The Corporation shall not engage the services of special employees or proxy solicitors in the proxy solicitation. The Corporation will shoulder the cost of solicitation, which is estimated to be ₱150,000.00.

**Item 5. Interest of Certain Persons in Matters to be Acted Upon**

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon at the annual stockholders' meeting to be held on June 24, 2026, other than election to office.

**PART III  
SIGNATURE**

Management does not intend to bring any matter before the meeting other than those set forth in the Notice of the annual meeting of stockholders and does not know of any matters to be brought before the meeting by others. If any other matter does come before the meeting, it is the intention of the persons named in the accompanying proxy to vote the proxy in accordance with their judgment.

**ACCOMPANYING THIS INFORMATION STATEMENT ARE COPIES OF THE (1) NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF; (2) PROXY INSTRUMENT; AND (C) THE CORPORATION'S MANAGEMENT REPORT PURSUANT TO SRC RULE 20 (4).**

**THE CORPORATION'S LATEST ANNUAL REPORT IN SEC FORM 17-A AND LATEST QUARTERLY REPORT IN SEC FORM 17-Q DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ARE AVAILABLE FOR DOWNLOAD AT THE COMPANY'S WEBSITE [www.nat-re.com](http://www.nat-re.com). UPON REQUEST BY A SHAREHOLDER, THE COMPANY WILL PROVIDE HARDCOPIES OF THE LATEST ANNUAL AND QUARTERLY REPORTS.**

**ALL OTHER REQUESTS FOR INFORMATION MAY BE SENT TO THE FOLLOWING:**

**National Reinsurance Corporation of the Philippines  
31st Floor, BPI AIA Makati  
6811 Ayala Avenue,  
Makati City 1209 Philippines.**

**Attention: The Corporate Secretary**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati, May 20, 2026.

**NATIONAL REINSURANCE  
CORPORATION OF THE PHILIPPINES**

By:

  
**MA. PILAR M. PILARES-GUTIERREZ**  
Corporate Secretary

**ANNEX A**  
**FINAL LIST OF CANDIDATES FOR INDEPENDENT DIRECTORS**

**Roberto G. Manabat, Filipino, 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, 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.

**Dominador T. Gregorio III, Filipino, 65 yrs. old, Independent Director since April 2026**

Mr. Dominador T. Gregorio III is the President and a Senior Managing Director in the Corporate Finance & Restructuring Practice of FTI Consulting Philippines, Inc. He has more than 35 years of professional experience in corporate finance advisory including mergers and acquisitions, valuations, transaction support, corporate debt restructuring and general financial advisory. His industry expertise includes financial services, real estate, power/renewable energy, and infrastructure.

Prior to joining FTI Consulting, Mr. Gregorio provided similar services as a partner and co-head of the Financial Advisory Services group for Deloitte in Almaty, Kazakhstan. From 2003 to 2007, he was the Chief Operating Officer and Managing Director of Ernst & Young Transaction Advisory Services, Inc. in the Philippines. He was a partner and was head of SGV & Co.'s Corporate Finance Division.

Mr. Gregorio spent seven years as a relationship manager and restructuring specialist at Citicorp Real Estate, Inc. (Citibank N.A.) in New York, Minneapolis, and Dallas, U.S.A.

Mr. Gregorio is an Independent Director in Home Credit Consumer Philippines, and Cebuana Lhuillier Rural Bank. He was a previous Independent Director in Sunlife Investment Management and Trust Corporation.

Mr. Gregorio holds a joint degree, Master of Business Administration from the Wharton School and a Master of Arts in International Studies from the Lauder Institute of Management and International Studies, University of Pennsylvania. He graduated from the University of the Philippines with a Bachelor of Science in Business Administration and Accountancy, cum laude. In 2008, he was a UP Virata School of Business Distinguished Alumni Awardee. Mr. Gregorio is a Certified Public Accountant, a Licensed Real Estate Broker and a Fellow & Faculty Lecturer of the Institute of Corporate Directors, Philippines.

**ANNEX A-1**  
**NEW NOMINEES FOR REGULAR DIRECTOR**

**Susana C. Fong, Nominee Director of the Corporation**

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, Nominee Director of the Corporation**

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.

## ANNEX B

### 2026 ANNUAL STOCKHOLDERS' MEETING National Reinsurance Corporation of the Philippines June 24, 2026, 2:00pm

#### **Guidelines for Participating via Physical Meeting and Voting *in Absentia***

The 2026 Annual Stockholders' Meeting (ASM) of National Reinsurance Corporation of the Philippines (the "Company") is scheduled on **June 24, 2026 at 2:00 P.M.** at the Carlos P. Romulo Auditorium 4F, Tower II, RCBC Plaza, 6819 Ayala Avenue, Makati City

#### **Registration**

Stockholders who intend to participate in the Annual Stockholders Meeting may physically register at the venue of the meeting and present the following requirements for validation on June 26, 2025, from 1:00 pm to 2:00pm.

##### **A. For Individual Stockholders**

1. Copy of valid government-issued ID of stockholder/proxy; and
2. If appointing a proxy, copy of proxy form duly signed by stockholder.

##### **B. For Corporate Stockholders**

1. Secretary's Certification of Board Resolution appointing and authorizing proxy to participate in the ASM;
2. Copy of proxy form duly signed by authorized signatories; and
3. Valid government-issued ID of the authorized representative.

##### **C. For Stockholders with Shares under PCD participant/broker's account or "Scripless shares"**

1. Certification from broker as to the stockholder's shareholding;
2. Valid government-issued ID of stockholder; and
3. If appointing a proxy, copy of proxy form duly signed by stockholder.

*\*All proxy forms must be submitted on or before June 11, 2026 at the principal office of the Corporation. Validation of proxies is on June 19, 2026, 2:00 p.m. at the principal office of the Corporation. Proxies who will attend the meeting must bring a copy of their proxies previously submitted to the Corporation for purposes of registration on June 24, 2026.*

#### **Determination of Quorum for the ASM by Remote Communication**

Only those stockholders who physically registered together with those who voted in absentia and by proxy, will be included in determining the existence of a quorum.

#### **Voting through Voting Portal**

Stockholders who intend to vote in absentia must submit the requirements by email at [asm@nat-re.com](mailto:asm@nat-re.com) or at the registration portal at this link (register) <https://www.nat-re.com/investor-relations/annual-stockholders-meeting/#top>. The voting portal shall be available from May 27, 2026 until 12:00 p.m. of June 24, 2026, for all the Verified Stockholders. Beyond this time and date, a stockholder may no longer avail of the option to vote thru the voting portal. Verified Stockholders shall be notified via email of the link for the voting facility via Google Form. For verification, please refer to this link for the list of requirements - <https://www.nat-re.com/investor-relations/annual-stockholders-meeting/#rvj> and email the same to [asm@nat-re.com](mailto:asm@nat-re.com).

Verified Stockholders can then cast their votes for the specific items in the agenda, as follows:

1. Log-in to the voting facility by clicking the link sent thru email to the active email-address provided to the Verified Stockholder.

2. Upon accessing the voting portal, the Verified Stockholder can vote on each agenda item. A stockholder has the option to vote “For”, “Against”, or “Abstain” on the agenda item for approval.
3. For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.
4. Once the stockholder has finalized his votes, he can proceed to submit by clicking the “Submit” button. Once submitted, the stockholders can no longer modify their ballots.

### ***Voting by Proxy***

Stockholders of record who will not attend the physical meeting can likewise cast their votes by accomplishing the proxy form and sending the same to the Company through email at [asm@nat-re.com](mailto:asm@nat-re.com) on or before June 11, 2026. The proxy form can be downloaded at <https://www.nat-re.com/investor-relations/annual-stockholders-meeting/#files>.

### ***Feedback***

We encourage our stockholders to send their questions or comments in advance, during and after the stockholders’ meeting through email marked with the subject “ASM 2026 Feedback” to [asm@nat-re.com](mailto:asm@nat-re.com).

Questions/comments received but not read and provided with an answer during the meeting due to time constraints, will be answered separately by the Company through email.

***For any queries or concerns regarding this Guidelines, please contact the Company’s Compliance Office at (632) 89887498 or via email at [asm@nat-re.com](mailto:asm@nat-re.com).***

***For complete information on the annual meeting, please visit <https://www.nat-re.com/investor-relations/annual-stockholders-meeting/>.***

## ANNEX C

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### **Description of Business**

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 P418 million in 2024 to P434 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.

## REVIEW OF 2025 VERSUS 2024

### Results of Operations

In Millions PhP	For the years ended		Inc(dec)	
	31 Dec 2025	31 Dec 2024	Amount	%
<b>REINSURANCE PREMIUM INCOME</b>				
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%
	<b>4,380.0</b>	<b>4,855.5</b>	<b>(475.5)</b>	<b>-10%</b>
<b>UNDERWRITING DEDUCTIONS</b>				
Claims and claims reserves – net	2,800.8	3,427.8	(627.0)	-18%
Commissions – net	733.1	956.0	(222.9)	-23%
	<b>3,533.9</b>	<b>4,383.8</b>	<b>(849.9)</b>	<b>-19%</b>
Other underwriting (expense) income	(101.9)	26.3	(128.2)	-487%
<b>NET UNDERWRITING INCOME</b>	<b>744.2</b>	<b>498.0</b>	<b>246.2</b>	<b>49%</b>
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%
<b>INVESTMENT AND OTHER INCOME AND EXPENSES– net</b>	<b>670.3</b>	<b>533.1</b>	<b>137.2</b>	<b>26%</b>
<b>PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES</b>	<b>1,414.5</b>	<b>1,031.1</b>	<b>383.4</b>	<b>37%</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	372.1	353.7	18.4	5%
<b>PROFIT BEFORE TAX</b>	<b>1,042.4</b>	<b>677.4</b>	<b>365.0</b>	<b>54%</b>
<b>TAX EXPENSE</b>	212.9	126.1	86.8	69%
<b>NET PROFIT</b>	<b>P829.5</b>	<b>P551.3</b>	<b>P278.2</b>	<b>50%</b>

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%
<b>TOTAL ASSETS</b>	<b>P22,797.6</b>	<b>P20,861.0</b>	<b>P1,936.6</b>	<b>9%</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
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%
<b>TOTAL LIABILITIES</b>	<b>15,064.5</b>	<b>13,996.5</b>	<b>1,068.0</b>	<b>8%</b>
CAPITAL STOCK	2,182.0	2,182.0	-	0%
TREASURY STOCK	(100.5)	(100.5)	-	0%
ADDITIONAL PAID-IN CAPITAL	3,019.2	3,019.2	-	0%
REMEASUREMENT OF DEFINED BENEFIT LIABILITY	(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%
<b>TOTAL EQUITY</b>	<b>7,733.1</b>	<b>6,864.5</b>	<b>868.6</b>	<b>13%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P22,797.6</b>	<b>P20,861.0</b>	<b>P1,936.6</b>	<b>9%</b>

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
<b>Cost</b>		
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
	<b>5,600.0</b>	5,248.7
<b>Fair value adjustment</b>		
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
	<b>60.2</b>	31.0
<b>Balance at end of year</b>	<b>P5,660.2</b>	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	%
<b>REINSURANCE PREMIUM INCOME</b>				
Reinsurance premiums – net of returns	P6,024.4	P6,193.5	(P169.1)	-3%
Retroceded premiums	(1,525.9)	(1,428.4)	(97.5)	7%
Net premiums retained	4,498.5	4,765.1	(266.6)	-6%
Movement in premium reserves – net	357.0	(483.7)	840.7	-174%
	<b>4,855.5</b>	<b>4,281.4</b>	<b>574.1</b>	<b>13%</b>
<b>UNDERWRITING DEDUCTIONS</b>				
Claims and claims reserves – net	3,427.8	2,921.9	505.9	17%
Commissions – net	956.0	834.6	121.4	15%
	<b>4,383.8</b>	<b>3,756.5</b>	<b>627.3</b>	<b>17%</b>
Other underwriting income	26.3	47.6	(21.3)	-45%
<b>NET UNDERWRITING INCOME</b>	<b>498.0</b>	<b>572.5</b>	<b>(74.5)</b>	<b>-13%</b>
Interest	483.8	418.3	65.5	16%
(Loss) gain on sale of AFS	(24.0)	18.1	(42.1)	-233%
Foreign currency gains	13.4	18.0	(4.6)	-26%
Others	59.9	22.0	37.9	172%
<b>INVESTMENT AND OTHER INCOME AND EXPENSES– net</b>	<b>533.1</b>	<b>476.4</b>	<b>56.7</b>	<b>12%</b>
<b>PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES</b>	<b>1,031.1</b>	<b>1,048.9</b>	<b>(17.8)</b>	<b>-2%</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	353.7	365.1	(11.4)	-3%
<b>PROFIT BEFORE TAX</b>	<b>677.4</b>	<b>683.8</b>	<b>(6.4)</b>	<b>-1%</b>
<b>TAX EXPENSE</b>	126.1	147.7	(21.6)	-15%
<b>NET PROFIT</b>	<b>P551.3</b>	<b>P536.1</b>	<b>P15.2</b>	<b>3%</b>

The

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

### **Underwriting Results**

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

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

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

## **Reinsurance premium income**

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

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

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

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

## **Commissions – net**

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

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

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

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

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

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

## Financial Condition

(includes explanation on material changes in the financial statements)

In Millions PhP	Audited	Audited	Inc(dec)	
	31 Dec 2024	31 Dec 2023	Amount	%
CASH AND CASH EQUIVALENTS	P449.7	P271.8	P177.9	65%
REINSURANCE BALANCES RECEIVABLE - net	5,203.1	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%
<b>TOTAL ASSETS</b>	<b>P20,861.0</b>	<b>P19,982.9</b>	<b>P878.1</b>	<b>4%</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
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%
<b>TOTAL LIABILITIES</b>	<b>13,996.5</b>	<b>13,729.9</b>	<b>266.6</b>	<b>2%</b>
CAPITAL STOCK	2,182.0	2,182.0	-	0%
TREASURY STOCK	(100.5)	(100.5)	-	0%
ADDITIONAL PAID-IN CAPITAL	3,019.2	3,019.2	-	0%
REMEASUREMENT OF DEFINED BENEFIT LIABILITY	(60.0)	(57.3)	(2.7)	5%
REVALUATION RESERVES	14.8	(48.1)	62.9	-131%
RETAINED EARNINGS	1,809.0	1,257.7	551.3	44%
<b>TOTAL EQUITY</b>	<b>6,864.5</b>	<b>6,253.0</b>	<b>611.5</b>	<b>10%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P20,861.0</b>	<b>P19,982.9</b>	<b>P878.1</b>	<b>4%</b>

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

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

**Reinsurance balances receivable – net** amounting to P5,203.1 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
<b>Cost</b>		
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)
	<b>5,248.7</b>	<b>5,318.0</b>
<b>Fair value adjustment</b>		
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
	<b>31.0</b>	<b>(17.8)</b>
Balance at end of year	<b>P5,279.7</b>	<b>P5,300.2</b>

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

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

### **Underwriting Results**

#### **Reinsurance Premium Income**

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, 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.

#### **Underwriting Deductions**

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 loss 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 159% 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	4,719.5	3,374.5	1,345.0	40%
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%
OTHER ASSETS – net	598.3	373.1	225.2	60%
<b>TOTAL ASSETS</b>	<b>P20,421.7</b>	<b>P18,310.4</b>	<b>P2,111.3</b>	<b>12%</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
REINSURANCE BALANCES PAYABLE	P2,345.4	P2,097.2	P248.2	12%
FORWARD LIABILITY	92.2	89.3	2.9	3%
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	521.7	303.0	218.7	72%
CLAIMS AND CLAIMS RESERVES	8,983.3	8,515.6	467.7	5%
PREMIUM RESERVES	2,222.7	1,692.3	530.4	31%
DEFERRED REINSURANCE COMMISSIONS	3.4	12.5	(9.1)	-73%
<b>TOTAL LIABILITIES</b>	<b>14,168.7</b>	<b>12,709.9</b>	<b>1,458.8</b>	<b>11%</b>
CAPITAL STOCK	2,182.0	2,182.0	-	0%
TREASURY STOCK	(100.5)	(100.5)	-	0%
ADDITIONAL PAID-IN CAPITAL	3,019.2	3,019.2	-	0%
REMEASUREMENT OF DEFINED BENEFIT LIABILITY	(57.3)	(74.2)	16.9	-23%
REVALUATION RESERVES	(48.1)	(147.6)	99.5	-67%
RETAINED EARNINGS	1,257.7	721.6	536.1	74%
<b>TOTAL EQUITY</b>	<b>6,253.0</b>	<b>5,600.5</b>	<b>652.5</b>	<b>12%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P20,421.7</b>	<b>P18,310.4</b>	<b>P2,111.3</b>	<b>12%</b>

The Company's shareholders' equity amounting to P6,253.0 million as at December 31, 2023 increased by P652.6 million from the balance as at December 31, 2022 of P5,600.4 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 P4,719.5 million as at December 31, 2023 increased by P1,345.0 million or 40% from the balance as at December 31, 2022 of P3,374.5 million. The increase in the balance resulted mainly from new agricultural contracts written under the Non-life foreign business as discussed in Reinsurance Premium Income above. This was partially negated by the termination of certain property contracts in the Non-life foreign business and collections during the period.

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

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

	2023	2022
<b>Cost</b>		
Balance at beginning of year	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
	<b>5,318.0</b>	4,910.9
<b>Fair value adjustment</b>		
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
	<b>(17.8)</b>	(102.9)
<b>Balance at end of year</b>	<b>P5,300.2</b>	P4,808.0

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

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

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

**Loans and receivables** amounting to P109.6 million as at December 31, 2023 increased by P23.4 million or 27% from the balance as at December 31, 2022 of P86.2 million. The increase in the balance resulted

mainly from the increase in accrued interest receivable amounting to P28.9 million due to the increase in investments in bonds, 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.

**Other assets – net** amounting to P598.3 million as at December 31, 2023 increased by P225.2 million or 60% from the balance as at December 31, 2022 of P373.1 million. The increase in the balance mainly pertains to increase in deferred tax assets amounting to P258.5 million, partially negated by decrease in prepaid income taxes amounting to P27.4 million.

**Reinsurance balances payable** amounting to P2,345.4 million as at December 31, 2023 increased by P248.2 million or 12% from the balance as at December 31, 2022 of P2,097.2 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 P8,983.3 million as at December 31, 2023 increased by P467.7 million or 5% from the balance as at December 31, 2022 of P8,515.6 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 P2,222.7 million as at December 31, 2023 increased by P530.4 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 P3.4 million as at December 31, 2023 decreased by P9.1 million or 73% 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.

### **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 our independent auditors for the professional services rendered respectively:

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

\*Board of Canvasser Fee

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

## MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

### 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, May 19, 2026, was P0.82 per share.

### 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 P 42, 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.

### Approximate Number of Holders as of April 30, 2026

There were approximately 270 common shareholders of the Company as of April 30, 2026. The Top 20 shareholders as of April 30, 2026, 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)	1,682,694,792 12,846,500	79.24% 0.60%
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%

	<b>Name of Record Owner</b>	<b>No. of Shares Held</b>	<b>Percentage</b>
8	Federal Phoenix Assurance Company Inc.	3,786,300	0.18%
9	Visayan Surety & Insurance Corp.	3,745,500	0.17%
10	The Premier Life and General Assurance Corporation	3,597,700	0.17%
11	Oriental Assurance Corporation	3,560,800	0.17%
12	BPI/MS Insurance Corp.	3,347,500	0.16%
13	Beneficial Life Insurance Company Inc	3,193,500	0.15%
14	Manila Surety & Fidelity Co., Inc.	3,168,400	0.15%
15	Romualdez, Ferdinand Martin G.	3,000,000	0.14%
16	Stronghold Insurance Co., Inc.	2,817,600	0.13%
17	United Life Assurance Corp.	2,518,100	0.12%
18	Sterling Insurance Co., Inc.	2,453,900	0.12%
19	People's Trans-East Asia Ins. Corp	2,435,300	0.11%
20	Country Bankers Insurance Corporation	2,220,300	0.10%

### **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.

### **Corporate Governance**

The management and the Board of Directors of Nat Re recognize that a good corporate governance system is integral to the mandate given by the Company's shareholders. In this regard, the Company has established its Manual on Corporate Governance pursuant to: (a) Insurance Commission (IC) Circular Letter No. 31-2005, as amended by IC Circular Letter No. 2020-71, (b) Code of Corporate Governance for Publicly Listed Companies per SEC Memorandum Circular No. 19, Series of 2016 and (c) other relevant IC and SEC issuances and regulations.

On an annual basis, the Company conducts a regular review of its corporate governance policies and practices through a self-assessment using scorecards and best-practice guidelines issued by the SEC, and the Insurance Commission through the Integrated- Annual Corporate Governance Report (I-ACGR) and the ASEAN Corporate Governance Scorecard (ACGS).

The Board, through its Governance and Related Party Transaction Committee, performs a self-evaluation in which the current and potential state of the Company's corporate governance practices were rated using best practice guidelines issued by the SEC and IC. Through this assessment, the Company was able to evaluate its corporate governance system, measure the level of compliance with the Manual of Corporate Governance and identify areas for improvement to further strengthen its policies and procedures and protect the interests of the Company and its stakeholders.

The Governance and Related Party Transaction Committee shall oversee the annual performance evaluation of the Board, its board committees as well as the individual director's performance. The assessment criteria include the structure, efficiency and effectiveness of the Board as a body, the composition, organization and processes implemented within the different board committees and the knowledge, attendance and overall contribution of each member director to their respective board committees. The criteria for the board performance assessment are given a weight of 40% for the Board as a Body, a 35% weight for the Board Committees in General, and a 25% weight for the individual director's self-assessment. The 2025 Board Assessment result showed an overall rating of 95% and this equates to very satisfactory rating.

The Company is committed to continuously improve its corporate governance practices. This effort was affirmed by the latest 2024 ASEAN Corporate Governance Scorecard report rendered by the ICD on the performance of the company as compared to the insurance industry. Nat Re obtained a score of 91.45

points. The result maintained the Company's two- Golden Arrows for its good corporate governance practices, based on the ASEAN Corporate Governance Scorecard (ACGS).

The ACGS was introduced to Philippine publicly listed companies (PLCs) in early 2012 to raise the corporate governance standards of ASEAN member countries.

### **Attendance of the Regular and Independent Directors in the Board and Board Committee Meetings**

The following are the attendance of the Regular and Independent Directors (ID) in the Board Meeting and Board Committee Meetings comprised of the Non-Executive Directors (NED), Audit Committee (AUD), Underwriting Committee (U/W), Investment and Budget Committee (INV), Risk and Oversight Committee (ROC), Governance and Related Party Transaction Committee (GRPT), and Nomination and Compensation Committee (NCC):

<b>Directors</b>	<b>BOARD</b>	<b>AUD</b>	<b>U/W</b>	<b>INV</b>	<b>ROC</b>	<b>GRPT</b>	<b>NCC</b>
Evelina G. Escudero	13/13					4/4	5/5
Yvonne S. Yuchengco	10/13			7/7			5/5
Joli Co Wu	12/13						5/5
Allan R. Santos	13/13				4/4		
Jocelyn DG Cabreza <sup>9</sup>	4/4			2/2			
Alan R. Luga <sup>10</sup>	4/4		2/2				
Maria Consuelo A. Lukban	13/13			6/7	4/4		5/5
Lester Ong	10/13		2/3	6/7			
Rafael G. Ayuste <sup>11</sup>	13/13		3/3	7/7		4/4	
Antonio M. Rubin	13/13		3/3				
Medel T. Nera (ID)	13/13	5/5		7/7	4/4	4/4	
Roberto G. Manabat (ID)	13/13	5/5			4/4	4/4	4/5
Rex Maria A. Mendoza (ID)	11/13	5/5			3/4	4/4	
Emmanuel D.L. Samson <sup>12</sup>	6/6			1/2			
Rita E. Riddle <sup>13</sup>	6/6						
Susana C. Fong <sup>14</sup>	2/2						
Enrico Gregorio M. Trinidad <sup>15</sup>	2/2						

### **Compliance with the Best Practices on Corporate Governance**

Nat Re, being a publicly listed company (PLC), is in full compliance with the rules and regulations of the Securities and Exchange Commission, Philippine Stock Exchange, Insurance Commission and other regulatory agencies. Consistently, Nat Re fully complied with the SEC and PSE's reportorial requirements on good corporate governance practices and these include the following:

1. Submitted timely its Integrated Annual Corporate Governance Report (I-ACGR), pursuant to the SEC Memorandum Circular No. 15, Series of 2017.
2. Uploaded the ASEAN Corporate Governance Scorecard to the Company's website, pursuant to the SEC Memorandum Circular No. 18, Series of 2013.

<sup>9</sup> Resigned May 22, 2025

<sup>10</sup> Resigned May 22, 2025

<sup>11</sup> Appointed as Underwriting Committee member on June 26, 2024.

<sup>12</sup> Appointed effective May 29, 2025, and resigned effective October 24, 2025

<sup>13</sup> Appointed effective May 29, 2025, and resigned effective October 23, 2025

<sup>14</sup> Appointed effective November 27, 2025

<sup>15</sup> Appointed effective November 27, 2025

3. Obtained certification of Board Attendance, submitted required reports involving quarterly financial statements, made disclosures of material information and events, and required the annual attendance of Board Members and Key Officers to Corporate Governance training program; and
4. Complied with disclosure requirements on direct and indirect ownership of securities under the Regulation Code, or SRC, and regularly reports any trading transactions of directors and key officers of the Company within the required reporting period. There has been no case of insider trading involving directors and/or management of the Company:
5. Prepared timely its Annual Sustainability Report for the year 2025.

### **Policies and Implementing Rules Related to Corporate Governance**

Nat Re is committed to continuously improve its existing corporate policies and procedures while it observes and practices the following best standards on corporate governance.

1. The company's transactions with its related parties are conducted in fair and arms-length terms. Governance and Related Party Transaction (GRPT) Committee is required to review the material / significant Related Party Transactions (RPT), together with the review of quarterly/ annual financial information, to determine, whether these RPTs are in the best interest of the company. The Audit Committee reviews the company's internal control system. The results of those reviews are included in the Annual Report of the Audit Committee and the subject report is included in the company's Annual Report.
2. The Board materials are distributed to directors at least five (5) business days prior to the board meeting to give ample time for review of subject board materials.
3. It is also stated in the Company's Code of Ethics that directors, officers and employees of Nat Re are committed to avoid activities and interests that could significantly affect the objective or effective performance of one's duties and responsibilities in the company, including having business interests, receiving and giving gifts of unusually high value to persons or entities with whom the company relates and insider's trading.
4. Dealings in company shares by the Directors and Officers are reported to the Compliance Officer within three (3) business days and immediately reported to PSE and SEC within the period required for reporting. The Company has established its Policy on Insider's Trading. Directors, Officers and Employees are mandated not to trade in the company's securities using price sensitive information that is not normally available publicly, and obtained by reason of position, contact within, or other relationship with the company as stated in the Confidentiality section of the Norms of Business Conduct and Ethics.
5. Any actual or apparent conflict of interest, and any material transaction or relationship that could reasonably give rise to a conflict of interest, must be immediately disclosed to the Human Resources Department if involving company employees or to the Audit Committee, if any Senior Management personnel or Board member is involved. Directors and officers are mandated to base all business decisions and actions with the best interest of the Company in mind at all times. Decisions must not be motivated by personal considerations and other relationships, which may interfere with the exercise of independent judgment. These are in accordance with the set norms of Business Conduct and Ethics.

## **Stakeholder Relations**

### ***Shareholder and Investor Relations***

The Company has set up communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC, PSE and IC, the Company actively maintains its website that provides timely information updates on its governance, operational, financial performance, credit rating report and other relevant activities for public information. The Company has also designated its investor relations/communication officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.

### ***Employee Relations***

The Company explicitly articulates its recognition and protection of the rights and interests of its employees through its Employee Manual of Policies and Procedures. The manual also governs employee related matters to ensure uniformity and consistency of interpretation and implementation, promote harmonious employer-employee relationship as well as set-up guidelines in protecting the use of material inside information.

The Company provides post-employment benefits, which is a wholly funded, tax-qualified, non-contributory defined benefit retirement plan that is being administered by a trustee and covers all regular full-time employees. The employees also participate in various industry and regulatory training and seminars that are designed for their career advancement and functional development and are linked towards shareholder value creation.

### ***Cultivating Sustainable Community***

The Company's efforts have always focused on mitigating the consequences of natural catastrophes. It participates in programs on this subject and is working with the Philippine non-life insurance industry to put in place mitigation measures. The Company also participates jointly in community related projects undertaken by other entities from time to time. Other environment-related and community involvement programs are being facilitated to further contribute to the insurance industry and the Philippine society. Please refer to our [2025 Nat Re Sustainability Report](#)

### ***Code of Ethics***

Nat Re promotes a culture of good corporate governance by observing and implementing its Code of Ethics that is founded on the Company's core business principles of fairness, accountability, integrity, transparency and honesty. The code guides individual behavior and decision making, and clarifies responsibilities and proper conduct for its directors, officers and employees.

### ***Sustainability Report***

We at Nat Re are fully committed to more consciously manage our business' impact on the economy, the environment, and the greater society, and monitor our contributions to achieving universal sustainability goals. Nat Re's board of directors, senior management, and employees are dedicated to proactively integrate a philosophy of sustainable development into the Company's corporate, business, and functional strategies and day-to-day activities. The [2025 Nat Re Sustainability Report](#) highlights our continuing contribution toward a stronger economy, a cleaner environment, and a healthier society.

**2026 CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **ROBERTO G. MANABAT**, Filipino, of legal age and a resident of 520 Talisay Street, Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **National Reinsurance Corporation of the Philippines (the "Corporation")** and have been its independent director since June 2021.
2. I am affiliated with the following companies or organizations:


<b>COMPANY/ORGANIZATION</b>	<b>POSITION/RELATIONSHIP</b>	<b>PERIOD OF SERVICE</b>
<b>LISTED COMPANIES</b>		
Union Bank of the Philippines	Lead Independent Director	Since 2018
SM Investments Corporation	Advisor to the Board of Directors	Since 2015
EEl Corporation	Independent Director	Since 2025
<b>NON-LISTED COMPANIES</b>		
Union Digital Bank	Independent Director	November 2021
Goldilocks Bakeshop, Inc.	Independent Director	June 2021
City Savings Bank	Independent Director	January 2021
UnionBank Financial Services & Insurance Brokerage, Inc.	Independent Director	Since 2022
Pluxee Philippines	Independent Director	Since 2022
KPMG R.G. Manabat Foundation	Chairman	Since 2017
Institute of Corporate Directors	Life Fellow	Since 2005
-nothing follows-		

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **National Reinsurance Corporation of the Philippines**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other relevant issuances of the Securities and Exchange Commission (SEC) and Insurance Commission.
4. I am not related to any director, officer, substantial shareholder of the Corporation or any of its subsidiaries and affiliates.


5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not employed in government service or affiliated with any government agency or government owned and controlled corporation (GOCC).
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC and IC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 5th day of March, 2026, at Makati City.

  
Roberto G. Manabat  
Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of 10 MAR 2026 at  
CITY OF MAKATI affiant personally appeared before me and exhibited to me his passport  


Doc. No. 400;  
Page No. 99;  
Book No. 21;  
Series of 2026.

  
ATTY. ADONIJUAN R. ASLARONA  
Notary Public  
Until December 31, 2026  
IBP O.R No. 591537/01-07-2026/Pampanga  
Appointment No. M-30 (2025-2026)  
Roll of Attorney No. 84603  
MCLE Compliance No. VIII-0033436  
PTR No. 10769145/1-06-2026/Makati City  
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat  
Avenue Corner, Tindalo Street, Makati City 1286

## 2026 CERTIFICATION OF INDEPENDENT DIRECTOR

I, **REX MARIA A. MENDOZA**, Filipino, of legal age and a resident of No. 10 San Antonio St., Magallanes Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **National Reinsurance Corporation of the Philippines (the "Corporation")** and have been its independent director since June 2019.
2. I am affiliated with the following companies or organizations:


COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
<b>LISTED COMPANIES</b>		
Ayala Land, Inc.	Independent Director	April 22, 2020 - Present
<b>NON-LISTED COMPANIES</b>		
Malayan Savings Bank Inc.	Director	2025 - Present
RF Insurance Brokers Inc.	President	2024 - Present
Healthway Philippines, Inc.	Director	February 2024 - Present
Globe Fintech Innovations, Inc.	Director	2023 - Present
G-Xchange Inc. (GXl or GCash)	Lead / Independent Director	2021 - present
Mobile Group, Inc.	Director	2021 - present
Seedbox Technologies, Inc.	Director	2019 - present
Anvaya Cove Beach and Nature Club, Inc.	Director	December 10, 2020 - Present
Soldivo Strategic Growth Fund, Inc.	Chairman	2018 - Present
Soldivo Bond Fund, Inc.	Chairman	2018 - Present
Esquire Financing, Inc.	Director	2013 - Present
Seven Tall Trees Events Company, Inc.	Director	2008 - Present
Rampver Financials Inc.	Chairman	1993 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **National Reinsurance Corporation of the Philippines**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other relevant issuances of the Securities and Exchange Commission (SEC) and Insurance Commission.

4. I am not related to any director, officer, substantial shareholder of the Corporation or any of its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not employed in government service or affiliated with any government agency or government owned and controlled corporation (GOCC).
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC and IC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this \_\_\_\_\_ day of MAR 16 2026, at MAKATI CITY.

  
Rex Maria A. Mendoza  
 Affiant

SUBSCRIBED AND SWORN to before me this MAR 16 2026 day of \_\_\_\_\_ at MAKATI CITY, affiant personally appeared before me and exhibited to me his passport  


Doc. No. 148 ;  
 Page No. 31 ;  
 Book No. II ;  
 Series of 2026 ;



  
**MICAH BERNADETTE T. MANALO**  
 Appointment No. M-062  
 Notary Public for Makati City  
 Until December 31, 2027  
 Castillo Laman Tan Pantaleon & San Jose Law Firm  
 The Valero Tower, 122 Valero Street  
 Salcedo Village, Makati City  
 PTR No. 10766546 ; 01-02-2026 ; Makati City  
 IBP No. 535834 ; 12-22-2025 ; Batangas Chapter  
 MCLE No. VIII-0039062; valid from 6-25-2025;  
 valid until 4-14-2028; Pasig City  
 Roll No. 91770

**2026 CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **Dominador T. Gregorio III**, Filipino, of legal age and a resident of Unit D1-11-1 Alexandra Condominium, 29 Meralco Avenue, Pasig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **National Reinsurance Corporation of the Philippines (the "Corporation")**.
2. I am affiliated with the following companies or organizations:

<b>COMPANY/ORGANIZATION</b>	<b>POSITION/RELATIONSHIP</b>	<b>PERIOD OF SERVICE</b>
<b>LISTED COMPANIES</b>		
Fil Estate Land Inc.	Independent Director	Jan 1 2010 to Dec 31 2010
<b>NON-LISTED COMPANIES</b>		
Home Credit Consumer Finance Philippines Inc.	Independent Director	May 11 2022 till present
Cebuana Lhuillier Rural Bank	Independent Director	Nov 27 2024 till present
FTI Consulting Philippines Inc.	President and Director	Sept 1 2009 till present
Red Platinum Investment Holdings Inc.	President and Director	Jan 1 2014 till present
Stella Maris Property Holdings Inc	President and Director	Jan 1 1994 till present
Mandurriao Property Holdings Inc	President and Director	Jan 1 2012 till present
Marikudo Agrimarine Holdings Inc	President and Director	Jan 1 2018 till present
Hidjao Property Holdings Inc.	President and Director	Jan 1 2020 till present
Deloitte Almaty, Kazakhstan	Partner	May 1 2007 to June 30 2009
SGV & Co.	Partner	Oct 1 1994 to April 30 2007
Citicorp Real Estate Inc (Citibank N.A)	Relationship Manager	July 1 1988 to June 30 1994
SGV & Co	External Auditor	Nov 3 1983 to May 30 1986

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **National Reinsurance Corporation of the Philippines**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other relevant issuances of the Securities and Exchange Commission (SEC) and Insurance Commission.

4. I am not related to any director, officer, substantial shareholder of the Corporation or any of its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not employed in government service or affiliated with any government agency or government owned and controlled corporation (GOCC).
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC and IC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 31st day of January 2026, at Pasig City.



Dominador J. Gregorio III

Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of FEB 04 2026 at CITY OF MAKATI, affiant personally appeared before me and exhibited to me his Driver's

Doc. No. 263 ;  
Page No. 54 ;  
Book No. 10 ;  
Series of 2024 ;

**ATTY. ADONAIAN R. ASLARONA**  
Notary Public  
Until ~~December 31, 2026~~  
IBP O.R. No. 591537/01-07-2026/Pampanga  
Appointment No. M-30 (2025-2026)  
Roll of Attorney No. 84603  
MCLE Compliance No. VIII-0033436  
PTR No. 10769145/1-06-2026/Makati City  
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat,  
Avenue Corner, Tindalo Street, Makati City 1280

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) ss

**CERTIFICATION AND UNDERTAKING**

I, **JACQUELINE MICHELLE C DY**, of legal age, Filipino, and with business address at the 31<sup>st</sup> Floor, BPI AIA Makati, 6811 Ayala Avenue, Makati City, after having been duly sworn in accordance with law, depose and say that:


1. I am the Vice President and Head of Risk and Compliance of **NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**, doing business under the names and styles of Nat Re, Philippine National Reinsurance Company and PhilNaRe, a corporation organized and existing under the laws of the Philippines (the "Corporation").
2. In connection with the Annual Stockholders' Meeting of the Corporation scheduled on June 24, 2026 (the "2026 ASM"), 2:00 P.M. at the Carlos P. Romulo Auditorium, 4F, Tower II, RCBC Plaza, 6819 Ayala Avenue, Makati City, I hereby certify as follows:
  - (a) Except for Ms. Evelina G. Escudero, Mr. Enrico Gregorio M. Trinidad, and Ms. Susana C. Fong, who are all connected with the Government Service Insurance System ("GSIS"), none of the Corporation's other nominees for directors and officers at the 2026 ASM is connected with any government agencies or its instrumentalities; and
  - (b) Attached to this certification and form part of the Corporation's filing for the Preliminary Information Statement ("PIS") for the 2026 ASM is GSIS' letter dated May 11, 2026, consenting to the nomination and election of Ms. Evelina G. Escudero, Ms. Susana C. Fong, and Mr. Enrico Gregorio M. Trinidad and as directors of the Corporation.
3. I am executing this Certification and Undertaking in compliance with the requirements of the Securities and Exchange Commission.

  
**JACQUELINE MICHELLE C. DY**  
Vice President / Head of Risk and Compliance

SUBSCRIBED AND SWORN to before me this MAY 12 2026 at Makati City, affiant exhibiting to me her passport no 

Doc. No. 239 ;  
Page No. 49 ;  
Book No. 5 ;  
Series of 2026.



  
**CAREN Q. VINIEGRA**  
Appointment No. M-064  
Notary Public for Makati City  
Until December 31, 2027  
Castillo Laman Tan Pantaleon & San Jose Law Firm  
The Valero Tower, 122 Valero Street  
Salcedo Village, Makati City  
PTR No. 10766540 ; 01-02-2026 ; Makati City  
IBP No. 535828 ; 12-22-2025 ; Cavite Chapter  
MCLE No. VIII-0032150; valid from 5-5-2025;  
valid until 4-14-2028; Pasig City  
Roll No. 80215



**Government Service Insurance System**  
Paseguruhan ng mga Naglilingkod sa Pamahalaan



**OFFICE OF THE CORPORATE SECRETARY**  
GSIS Board of Trustees

11 May 2026

**SECURITIES AND EXCHANGE COMMISSION (SEC)**

SEC Headquarters, #7907 Makati Avenue  
Salcedo Village, Barangay Bel-Air  
Makati City 1209

Attention: **Atty. Oliver O. Leonardo**  
*Director*  
Markets and Securities Regulation Department

Re: **Certification of NRCP's Directors in Government Service**

**Dear Sir:**

This is in reference to the required certification that none of the directors of National Reinsurance Corporation of the Philippines (NRCP) is an elected or appointed official of the government.

The Government Service Insurance System (GSIS) currently owns 25.78% of the outstanding capital stock of the NRCP. The GSIS has been a stockholder of NRCP since the latter's incorporation on 7 June 1978; and as a stockholder, the GSIS has the right to appoint nominee directors in the NRCP.

In view of the foregoing, NRCP **cannot** submit a certification that none of its directors is an appointed or elective official of the government. However, as a shareholder of NRCP, the GSIS confirms that in the execution of their duties as board members of NRCP, the GSIS nominee directors in NRCP do not receive any additional compensation from the NRCP but merely receive reasonable per diems and gratuities for their attendance to the board meetings of the NRCP. Thus, the appointment by the GSIS of its nominee directors in the NRCP does not violate Article IX (B), Section 8 of the Constitution.

In view of the change in the composition of the GSIS Board of Trustees, the GSIS hereby confirms that it consents to the nomination and election of Ms. Evelina G. Escudero, Ms. Susana C. Fong, and Mr. Enrico Gregorio M. Trinidad as directors in the NRCP.

We trust that the foregoing explanation is sufficient.

Very truly yours,


  
**Ms. Ma. Cecilia V. Sumisim**  
*Corporate Secretary*



Financial Center, Pasay City, Metro Manila, 1308

 [www.gsis.gov.ph](http://www.gsis.gov.ph)  
 [facebook.com/gsis.ph](https://facebook.com/gsis.ph)

 GSIS Official  
 [gsiscare@gsis.gov.ph](mailto:gsiscare@gsis.gov.ph)

 8847 4747  
1-800-8847-4747 (Globe/TM)  
1-800-10-8474747 (Smart/TnT/Sun)



Paula Justine Olegario &lt;justine.olegario@nat-re.com&gt;

## Your BIR AFS eSubmission uploads were received

1 message

Noemi Calderon &lt;noemi.calderon@nat-re.com&gt;

Wed, Apr 29, 2026 at 5:53 PM

To: Krystel Lois Villaluz &lt;krystel.villaluz@nat-re.com&gt;, Paula Justine Olegario &lt;justine.olegario@nat-re.com&gt;

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

From: &lt;eafs@bir.gov.ph&gt;

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

Subject: Your BIR AFS eSubmission uploads were received

To: &lt;IRENE.LOZADA@nat-re.com&gt;

Cc: &lt;SAN.SONTILLANO@nat-re.com&gt;

Hi NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES,

### Valid files

- EAFS000480869OTHTY122025.pdf
- EAFS000480869TCRTY122025-01.pdf
- EAFS000480869AFSTY122025.pdf
- EAFS000480869RPPTY122025.pdf
- EAFS000480869ITRTY122025.pdf

### Invalid file

- <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.



NATIONAL  
REINSURANCE  
CORPORATION  
OF THE PHILIPPINES

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**


The management of **National Reinsurance Corporation of the Philippines** (the Company), is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 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.

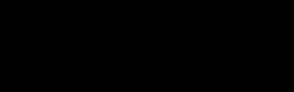
The Board of Directors (the Board) is responsible for overseeing the Company's financial reporting process.

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.

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


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

  
**JOLI CO WU**  
Treasurer

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

Signed this **APR 23 2026** day of April, 2026.

**SUBSCRIBED AND SWORN TO** before me on **APR 23 2026** 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. 514  
Page No. 104  
Book No. 11  
Series of 2026.



**Notary Public**  
**MICAH BERNADETTE T. MANALO**  
Appointment No. M-062  
Notary Public for Makati City  
Until December 31, 2027  
Castillo Laman Tan Pantaleon & San Jose Law Firm  
The Valero Tower, 122 Valero Street  
Salcedo Village, Makati City  
PTR No. 10766546 ; 01-02-2026 ; Makati City  
Bldg. No. 358, 122 Valero Street, Salcedo Village, Makati City, Philippines 1227  
MICHELE No. 0099082, valid until 01-25-2025;  
valid until 4-14-2028; Pasig City  
Roll No. 91770

# 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.

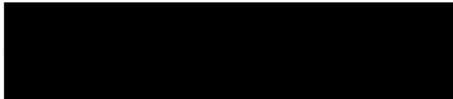


## **Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

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.**



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
<b>ASSETS</b>			
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
<b>TOTAL ASSETS</b>		<b>P22,797,555</b>	<b>P20,861,011</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
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
<b>Total Liabilities</b>		<b>15,064,466</b>	<b>13,996,538</b>
<b>Equity</b>	27	<b>7,733,089</b>	<b>6,864,473</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P22,797,555</b>	<b>P20,861,011</b>

*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
<b>Reinsurance premium income</b>				
Reinsurance premiums – net of returns	<i>20</i>	<b>P5,727,411</b>	P6,024,461	P6,193,515
Retroceded premiums	<i>15</i>	<b>(1,218,912)</b>	(1,525,895)	(1,428,420)
Net premiums retained		<b>4,508,499</b>	4,498,566	4,765,095
Movement in premium reserves – net	<i>15, 20</i>	<b>(128,527)</b>	356,954	(483,709)
		<b>4,379,972</b>	4,855,520	4,281,386
<b>Underwriting deductions</b>				
Claims and claims reserves – net	<i>23.1, 23.2</i>	<b>2,800,797</b>	3,427,785	2,921,859
Commissions – net	<i>23.3</i>	<b>733,127</b>	956,021	834,624
		<b>3,533,924</b>	4,383,806	3,756,483
Other underwriting (expense) income		<b>(101,852)</b>	26,342	47,571
Net underwriting income		<b>744,196</b>	498,056	572,474
Investment and other income and expenses – net	<i>22</i>	<b>670,258</b>	533,081	476,457
Profit after investment and other income and expenses		<b>1,414,454</b>	1,031,137	1,048,931
General and administrative expenses	<i>24</i>	<b>372,062</b>	353,668	365,120
Profit before tax		<b>1,042,392</b>	677,469	683,811
Tax expense	<i>26</i>	<b>212,902</b>	126,125	147,664
Net profit		<b>P829,490</b>	P551,344	P536,147
Earnings per share - basic and diluted	<i>30</i>	<b>P0.391</b>	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
<b>Net profit</b>		<b>P829,490</b>	<b>P551,344</b>	<b>P536,147</b>
<b>Other comprehensive income (loss)</b>				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit asset	24.2	(2,866)	(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
<b>Total other comprehensive income</b>		<b>39,126</b>	<b>60,102</b>	<b>116,466</b>
<b>Total comprehensive income</b>		<b>P868,616</b>	<b>P611,446</b>	<b>P652,613</b>

*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)*

	<i>Notes</i>	Capital Stock		Additional Paid-in Capital <i>(Note 27)</i>	Treasury Shares at Cost <i>(Note 27)</i>	Revaluation Reserves		Defined Benefit Liability <i>(Note 24)</i>	Retained Earnings		Total Equity
		No. of Shares <i>(in thousands)</i>	Amount <i>(Note 27)</i>			AFS Financial Assets	HTM Securities		Appropriated	Unappropriated	
<b>Balance at January 1, 2025</b>		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
<b>Total comprehensive income (loss)</b>		-	-	-	-	28,707	13,285	(2,866)	-	829,490	868,616
<b>Appropriated for contingencies</b>	27	-	-	-	-	-	-	-	82,949	(82,949)	-
<b>Balance at December 31, 2025</b>		2,181,955	P2,181,955	P3,019,218	(P100,525)	P56,781	P-	(P62,902)	P266,838	P2,371,724	P7,733,089
<b>Balance at January 1, 2024</b>		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
<b>Total comprehensive income (loss)</b>		-	-	-	-	48,017	14,851	(2,766)	-	551,344	611,446
<b>Appropriated for contingencies</b>	27	-	-	-	-	-	-	-	55,134	(55,134)	-
<b>Balance at December 31, 2024</b>		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

	<i>Notes</i>	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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax		<b>P1,042,392</b>	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		<b>726,773</b>	(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		<b>368,669</b>	(125,905)	300,012
Cash paid for income taxes		(185,404)	(363,551)	(99,128)
<b>Net cash from (used in) operating activities</b>		<b>P183,265</b>	(P489,456)	P200,884

*Forward*

	<i>Notes</i>	2025	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
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)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
		31,964	176,356	(425,291)
<b>EFFECTS OF FOREIGN CURRENCY REVALUATION ON CASH AND CASH EQUIVALENTS</b>				
		5,008	1,580	(27,632)
<b>CASH AND CASH EQUIVALENTS - January 1</b>				
		449,739	271,803	724,726
<b>CASH AND CASH EQUIVALENTS - December 31</b>				
		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 31<sup>st</sup> 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 24<sup>th</sup> method [see Note 2.13(a)]. The net change in the account between each end of reporting periods are recognized in the statements of income under movement in premium reserves – net.

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

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

## **2.8 Other Assets**

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

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

## **2.9 Financial Liabilities**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reinsurance premiums are recognized over the coverage period of the contracts using the 24<sup>th</sup> method. The 24<sup>th</sup> method assumes that the average date of issue of all contracts written during any one month is the middle of that month. Accordingly, 1/24<sup>th</sup> of the net premiums are considered earned in the month the reinsurance contracts are issued and 2/24<sup>th</sup> for every month thereafter (or 1/24<sup>th</sup> for every 15-day period after the issue month). While for specific agriculture treaty contracts where the underlying risk relates to the crops cultivated within India, the Company recognize the earned premium during the harvest period. The portion of the gross reinsurance premiums that relates to the unexpired periods of the contracts at the end of the reporting period is accounted for as Premium reserves (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 24<sup>th</sup> method. Unamortized acquisition costs are presented in the statements of financial position as Deferred acquisition costs (see Note 2.5).

### **(c) General and Administrative Expenses**

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

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

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

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

## ***2.16 Income Taxes***

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***2.18 Equity***

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

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

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

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

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

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

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

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

### ***2.20 Segment Reporting***

For purposes of segment reporting, the Company does not have other reportable segments. The Company has one reportable business segment which is the reinsurance market. The 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
	<b>P5,727,411</b>	<b>P1,218,912</b>	<b>P4,508,499</b>

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
	<b>P6,024,461</b>	<b>P1,525,895</b>	<b>P4,498,566</b>

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
	<b>P6,193,515</b>	<b>P1,428,420</b>	<b>P4,765,095</b>

*Claims Development*

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

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

The following tables shows the estimates of cumulative incurred claims, gross of retrocession, for each underwriting year at each reporting date, together with cumulative claims paid as at December 31, 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)	P333,331	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%	<b>(P218,999)</b>	(P241,081)	<b>(P164,249)</b>	(P180,811)
	-5%	<b>218,999</b>	241,081	<b>164,249</b>	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:

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

<b>By Source</b>	<i>Note</i>	<b>2025</b>	<b>2024</b>
Life		<b>P1,811,036</b>	P1,666,763
Nonlife		<b>4,568,249</b>	4,035,610
	<i>6</i>	<b>P6,379,285</b>	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		<b>P5,311,656</b>	P4,705,498
Corporate bonds		<b>130,677</b>	90,231
	<b>8</b>	<b>P5,442,333</b>	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		<b>P3,171,799</b>	P2,668,511
Government securities		<b>1,111,197</b>	1,355,988
	<b>9</b>	<b>P4,282,996</b>	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:

<b>By Region</b>	2025	2024
Domestic	<b>P62,167</b>	P31,391
Foreign	<b>1,651,563</b>	1,825,027
	<b>P1,713,730</b>	P1,856,418

<b>By Source</b>	2025	2024
Life	<b>P34,308</b>	P48,112
Nonlife	<b>1,679,422</b>	1,808,306
	<b>P1,713,730</b>	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	Impaired	
		Investment High Grade	Non-investment Grade			
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
		<b>P13,666,167</b>	<b>P3,979,926</b>	<b>P263,471</b>	<b>P634,129</b>	<b>P18,543,693</b>

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	<b>P234,110</b>	P864,417
More than one year	<b>29,361</b>	405,646
	<b>P263,471</b>	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>	<b>P5,894,354</b>	P5,203,165
Reinsurance balances payable	<i>17, 25</i>	<b>2,164,670</b>	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)
<b>HFT securities:</b>						
Common shares	10.97%	P34,718	P34,718	12.28%	P28,445	P28,445
<b>AFS financial Assets:</b>						
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
<b>Peso-denominated securities:</b>			
Government bonds	4.11%	P2,540,805	P2,632,627
<b>U.S. Dollar-denominated securities:</b>			
Government bonds	21.66%	84	412
Corporate bonds	17.12%	38	96
		<b>P2,540,927</b>	<b>P2,633,135</b>
	2024		
	Observed Volatility Rates	Effect in Other Comprehensive Income	
		Increase in variable	Decrease in variable
<b>Peso-denominated securities:</b>			
Government bonds	17.00%	P2,164,588	P2,573,607
<b>U.S. Dollar-denominated securities:</b>			
Government bonds	26.16%	(303)	339
Corporate bonds	16.57%	(30)	48
		<b>P2,164,255</b>	<b>P2,573,994</b>

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	<b>P122,390</b>	P114,909
Short-term placements	<b>364,321</b>	334,830
	<b>P486,711</b>	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	<b>P5,676,122</b>	P4,924,204
Reinsurance recoverable on paid claims		<b>384,128</b>	492,362
Funds held by ceding companies		<b>229,744</b>	266,217
Due from reinsurers		<b>89,291</b>	19,590
		<b>6,379,285</b>	5,702,373
Allowance for impairment		<b>(484,931)</b>	(499,208)
	25	<b>P5,894,354</b>	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	<b>P1,111</b>	P-
Forward liability	<b>1,761</b>	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		<b>P447,958</b>	P532,670
Acquisitions		<b>2,744,100</b>	3,251,907
Disposals		<b>(2,414,719)</b>	(3,344,267)
Changes in fair value	22	<b>66,726</b>	6,780
Unrealized foreign currency gains		<b>10,660</b>	868
Balance at end of year		<b>P854,725</b>	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
	<b>P5,660,229</b>	<b>P5,279,741</b>

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
	<b>P5,442,333</b>	<b>P4,795,729</b>

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
	<b>173,755</b>	<b>394,987</b>
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
	<b>(1,036)</b>	<b>46,330</b>
	<b>P174,825</b>	<b>P443,229</b>

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
<b>Cost</b>			
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
		<b>5,600,078</b>	<b>5,248,772</b>
<b>Fair value adjustment</b>			
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
		<b>60,151</b>	<b>30,969</b>
Balance at end of year		<b>P5,660,229</b>	<b>P5,279,741</b>

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
	<b>P4,282,996</b>	<b>P4,024,499</b>

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	<b>P4,282,996</b>	<b>P4,024,499</b>

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.

	<i>Note</i>	2025					Total
		Condominium Unit	Office Improvements	Transportation Equipment	EDP Equipment	Office Furniture and Equipment	
<b>Cost</b>							
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
<b>Accumulated Depreciation</b>							
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
<b>Net Book Value</b>		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
<b>Cost</b>						
Balance at beginning of year	P101,310	P25,285	P9,781	P20,405	P11,350	P168,131
Additions	–	–	4,527	1,811	–	6,338
Disposals/retirement	–	–	(1,133)	–	–	(1,133)
Balance at end of year	101,310	25,285	13,175	22,216	11,350	173,336
<b>Accumulated Depreciation</b>						
Balance at beginning of year	81,611	15,287	3,458	14,460	11,151	125,967
Depreciation 24	3,377	2,522	2,249	2,088	25	10,261
Disposals/retirement	–	–	(1,133)	–	–	(1,133)
Balance at end of year	84,988	17,809	4,574	16,548	11,176	135,095
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	<b>P1,842,751</b>	P2,008,149
Reinsurance recoverable on claims reserves	<b>932,151</b>	839,303
Balance at end of year	<b>P2,774,902</b>	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	<b>P647,670</b>	P652,736
Premiums retroceded during the year	<b>1,218,912</b>	1,525,895
Premiums amortized during the year	<b>(1,242,950)</b>	(1,530,961)
Balance at end of year	<b>P623,632</b>	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)	<b>P195,947</b>	P196,606
Intangible assets – net	<b>55,366</b>	34,021
Receivable from BIR	<b>53,065</b>	53,065
Deferred creditable tax	<b>10,228</b>	11,984
Prepayments	<b>9,753</b>	15,558
Deferred withholding VAT	<b>9,203</b>	9,203
Investment properties – net	<b>3,705</b>	3,705
Deposit	<b>700</b>	700
Security fund	<b>644</b>	644
Deferred input VAT	<b>26</b>	64
Others	<b>137</b>	136
	<b>338,774</b>	325,686
Allowance for impairment	<b>(209,633)</b>	(209,633)
	<b>P129,141</b>	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	<b>P218,655</b>	P197,310
Accumulated amortization	<b>(163,289)</b>	(163,289)
Balance at end of year	<b>P55,366</b>	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		<b>P34,021</b>	P645
Additions		<b>21,345</b>	34,021
Amortization	<i>24</i>	–	(645)
Balance at end of year, net of accumulated amortization		<b>P55,366</b>	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		<b>P1,792,061</b>	P1,863,243
Due to cedant		<b>347,744</b>	32,671
Funds held for retrocessionaires		<b>24,865</b>	17,166
	<i>25</i>	<b>P2,164,670</b>	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			<b>Total</b>
		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		<b>P1,792,061</b>	<b>P347,744</b>	<b>P24,865</b>	<b>P2,164,670</b>

	<i>Note</i>	2024			<b>Total</b>
		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>	<b>P1,863,243</b>	<b>P32,671</b>	<b>P17,166</b>	<b>P1,913,080</b>

## 18. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account includes the following:

	<i>Note</i>	2025	2024
Income tax payable		<b>P187,088</b>	81,674
Accounts payable and accrued expenses		<b>157,329</b>	P222,534
Deferred output VAT		<b>25,970</b>	25,615
Deposit liability		<b>19,324</b>	38,631
Defined benefit liability	<i>24.2(b)</i>	<b>12,530</b>	8,206
Withholding taxes payable		<b>5,556</b>	9,562
Dividends payable	<i>27.3</i>	<b>1,662</b>	1,662
		<b>P409,459</b>	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		<b>P5,901,510</b>	P5,637,256
Claims reserves	28	<b>4,610,328</b>	4,195,145
		<b>P10,511,838</b>	P9,832,401

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

<b>December 31, 2024</b>	<i>Notes</i>	<b>Claims</b>	<b>Claims Reserves</b>
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	<b>P1,860,645</b>	P2,222,665
Premiums written during the year	<b>5,727,411</b>	6,024,461
Premiums earned during the year	<b>(5,622,922)</b>	(6,386,481)
Balance at end of year	<b>P1,965,134</b>	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		<b>P2,321</b>	P3,491
Income deferred during the year		<b>38,648</b>	20,967
Income recognized during the year	23.3	<b>(29,365)</b>	(22,137)
Balance at end of year		<b>P11,604</b>	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	<b>P15,515</b>	P18,528	P22,739
AFS financial assets	8	<b>296,386</b>	253,493	211,035
HTM securities	9	<b>221,701</b>	203,681	172,024
Other investments	10	<b>1,200</b>	7,551	12,055
Loans and receivables	11	<b>647</b>	671	463
Others		<b>(1,711)</b>	(122)	(27)
Fair value gains on HFT securities	7	<b>66,810</b>	6,780	12,341
Gain on sale of HFT securities	7	<b>21,982</b>	32,884	(4,247)
Gain (loss) on sale of AFS financial assets	8	<b>28,166</b>	(23,991)	18,077
Dividend income	7, 8	<b>23,839</b>	26,303	31,883
Foreign currency gains		<b>10,773</b>	13,446	18,063
Fair value losses from forward contract	7	<b>(12,287)</b>	(4,947)	(3,122)
Impairment loss on AFS financial assets	8	<b>(4,753)</b>	(22,222)	(2,515)
Movement in deposit liability	18	<b>(595)</b>	(1,852)	(3,515)
Gain on sale of non-financial assets	12	<b>–</b>	–	417
Other income (charges)		<b>2,585</b>	22,878	(9,214)
		<b>P670,258</b>	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	<b>P2,478,462</b>	P3,238,000	P1,658,122
Change in claims reserves – net	23.2	<b>322,335</b>	189,785	1,263,737
		<b>P2,800,797</b>	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
		<b>P2,478,462</b>	<b>P3,238,000</b>	<b>P1,658,122</b>

**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
		<b>P322,335</b>	<b>P189,785</b>	<b>P1,263,737</b>

**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)
		<b>P733,127</b>	<b>P956,021</b>	<b>P834,624</b>

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
		<b>P372,062</b>	<b>P353,668</b>	<b>P365,120</b>

### *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
		<b>P253,330</b>	<b>P227,386</b>	<b>P196,546</b>

## 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	<b>P109,558</b>	P96,434
Present value of the obligation	<b>(122,088)</b>	(104,640)
	<b>(P12,530)</b>	(P8,206)

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

	2025	2024
Balance at beginning of year	<b>P96,434</b>	P93,510
Interest income	<b>5,902</b>	5,657
Return on plan assets	<b>(1,118)</b>	(1,448)
Contributions paid into the plan	<b>16,524</b>	13,971
Benefits paid by the plan	<b>(8,184)</b>	(15,256)
Balance at end of year	<b>P109,558</b>	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		<b>P104,640</b>	P97,770
Current service cost	<i>24.1</i>	<b>16,524</b>	13,971
Interest expense		<b>6,404</b>	5,915
Remeasurements – actuarial losses (gains) arising from:			
Experience adjustments		<b>3,292</b>	2,696
Changes in financial assumptions		<b>(588)</b>	(456)
Benefits paid by the plan		<b>(8,184)</b>	(15,256)
Balance at end of year		<b>P122,088</b>	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	<b>P5,373</b>	P2,611
Philippine government securities	<b>86,623</b>	67,788
Equity securities	<b>16,162</b>	15,959
Corporate notes	<b>6,003</b>	6,840
Mutual fund	<b>1,670</b>	2,359
Loans and receivables	<b>1,415</b>	1,182
Accounts payable	<b>(7,688)</b>	(305)
	<b>P109,558</b>	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	<b>P16,524</b>	P13,971	P12,013
Net interest expense (income)	<b>502</b>	258	140
	<b>P17,026</b>	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)
	<b>P3,822</b>	<b>P3,688</b>	<b>P2,114</b>

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
	<b>P378,070</b>	<b>P341,369</b>

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)	<b>P204,600</b>	P94,189	P302,454
Final tax at 20%, 7.5%, and 15%	<b>102,775</b>	90,759	84,315
Deferred tax benefit	<b>(94,473)</b>	(58,823)	(239,105)
	<b>P212,902</b>	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%)	<b>P260,598</b>	P169,368	P170,953
Non-deductible expenses	<b>8,850</b>	5,642	2,291
Non-taxable income	<b>(39,905)</b>	(18,528)	(18,619)
Adjustment for income subjected to lower tax rates	<b>(30,923)</b>	(29,888)	(20,113)
Others	<b>(128)</b>	(64)	15,545
Tax effects of movements in unrecognized deferred tax assets	<b>14,410</b>	(405)	(2,393)
<b>Tax expense reported in statements of income</b>	<b>P212,902</b>	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
<b>Profit or loss:</b>				
Claims and claims reserves	<b>P3,662,837</b>	<b>P915,709</b>	P3,240,452	P810,113
Accrued commission expense, net of DAC	<b>300,598</b>	<b>75,150</b>	245,033	61,258
Reinsurance recoverable on reported claims and claims reserves	<b>(1,146,349)</b>	<b>(286,587)</b>	(1,063,042)	(265,761)
Defined benefit asset	<b>(71,339)</b>	<b>(17,835)</b>	(71,842)	(17,961)
Prepaid expenses	<b>(9,733)</b>	<b>(2,433)</b>	(15,544)	(3,886)
<b>Unrealized foreign currency gains:</b>				
Cash and cash equivalents	<b>(3,928)</b>	<b>(982)</b>	-	-
HFT securities	<b>(13,615)</b>	<b>(3,404)</b>	(2,954)	(738)
AFS financial assets	<b>(62,059)</b>	<b>(15,515)</b>	(58,289)	(14,572)
HTM investments	<b>(10,400)</b>	<b>(2,600)</b>	(6,521)	(1,630)
Other investments	<b>(1,744)</b>	<b>(436)</b>	-	-
Reinsurance recoverable on reported claims and claims reserves	<b>(5,627)</b>	<b>(1,407)</b>	(6,542)	(1,636)
	<b>2,638,641</b>	<b>659,660</b>	2,260,751	565,187
<b>Other comprehensive income (loss):</b>				
Remeasurement of defined benefit asset	<b>83,869</b>	<b>20,967</b>	80,048	20,012
Revaluation reserves on AFS financial assets	<b>(13,677)</b>	<b>(3,419)</b>	(11,776)	(2,944)
	<b>70,192</b>	<b>17,548</b>	68,272	17,068
<b>Net deferred tax assets</b>	<b>P2,708,833</b>	<b>P677,208</b>	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
<b>Stockholder:</b>					
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	–
<b>Related Party Under Common Ownership:</b>					
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
	<b>P93,470</b>	<b>P89,010</b>	<b>P72,328</b>

**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	<b>P829,490</b>	P551,344	P536,147
Divided by the average number of outstanding shares (in thousands)	<b>2,123,606</b>	2,123,606	2,123,606
	<b>P0.391</b>	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
<b>Financial assets:</b>					
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
		<b>P8,072,181</b>	<b>P8,072,181</b>	<b>P7,474,627</b>	<b>P7,474,627</b>
<b>HFT securities:</b>					
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	<b>P854,725</b>	<b>P854,725</b>	<b>P447,958</b>	<b>P447,958</b>
<b>AFS financial assets:</b>					
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	<b>P5,660,229</b>	<b>P5,660,229</b>	<b>P5,279,741</b>	<b>P5,279,741</b>
HTM securities	9	P4,282,996	P4,278,863	P4,024,499	P3,990,349
Other investments	10	P112,054	P112,054	P-	P-
<b>Financial liabilities:</b>					
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
		<b>P7,640,201</b>	<b>P7,640,201</b>	<b>P7,206,251</b>	<b>P7,206,251</b>

\* 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>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>December 31, 2025</b>					
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
<b>December 31, 2024</b>					
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	<b>P44,418</b>	P42,453
Fair value gains	<b>4,155</b>	2,806
Disposals	-	(2,065)
Foreign currency gains (losses)	<b>388</b>	1,224
Balance at end of year	<b>P48,961</b>	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
<b>Financial assets:</b>					
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
<b>Financial liabilities:</b>					
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
<b>Financial assets:</b>					
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
<b>Financial liabilities:</b>					
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
<b>Total Non-admitted Assets</b>	<b>P1,798,777</b>	<b>P1,634,912</b>

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

	<i>Notes</i>	2025	2024
Current Liabilities:			
Reinsurance balances payable	17, 25	<b>P2,164,670</b>	P1,913,080
Forward liability	7	<b>1,761</b>	207
Accounts payable and accrued expenses	18	<b>389,924</b>	361,098
Claims and claims reserves	19	<b>2,237,275</b>	2,254,184
Premium reserves	20	<b>1,948,356</b>	1,857,479
Deferred reinsurance commissions	21	<b>11,604</b>	2,291
<b>Total Current Liabilities</b>		<b>P6,753,590</b>	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	<b>P43,071</b>	P40,783
HTM securities	9	<b>3,782,577</b>	3,036,471
Loans and receivables	11	<b>3,980</b>	6,614
Property and equipment – net	12	<b>29,343</b>	38,241
Reinsurance recoverable on reported claims and claims reserves – net	13	<b>2,325,977</b>	2,405,315
Deferred acquisition costs	14	<b>816,057</b>	787,326
Deferred reinsurance premiums	15	<b>1,332</b>	265
Deferred tax assets – net	26	<b>677,208</b>	582,255
Other assets – net	16	<b>108,460</b>	87,813
<b>Total Non-current Assets</b>		<b>P7,788,005</b>	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
<b>Total Non-current Liabilities</b>		<b>P8,310,876</b>	<b>P7,608,199</b>

**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
	<b>P5,272,356,573</b>	<b>P670,426</b>

Pursuant to RR No. 04-07 effective April 6, 2007, “Non-life insurance premiums are subject to VAT whereas non-life reinsurance premiums are not subject to VAT, the latter being already subject to VAT upon receipt of the insurance premiums.”

The tax bases of commission earned on retrocession are included as Commissions - net under Underwriting deductions account in the 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
	<b>P5,442,244</b>

*(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	-
	<b>P58,195,691</b>

*(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.



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

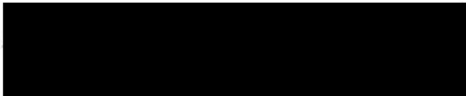
Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until September 20, 2026  
SEC Accreditation No. 0003-SEC, Group A, valid for the audit of annual financial statements for the year ended December 31, 2024 until the year ended December 31, 2025, pursuant to SEC Notice 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.



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

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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)**

<b>Schedule</b>	<b>No. of Pages</b>
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**

<b>Cash and Cash Equivalents</b>				
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
<b>Funds at Lloyds</b>		-	-	-
<b>Other Receivables</b>				
Accrued interest receivable		110,876,621	110,876,621	-
Dividends receivable		-	-	-
Other accounts receivable		15,707,079	15,707,079	647,308
<b>Other Assets</b>				
Deposit		699,568	699,568	-
Security fund		643,925	643,925	-
<b>TOTAL LOANS AND RECEIVABLES</b>		<b>614,638,513</b>	<b>614,638,513</b>	<b>16,657,533</b>
		<b>112,053,740</b>	<b>112,053,740</b>	<b>1,200,119</b>

**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
<b>Sold/Disposed</b>				<b>335,249</b>
<b>SUBTOTAL INVESTMENT IN EQUITY SECURITIES</b>	<b>2,922,542</b>	<b>217,895,794</b>	<b>217,895,794</b>	<b>13,855,442</b>

**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
<b>Matured/Sold</b>				<b>19,546,170</b>
<b>Subtotal-Peso Bonds</b>	<b>2,481,900,000</b>	<b>2,521,767,299</b>	<b>2,521,767,299</b>	<b>136,421,230</b>

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>B. BPI-MANAGED</b>				
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
<b>C. RCBC-MANAGED</b>				
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**

<b>Corporate Bonds</b>				
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
ALIFXBND2026	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
FLIFXBND2027	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
	<b>1,104,700,000</b>	<b>1,111,196,650</b>	<b>1,089,424,628</b>	<b>71,698,588</b>
<b>Government Bonds</b>				
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
	<b>3,100,903,910</b>	<b>3,171,799,365</b>	<b>3,189,438,747</b>	<b>150,002,690</b>
<b>TOTAL HELD-TO-MATURITY INVESTMENTS</b>	<b>4,205,603,910</b>	<b>4,282,996,015</b>	<b>4,278,863,375</b>	<b>221,701,278</b>

**V. HELD FOR TRADING SECURITIES**

<b>INVESTMENT IN EQUITY SECURITIES:</b>				
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>
<b>UNIT INVESTMENT TRUST FUND:</b>				
<b>BPI-MANAGED</b>				
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>
<b>INVESTMENT IN GLOBAL FUND:</b>				
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>
<b>FORWARD ASSET</b>	<u>-</u>	<u>1,111,296</u>	<u>1,111,296</u>	<u>-</u>
<b>TOTAL HELD-FOR-TRADING SECURITIES</b>	<u>6,305,342</u>	<u>854,725,569</u>	<u>854,725,569</u>	<u>9,983,397</u>
<b>GRAND TOTAL FINANCIAL ASSETS</b>		<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 Stockholders<sup>1</sup> (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	
<b>A. Emergency Loans</b>									
1 BETHZAYDA M CRUZ	Rank & File	11/12/2024	26,443	-	26,443	-	-	-	-
2 CYRINE GRACE S ROMANO <sup>1</sup>	Rank & File	05/06/2024	24,043	-	24,043	-	-	-	-
3 GRACE Y CARRASCO <sup>1</sup>	Rank & File	03/13/2024	25,246	-	25,246	-	-	-	-
4 JACKLYN M MELLENDEZ	Rank & File	02/06/2024	3,949	-	3,949	-	-	-	-
5 JANINE 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 NISSA 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 <sup>1</sup>	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 <sup>1</sup>	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
<sup>1</sup> Resigned and retired employees			181,110	270,000	284,351	-	166,759	-	166,759
<b>B. Car Facility Loan</b>									
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 ANNIE MANIO	Manager	02/02/2024	412,698	-	86,904	-	94,129	231,665	325,794
6 CINDERELLA M. GERNAN <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	Manager	12/18/2020	97,922	-	97,922	-	-	-	-
22 MARY GRACE D BELSARIO <sup>1</sup>	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
<sup>1</sup> 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	
<b>C. Receivables from Employees (HMO &amp; Car Insurance)</b>									
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 <sup>1</sup>	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 <sup>1</sup>	Rank & File		195	-	-	-	195	-	195
7 CARMEL F. TORRALBA <sup>1</sup>	Manager		46,810	-	23,417	-	23,393	-	23,393
8 CHERRY LOU R. LORENZO <sup>1</sup>	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 <sup>1</sup>	Rank & File		13,730	-	-	-	13,730	-	13,730
12 DIANNE MONIQUE G. GARCIA <sup>1</sup>	Rank & File		3,212	-	-	-	3,212	-	3,212
13 EDELITA P. SUYO <sup>1</sup>	Rank & File		-	-	-	-	-	-	-
14 ENRICO U. CAMINCE	Manager		34,794	12,641	17,284	-	30,151	-	30,151
15 EVELYN N. BUENO <sup>1</sup>	Rank & File		66,641	-	-	-	66,641	-	66,641
16 FRANCIS ALBERT J. ALVAREZ	Senior Manager		-	7,886	7,886	-	-	-	-
17 IRENE C. LOZADA <sup>1</sup>	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 <sup>1</sup>	Rank & File		-	-	-	-	-	-	-
23 MARIA CARMEN C. ORTIZ	Manager		3,061	15,978	16,376	-	2,663	-	2,663
24 MARILYN T. DELA PAZ <sup>1</sup>	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 <sup>1</sup>	Rank & File		18,656	-	-	-	18,656	-	18,656
27 NATALIE S. MAGALONA <sup>1</sup>	Manager		35,960	-	-	-	35,960	-	35,960
28 PATRICK BASOBAS <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	Rank & File		21,600	-	-	-	21,600	-	21,600
36 VON EDWARD EBRON	Senior Asst. Vice President		23,052	64,458	62,111	-	25,399	-	25,399
37 FRANCISCO ANDRES B. LAGMA <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	Rank & File		-	-	-	-	-	-	-
46 MIKAELA S. GALANG	Rank & File		15,561	27,531	26,049	-	17,043	-	17,043
47 JOEL CLARO A. PERLADO <sup>1</sup>	First Vice President		8,583	8,794	9,683	-	7,694	-	7,694
48 NERISSA QUEBEC	Rank & File		-	-	-	-	-	-	-
49 SAM ATTVO <sup>1</sup>	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 <sup>1</sup>	Rank & File		-	-	-	-	-	-	-
52 RIIZA ANGELICA EUGENIO <sup>1</sup>	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 BACLI	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 <sup>1</sup>	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 <sup>1</sup>	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
<sup>1</sup> Resigned and retired employees			1,110,273	1,257,865	1,121,171	-	1,246,967	-	1,246,967
<b>GRAND TOTAL</b>			<b>10,880,029</b>	<b>3,207,865</b>	<b>4,575,657</b>	<b>-</b>	<b>5,532,269</b>	<b>3,979,968</b>	<b>9,512,237</b>

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)
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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 PLARDEL 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

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	ANGELITITA 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., ALPONSO 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, ALPONSO 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

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

<b>Unappropriated Retained Earnings, beginning of the reporting period</b>		<b>P1,130,359,906</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earnings Appropriation/s	P-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	82,948,988	
Effects of restatements or prior-period adjustments	-	
Others (describe nature)	-	<b>82,948,988</b>
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>1,047,410,918</b>
<b>Add/Less: Net Income for the current year</b>		<b>829,489,879</b>
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	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		<b>99,560,971</b>
<b>Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	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		<b>31,632,402</b>

*Forward*

<b>Add: Category C.3: Unrealized income recognized in profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)</b>		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	(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		<b>(P32,616,505)</b>
<b>Adjusted Net Income/Loss</b>		<b>728,944,805</b>
<b>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
<b>Add/Less: Category E: Adjustment related to relief granted by the SEC and BSP</b>		
Amortization of the effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
<b>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividend distribution</b>		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(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		<b>(95,430,278)</b>
<b>Total Retained Earnings, end of the reporting period available for dividend</b>		<b>P1,680,925,445</b>

Map of Conglomerate As of December 31, 2025  
NATIONAL REINSURANCE CORPORATION OF THE  
PHILIPPINES  
31st floor BPI AIA Makati, 6811 Ayala Avenue, Makati C

**NA**

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**  
**FEE-RELATED INFORMATION**  
**December 31, 2025**

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



SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE  
SECURITIES REGULATIONS ACT AND SRC RULE 17 (2) (b) THEREUNDER**

1. For the quarter ended **March 31, 2026**
2. Commission identification Number **80118**
3. BIR Tax Identification Number **000-480-869-000**
4. **NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES** doing business **under the names and styles of Nat Re; Philippine National Reinsurance Company; PhilNaRe**  
Exact name of registrant as specified in its charter
5. **PHILIPPINES**  
Province, country or other jurisdiction of incorporation or organization
6. Industry classification code  (SEC Use Only)
7. **31<sup>st</sup> FLOOR, BPI AIA MAKATI, 6811 AYALA AVENUE MAKATI CITY, PHILIPPINES**  
**1209**  
Address of registrant's principal office                      Postal Code
8. **(632) 8988-7400**  
Registrant'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 4 and 8 of the RSA as at quarter ended:  

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding</u>
<b>Common</b>	<b>2,123,605,600</b>
11. Are any or all of the securities listed on the Philippine Stock Exchange?  
Yes  No
12. Indicate by check mark whether the registrant:
  - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period the registrant was required to file such report);  
Yes  No
  - (b) has been subject to such filing requirements for the past 90 days.  
Yes  No

**PART I. - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

The financial statements listed below and covering pages 13 to 83 of this report are filed as part of this Form 17-Q:

- a. Statements of Financial Position as at March 31, 2026 and December 31, 2025.
- b. Statements of Income for the three-month ended March 31, 2026 and 2025.
- c. Statements of Comprehensive Income for the three-month ended March 31, 2026 and 2025.
- d. Statements of Changes in Equity for the three-month ended March 31, 2026 and 2025.
- e. Statements of Cash Flows for the three-month ended March 31, 2026 and 2025.

**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

**I. RESULTS OF OPERATIONS**

**For the three-month ended March 31, 2026 and 2025**

In Millions PHP	For the three-month ended		Inc(dec)	
	March 31, 2026	March 31, 2025	Amount	%
<b>REINSURANCE PREMIUM INCOME</b>				
Reinsurance premiums - net of returns	<b>P1,198.9</b>	P1,372.2	(P173.3)	-13%
Retroceded premiums	<b>(362.3)</b>	(276.5)	(85.8)	31%
Net premiums retained	<b>836.6</b>	1,095.7	(259.1)	-24%
Movement in premium reserves – net	<b>55.8</b>	(14.0)	69.8	-499%
	<b>892.4</b>	1,081.7	(189.3)	-18%
<b>UNDERWRITING DEDUCTIONS</b>				
Claims and claims reserves – net	<b>(494.8)</b>	(583.1)	88.3	-15%
Commissions – net	<b>(196.7)</b>	(170.6)	(26.1)	15%
	<b>(691.5)</b>	(753.7)	62.2	-8%
Other underwriting expense	–	(101.9)	101.9	-100%
<b>NET UNDERWRITING INCOME</b>	<b>200.9</b>	226.1	(25.2)	-11%
<b>INVESTMENT AND OTHER INCOME AND EXPENSES – net</b>	<b>124.8</b>	117.5	7.3	6%
<b>PROFIT AFTER INVESTMENT AND OTHER INCOME AND EXPENSES</b>	<b>325.7</b>	343.6	(17.9)	-5%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(93.5)</b>	(84.2)	(9.3)	11%
<b>PROFIT BEFORE TAX</b>	<b>232.2</b>	259.4	(27.2)	-10%
<b>TAX EXPENSE</b>	<b>(58.6)</b>	(64.9)	6.3	-10%
<b>NET PROFIT</b>	<b>P173.6</b>	P194.5	(P20.9)	-11%

## **Underwriting Results**

**Net underwriting income** amounted to P200.9 million for the first quarter of 2026, lower by P25.2 million or 11% than the same period of 2025. Lower underwriting income in 2026 was attributable to (1) Lower favorable claims development from past underwriting years in 2026 compared to the prior period under the Non-life domestic business; and (2) Lower premiums generated from the Life business, as discussed in Reinsurance premium income below together with unfavorable claims development from past underwriting years, as discussed in Claims and claims reserves – net below. This was partially negated by the delay in the reporting of other underwriting income or expenses in the current period, which was recognized in the first quarter of the prior period.

These were partially negated by higher underwriting income from the Non-life foreign business mainly driven by favorable claims development from Agriculture treaties, as discussed in Claims and claims reserves – net below, offset by adjustment in sliding commissions, as discussed in Commissions – net below.

### **Reinsurance premium income**

Reinsurance premium income amounted to P892.4 million, lower by P189.3 million or 18% than the first quarter of 2025. The decline was mainly due to (1) Lower premium income from the Life business, as the prior period results reflected higher-than- expected premiums reported by the Group compared to the current period; and (2) Lower reinsurance premium income from Agriculture treaties under the Non-life foreign business, including the non-renewal of certain contracts. This was partially negated by higher reinsurance premium income resulted from the Non-life domestic business due to lower cost of the Company's excess of loss cover for treaty year 2025-2026 and higher premiums generated from the new catastrophe insurance facility, partially negated by higher retroceded quota share for the property business.

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

Claims and claims reserves – net amounted to P494.8 million, lower by P88.3 million or 15% than the first quarter of 2025 resulting to a claims ratio of 55% in 2026 versus 54% in 2025.

Claims ratio for 2026 remained at par with 2025 resulting from (1) Unfavorable claims development from past underwriting years under the Life business, mainly from the Group, compared to favorable claims development in the prior period; and (2) Lower favorable claims development from past underwriting years under the Non-life domestic business compared to 2025. This were offset by favorable claims development from Agriculture treaties under the Non-life foreign business, compared to unfavorable claims development in the prior period.

### **Commissions – net**

Commissions – net amounted to P196.7 million, higher by P26.1 million or 15% than the first quarter of 2025 which resulting to commission ratios of 22% in 2026 versus 16% in 2025 relative to earned premiums.

Higher commission ratio resulted mainly from adjustment in sliding commissions from a certain Agriculture treaty under the Non-life foreign business, driven by favorable claims

development as discussed under Claims and claims reserves – net above. This was partially offset by lower commissions incurred from Fire treaties under the Non-life domestic business, and from a certain Medical treaty under the Life business.

**Investment and other income and expenses – net** amounted to P124.8 million, higher by P7.3 million or 6% than the first quarter of 2025.

This resulted mainly from (1) Higher interest income from fixed-income securities; and (2) Foreign exchange gains recognized in 2026 as compared to foreign exchange loss in 2025. These were partially negated by (1) Unfavorable change in fair value of held-for-trading; and (2) Impairment loss recognized related to the Company's available-for-sale equity securities.

**General and administrative expenses** amounted to P93.5 million, higher by P9.3 million or 11% than the first quarter of 2025. This resulted mainly from increase in professional fees and support services related to life reinsurance software platforms.

**Tax expense** amounted to P58.6 million, lower by P6.3 million or 10% than the first quarter of 2025. The decline is primarily attributable to lower underwriting income and higher general and administrative expenses partially negated by higher final tax resulting from higher interest income.

## II. FINANCIAL CONDITIONS

In Millions PHP	Unaudited	Audited	Inc(dec)	
	March 31, 2026	December 31, 2025	Amount	%
<b>CASH AND CASH EQUIVALENTS</b>	<b>P1,017.7</b>	P486.7	P531.0	109%
<b>REINSURANCE BALANCES RECEIVABLE – net</b>	<b>5,766.7</b>	5,894.4	(127.7)	-2%
<b>HELD-FOR-TRADING (HFT) SECURITIES</b>	<b>831.1</b>	854.7	(23.6)	-3%
<b>AVAILABLE-FOR-SALE (AFS) FINANCIAL ASSETS</b>	<b>5,520.2</b>	5,660.2	(140.0)	-2%
<b>HELD-TO-MATURITY (HTM) SECURITIES</b>	<b>4,368.6</b>	4,283.0	85.6	2%
<b>OTHER INVESTMENTS</b>	<b>–</b>	112.1	(112.1)	-100%
<b>LOANS AND RECEIVABLES</b>	<b>125.6</b>	126.6	(1.0)	-1%
<b>PROPERTY AND EQUIPMENT – net</b>	<b>28.8</b>	29.3	(0.5)	-2%
<b>REINSURANCE RECOVERABLE ON REPORTED CLAIMS AND CLAIMS RESERVES – net</b>	<b>2,844.9</b>	2,775.0	69.9	3%
<b>DEFERRED ACQUISITION COSTS</b>	<b>1,019.0</b>	1,145.7	(126.7)	-11%
<b>DEFERRED REINSURANCE PREMIUMS</b>	<b>573.6</b>	623.6	(50.0)	-8%
<b>DEFERRED TAX ASSETS – net</b>	<b>648.8</b>	677.2	(28.4)	-4%
<b>OTHER ASSETS – net</b>	<b>138.3</b>	129.1	9.2	7%
<b>TOTAL ASSETS</b>	<b>P22,883.3</b>	P22,797.6	P85.7	0%
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>REINSURANCE BALANCES PAYABLE</b>	<b>P2,474.6</b>	P2,164.7	P309.9	14%
<b>FORWARD LIABILITY</b>	<b>10.8</b>	1.8	9.0	500%
<b>ACCOUNTS PAYABLE AND ACCRUED EXPENSES</b>	<b>424.6</b>	409.5	15.1	4%
<b>CLAIMS AND CLAIMS RESERVES</b>	<b>10,267.9</b>	10,511.8	(243.9)	-2%
<b>PREMIUM RESERVES</b>	<b>1,859.3</b>	1,965.1	(105.8)	-5%
<b>DEFERRED REINSURANCE COMMISSIONS</b>	<b>12.4</b>	11.6	0.8	7%
<b>TOTAL LIABILITIES</b>	<b>15,049.6</b>	15,064.5	(14.9)	0%
<b>EQUITY</b>	<b>7,833.7</b>	7,733.1	100.6	1%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P22,883.3</b>	P22,797.6	P85.7	0%

**Cash and cash equivalents** amounting to P1,017.7 million as at March 31, 2026 increased by P531.0 million or 109% from the balance as at December 31, 2025 of P486.7 million. The increase in the balance resulted mainly from collection of reinsurance balances receivable and net proceeds from the disposal/maturities of AFS financial assets and short-term time deposits during the period. These were partially negated by cash used in operating activities and acquisitions of AFS financial assets and HTM securities.

**Held-for-trading (HFT) securities** amounting to P831.1 million as at March 31, 2026 decreased by P23.6 million or 3% from the balance as at December 31, 2025 of P854.7 million. The movement in the account balance can be explained by the following:

	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period	<b>P854.7</b>	P448.0
Acquisitions	<b>311.1</b>	2,744.1
Disposals	<b>(310.2)</b>	(2,414.7)
Changes in fair value	<b>(36.6)</b>	66.7
Unrealized foreign currency gains	<b>12.1</b>	10.7
Balance at end of period	<b>P831.1</b>	P854.8

The decrease in the balance resulted mainly from the unfavorable change in fair value partially negated by unrealized foreign exchange gains.

**Available-for-sale (AFS) financial assets** amounting to P5,520.2 million as at March 31, 2026 decreased by P140.0 million or 2% from the balance as at December 31, 2025 of P5,660.2 million. The movement in the account balance can be explained by the following:

	<b>March 31, 2026</b>	December 31, 2025
<b>Cost</b>		
Balance at beginning of period	<b>P5,600.1</b>	P5,248.7
Acquisitions	<b>517.8</b>	2,481.9
Disposals/maturities	<b>(579.1)</b>	(2,129.6)
Impairment losses	<b>(17.2)</b>	(4.8)
Unrealized foreign currency gains	<b>11.3</b>	3.8
	<b>5,532.9</b>	5,600.0
<b>Fair value adjustment</b>		
Balance at beginning of period	<b>60.2</b>	31.0
Changes in fair value	<b>(92.8)</b>	52.6
Fair value gains (losses) on disposal	<b>2.7</b>	(28.2)
Impairment losses	<b>17.2</b>	4.8
	<b>(12.7)</b>	60.2
Balance at end of period	<b>P5,520.2</b>	P5,660.2

The decrease in the balance resulted mainly from (1) unfavorable change in fair value amounting to P92.8 million; and (2) the net disposals and maturities of fixed income and equity securities amounting to P58.6 million (acquisitions net of disposals/maturities including fair value gains on disposals).

**Held-to-maturity (HTM) securities** amounting to P4,368.6 million as at March 31, 2026 increased by P85.6 million or 2% from the balance as at December 31, 2025 of P4,283.0 million. The movement in the account balance can be explained by the following:

	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period	<b>P4,283.0</b>	P4,024.5
Additions	<b>103.6</b>	1,362.3
Maturities	<b>(25.0)</b>	(1,108.4)
Amortization	<b>(3.0)</b>	0.7
Unrealized foreign currency gains	<b>10.0</b>	3.9
Balance at end of period	<b>P4,368.6</b>	P4,283.0

The increase in the balance resulted mainly from the purchase of government bonds amounting to P103.6 million, partially negated by maturities amounting to P25.0 million.

**Other investments** amounting to nil as at March 31, 2026, decreased by P112.1 million or 100% from the balance as at December 31, 2025 of P112.1. The decrease resulted from the maturities of short-term time deposits during the period.

**Deferred acquisition costs** amounting to P1,019.0 million as at March 31, 2026 decreased by P126.7 million or 11% from the balance as at December 31, 2025 of P1,145.7 million. This resulted mainly from the decrease in deferred acquisition costs recognized from the Life modified co-insurance business.

**Deferred reinsurance premiums** amounting to P573.6 million as at March 31, 2026 decreased by P50.0 million or 8% from the balance as at December 31, 2025 of P623.6 million. The decrease in the balance resulted mainly from the amortization of deferred reinsurance premiums related to the Company's excess of loss facility which runs from the second quarter of 2025 to the first quarter of 2026 and lower excess of loss cover as discussed in Reinsurance premium income above.

**Other assets** – net amounting to P138.3 million as at March 31, 2026 increased by P9.2 million or 7% from the balance as at December 31, 2025 of P129.1 million. The increase in the balance mainly pertains to prepaid system maintenance fees, subscription of web-based solutions and cybersecurity insurance.

**Reinsurance balances payable** amounting to P2,474.6 million as at March 31, 2026 increased by P309.9 million or 14% from the balance as at December 31, 2025 of P2,164.7 million. The increase in the balance resulted mainly from the accrual of retroceded premiums, net of settlements, from both Life and Non-life businesses during the period.

**Forward liability** amounting to P10.8 million as at March 31, 2026 increased by P9.0 million or 500% from the balance as at December 31, 2025 of P1.8 million resulting from acquisition of forward contracts during the period to manage the Company's exposure to foreign exchange fluctuations.

**Accounts payable and accrued expenses** amounting to P424.6 million as at March 31, 2026 increased by P15.1 million or 4% from the balance as at December 31, 2025 of P409.5 million. The increase in the balance resulted mainly from timing differences as most of these originated from the acquisition of AFS securities close to the balance sheet date and are normally settled within three days from the acquisition date.

**Premium reserves** amounting to P1,859.3 million as at March 31, 2026 decreased by P105.8 million or 5% from the balance as at December 31, 2025 of P1,965.1 million. The decrease in the balance resulted mainly from the premiums earned during the period and lower premiums retained.

**Deferred reinsurance commissions** amounting to P12.4 million as at March 31, 2026 increased by P0.8 million or 7% from the balance as at December 31, 2025 of P11.6 million. The increase was mainly driven by higher commission income from the Non-life domestic business, partially offset by earned commissions during the period.

**KEY PERFORMANCE INDICATORS:**

	For the three-month ended March 31, 2026	For the three-month ended March 31, 2025	% Inc.( Dec.)
1. Net profit	<b>P173.6 million</b>	P194.5 million	-11%
2. Earnings Per Share (EPS) <sup>a</sup>	<b>P0.082</b>	P0.092	-11%
3. Retention Ratio <sup>b</sup>	<b>70%</b>	80%	-13%
4. Combined Ratio <sup>c</sup>	<b>87%</b>	87%	0%
5. Return on Average Equity (ROE)	<b>2.2%</b>	2.8%	-21%

- (a) Net income divided by weighted average number of shares issued.  
 (b) Net premium written (NPW) divided by gross premiums written (GPW).  
 (c) Sum of following:

	2026	2025
Loss Ratio	<b>55%</b>	63%
Commission Ratio	<b>22%</b>	16%
Expense Ratio	<b>10%</b>	8%
Total	<b>87%</b>	87%

**III. FINANCIAL SOUNDNESS INDICATORS**

	As at March 31, 2026	As at Dec. 31, 2025
Current Ratio	1.89 : 1.00	2.22 : 1.00
Asset to Equity Ratio	2.92 : 1.00	2.95 : 1.00
Total Liabilities/Equity	1.92 : 1.00	1.95 : 1.00

**IV. MATERIAL EVENT/S AND UNCERTAINTIES:**

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

1. Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
2. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
3. 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.
4. Any material commitments for capital expenditures.

5. 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.
6. Any significant elements of income or loss that did not arise from the issuer's continuing operations.
7. Any seasonal aspects that had a material effect on the financial condition or results of operations.

## V. FINANCIAL RISK DISCLOSURE

The Company's investments are regulated under the pertinent provisions of the Amended Insurance Code, otherwise known as Republic Act (R.A.) 10607. The Amended Insurance Code generally requires all insurance companies to obtain prior approval of the Insurance Commission (IC) for any and all investments. Further, the Company reports all investments made and sold during the previous month to the IC. The IC reviews these investment reports and may require the immediate sale or disposal of any investment found to be too risky.

A portion of the Company's funds is invested in equities. Section 207 of the Amended Insurance Code provides that insurance companies may invest in listed equities of other financial institutions without need of prior approval by the Commissioner. Beyond the provisions of the Amended Insurance Code, the Company, through its Investment Committee, has established additional guidelines to manage the risk inherent in equity investments. The Company's own investment policy requires that the Company invest only in shares of common stock of companies that are listed on the Philippine Stock Exchange. Furthermore, these listed companies must have profitable business operations and market capitalization are on a scale that would qualify them as blue chips.

The Company also invests in fixed income securities in which it attempts to manage interest rate risk by managing the duration and average maturity of its fixed income portfolio. Asset-liability duration mismatches are evaluated based on the team's outlook on interest rates vis-a-vis the duration of the Company's liabilities. The fixed income portfolio is structured such that maturity profiles align with funding needs. Moreover, investments in fixed income securities are limited only to securities issued by entities of undisputedly strong creditworthiness and to those instruments have active secondary markets to allow transparent valuation and easier liquidation as needed.

A certain portion of the Company's investments is in foreign currencies, particularly the U.S. Dollar. These investments are monitored closely and are limited largely to dollar-denominated obligations backed by the full faith and credit of the Republic of the Philippines (ROP's). Foreign currency denominated investments are reported to the BSP on a monthly basis for monitoring.

## **VI. OTHER DISCLOSURE**

Pursuant to SEC Memorandum Circular No. 8 (Series of 2016) provides guidance to non-bank financial institutions that are covered by Foreign Account Tax Compliance Act (FATCA) regulations, the Company is still evaluating/assessing the potential effects of FATCA to its business. Based on the regulation, the Company is a 'Non-financial foreign Entity' (NFFE) may either be an "exempt NFFE" or "non-exempt NFFE". Under the regulations also, excepted NFFEs such as publicly traded corporations are generally exempt from withholding tax as required by FATCA if a proper FATCA certification is provided to the payor.


The Bureau of Internal Revenue (BIR) advised all concerned Philippine Financial Institutions to take necessary steps to prepare for full implementation of the Inter-Governmental Agreement (IGA) on FATCA between the Philippines and the United States of America was signed on July 13, 2015. On December 01, 2016 President Duterte ratified the FATCA agreement and its transmitted to the Senate on December 06, 2016 for concurrence.

**II. – OTHER INFORMATION**

B. No other material information.

**NATIONAL REINSURANCE CORPORATION  
OF THE PHILIPPINES**  
(Registrant)

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

  
**JAIME JOSÉ M. JAVIER, JR.**  
*Executive Vice President & Chief Operating Officer*

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

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

**STATEMENTS OF FINANCIAL POSITION**

**March 31, 2026 and December 31, 2025**

*(Amounts in thousands)*

	<i>Notes</i>	<b>March 31, 2026</b>	December 31, 2025
<b>ASSETS</b>			
Cash and cash equivalents	4	<b>P1,017,745</b>	P486,711
Reinsurance balances receivable – net	5	<b>5,766,745</b>	5,894,354
Held-for-trading (HFT) securities	6	<b>831,069</b>	854,725
Available-for-sale (AFS) financial assets	7	<b>5,520,157</b>	5,660,229
Held-to-maturity (HTM) securities	8	<b>4,368,633</b>	4,282,996
Other Investments	9	–	112,054
Loans and receivables	10	<b>125,565</b>	126,584
Property and equipment – net	11	<b>28,831</b>	29,343
Reinsurance recoverable on reported claims and claims reserves – net	12	<b>2,844,863</b>	2,774,902
Deferred acquisition costs	13	<b>1,018,997</b>	1,145,676
Deferred reinsurance premiums	14	<b>573,611</b>	623,632
Deferred tax assets – net		<b>648,784</b>	677,208
Other assets – net	15	<b>138,255</b>	129,141
<b>TOTAL ASSETS</b>		<b>P22,883,255</b>	P 22,797,555
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Reinsurance balances payable	16	<b>P2,474,609</b>	P2,164,670
Forward liability	6	<b>10,761</b>	1,761
Accounts payable and accrued expenses	17	<b>424,642</b>	409,459
Claims and claims reserves	18	<b>10,267,826</b>	10,511,838
Premium reserves	19	<b>1,859,338</b>	1,965,134
Deferred reinsurance commissions	20	<b>12,362</b>	11,604
<b>Total Liabilities</b>		<b>15,049,538</b>	15,064,466
<b>Equity</b>	24	<b>7,833,717</b>	7,733,089
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P22,883,255</b>	P22,797,555

*See Notes to the Financial Statements*

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

**STATEMENTS OF INCOME**

**For the three months ended March 31, 2026 and 2025**

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

	<i>Notes</i>	<b>March 31, 2026</b>	March 31, 2025
<b>Reinsurance premium income</b>			
Reinsurance premiums – net of returns	<i>19</i>	<b>P1,198,862</b>	P1,372,199
Retroceded premiums	<i>14</i>	<b>(362,258)</b>	(276,567)
Net premiums retained		<b>836,604</b>	1,095,632
Movement in premium reserves – net	<i>14, 19</i>	<b>55,775</b>	(13,949)
		<b>892,379</b>	1,081,683
<b>Underwriting deductions</b>			
Claims and claims reserves – net	<i>22.1, 22.2</i>	<b>494,755</b>	583,100
Commissions – net	<i>22.3</i>	<b>196,686</b>	170,648
		<b>691,441</b>	753,748
<b>Other underwriting expense</b>		–	101,852
<b>Net underwriting income</b>		<b>200,938</b>	226,083
<b>Investment and other income and expenses – net</b>	<i>21</i>	<b>124,837</b>	117,508
<b>Profit after investment and other income and expenses</b>		<b>325,775</b>	343,591
<b>General and administrative expenses</b>	<i>23</i>	<b>93,528</b>	84,164
<b>Profit before tax</b>		<b>232,247</b>	259,427
<b>Tax expense</b>		<b>58,647</b>	64,880
<b>Net profit</b>		<b>P173,600</b>	P194,547
<b>Earnings per share – basic and diluted</b>	<i>27</i>	<b>P0.082</b>	P0.092

*See Notes to the Financial Statements.*

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**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

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**STATEMENTS OF COMPREHENSIVE INCOME****For the three months ended March 31, 2026 and 2025***(Amounts in thousands)*

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	<i>Notes</i>	<b>March 31, 2026</b>	March 31, 2025
<b>Net profit</b>		<b>P173,600</b>	P194,547
<b>Other comprehensive income (loss)</b>			
Items that are and will be reclassified subsequently to profit or loss			
Fair value (losses) gains on AFS financial assets during the period	7	<b>(92,766)</b>	14,075
Amortization of unrealized gains on reclassified HTM securities to profit or loss		–	3,787
Fair value losses (gains) on disposal of AFS financial assets reclassified to profit or loss	7, 21	<b>2,723</b>	(540)
Fair value losses on impairment of AFS financial assets reclassified to profit or loss	7, 21	<b>17,185</b>	–
Income tax effect		<b>(114)</b>	32
<b>Total other comprehensive income (loss)</b>		<b>(72,972)</b>	17,354
<b>Total comprehensive income</b>		<b>P100,628</b>	P211,901

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*See Notes to the Financial Statements.*

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**  
**STATEMENTS OF CHANGES IN EQUITY**  
For the three months ended March 31, 2026 and 2025  
*(Amounts in thousands)*

	Capital Stock		Additional Paid-in Capital <i>(Note 24)</i>	Treasury Shares at Cost <i>(Note 24)</i>	Revaluation Reserves			Retained Earnings		Total Equity
	No. of shares <i>(in thousands)</i>	Amount <i>(Note 24)</i>			AFS Financial Assets	HTM Securities	Defined Benefit Liability	Appropriated	Unappropriated	
Balance at January 1, 2026	2,181,955	P2,181,955	P3,019,218	(P100,525)	P56,781	–	(P62,902)	P266,838	P2,371,724	P7,733,089
Net profit	–	–	–	–	–	–	–	–	173,600	173,600
Other comprehensive income (loss):										
Item that are and will be reclassified subsequently to profit or loss	–	–	–	–	(72,972)	–	–	–	–	(72,972)
Total comprehensive income (loss)	–	–	–	–	(72,972)	–	–	–	173,600	100,628
Balance at March 31, 2026	2,181,955	P2,181,955	P3,019,218	(P100,525)	(P16,191)	–	(P62,902)	P266,838	P2,545,324	P7,833,717
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	–	–	–	–	–	–	–	–	194,547	194,547
Other comprehensive income:										
Item that are and will be reclassified subsequently to profit or loss	–	–	–	–	13,567	3,787	–	–	–	17,354
Total comprehensive income	–	–	–	–	13,567	3,787	–	–	194,547	211,901
Balance at March 31, 2025	2,181,955	P2,181,955	P3,019,218	(P100,525)	P41,641	(P9,498)	(P60,036)	P183,889	P1,819,730	P7,076,374

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**

**STATEMENTS OF CASH FLOWS**

**For the three months ended March 31, 2026 and 2025**

*(Amounts in thousands)*

	<i>Notes</i>	March 31, 2026	March 31, 2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>P232,247</b>	P259,427
Adjustments for:			
Movement in premium reserves – net	<i>14, 19</i>	<b>(55,775)</b>	13,949
Movement in claims and claims reserves - net	<i>12, 18</i>	<b>683,242</b>	316,617
Commissions – net	<i>13, 20</i>	<b>127,437</b>	(37,261)
Interest income	<i>21</i>	<b>(148,468)</b>	(128,252)
Dividend income	<i>21</i>	<b>(10,050)</b>	(8,039)
Impairment loss	<i>7, 21</i>	<b>17,185</b>	–
Fair value losses (gains) on HFT securities	<i>6, 21</i>	<b>35,790</b>	(4,510)
Loss (gain) on sale of AFS financial assets	<i>7, 21</i>	<b>2,723</b>	(540)
Unrealized losses (gains) from forward contract		<b>9,845</b>	(207)
Unrealized foreign currency (gains) losses		<b>(10,439)</b>	21,844
Movement in deposit liability	<i>17, 21</i>	<b>116</b>	255
Depreciation and amortization	<i>23</i>	<b>2,651</b>	2,644
Operating income before working capital changes		<b>886,504</b>	435,927
Decrease (increase) in:			
Reinsurance balances receivable – net		<b>136,397</b>	342,112
HFT securities		<b>(904)</b>	(40,945)
Loans and receivables		<b>(3,261)</b>	214
Reinsurance recoverable on reported claims and claims reserves – net		<b>(93,185)</b>	(55,932)
Other assets – net		<b>(12,237)</b>	(2,581)
Increase (decrease) in:			
Reinsurance balances payable		<b>305,142</b>	(72,292)
Forward liability		–	–
Accounts payable and accrued expenses		<b>16,130</b>	(22,144)
Claims and claims reserves		<b>(930,922)</b>	(121,754)
Cash generated from operations		<b>303,664</b>	462,605
Cash paid for income taxes		<b>(28,195)</b>	(27,915)
<b>Net cash from operating activities</b>		<b>P275,469</b>	P434,690

*Forward*

	<i>Notes</i>	March 31, 2026	March 31, 2025
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal/maturities of:			
AFS financial assets	7	<b>P589,505</b>	P317,792
HTM securities	8	<b>25,001</b>	154,596
Other investments	9	<b>110,310</b>	–
Loans and receivables	10	<b>589</b>	629
Property and equipment	11	–	–
Interest received		<b>144,683</b>	137,851
Dividends received		<b>7,778</b>	6,430
Acquisitions of:			
AFS financial assets	7	<b>(517,812)</b>	(880,324)
HTM securities	8	<b>(103,653)</b>	–
Other investments	9	–	–
Loans and receivables	10	<b>(480)</b>	–
Property and equipment	11	<b>(2,139)</b>	(134)
Other assets	15	–	(19,497)
<b>Net cash provided by (used in) investing activities</b>		<b>253,782</b>	(282,657)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>529,251</b>	152,033
<b>EFFECTS OF FOREIGN CURRENCY REVALUATION ON CASH AND CASH EQUIVALENTS</b>		<b>1,783</b>	(613)
<b>CASH AND CASH EQUIVALENTS – January 1</b>		<b>486,711</b>	449,739
<b>CASH AND CASH EQUIVALENTS – March 31</b>		<b>P1,017,745</b>	P601,159

*See Notes to the Financial Statements*

**NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**  
**NOTES TO FINANCIAL STATEMENTS**  
*(Amounts in thousands)*

**1. CORPORATE INFORMATION**

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

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

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

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The material accounting policies that have been used in the preparation of these financial statements are consistent with those followed in the preparation of the Company's financial statements as at and for the year ended December 31, 2025, as summarized below and in the succeeding pages.

**2.1 Basis of Preparation of Financial Statements**

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

The accompanying interim condensed financial statements of the Company have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the condensed financial statements do not include all the information and disclosures required in the December 31, 2025 audited financial statements and should be read in conjunction with the Company's audited financial statements as at and for the year ended December 31, 2025.

*(b) Basis of Measurement*

The interim condensed financial statements have been prepared using the measurement bases specified by Philippine Financial Reporting Standards (PFRSs) for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies that follow.

(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 interim condensed 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 interim condensed 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 PFRSs and Framework**

(a) *Effective in 2026 that are Relevant to the Company*

As at March 31, 2026, there are no new and amended PFRS Accounting Standards that are relevant to the Company.

(b) *Effective Subsequent to 2026 but not Adopted Early*

There are new and amended PFRS Accounting Standards effective for annual periods subsequent to 2026, which were adopted by the Financial and Sustainability Reporting Standards Council (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 March 31, 2026 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.

The following table provides an overview of the fair values as at March 31, 2026 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 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:

	Notes	Financial assets that meet the SPPI criteria*		All other financial assets	
		Fair Value	Fair value change during the reporting period	Fair Value	Fair value change during the reporting period
Cash and cash equivalents	4	P1,017,745	P-	P-	P-
AFS financial assets	7	-	-	5,520,157	(92,766)
HTM securities	8	4,253,383	(115,250)	-	-
Loans and receivables	10	125,565	-	-	-
Funds held by ceding companies	5	219,402	-	-	-
		<b>P5,616,095</b>	<b>(P115,250)</b>	<b>P5,520,157</b>	<b>(P92,766)</b>

\* 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.

The table below provides information regarding the credit risk exposure of the Company's financial assets as at March 31, 2026 by classifying assets according to the Company's credit grading of counterparties.

	Notes	Neither Past Due nor Impaired		Past Due but not Impaired	Impaired	Total
		Investment High Grade	Non-investment Grade			
Cash and cash equivalents	4	P1,017,745	P-	P-	P-	P1,017,745
Reinsurance balances receivable	5	2,349,272	2,387,904	1,029,569	489,147	6,255,892
AFS financial assets – debt securities	7	5,305,832	–	–	–	5,305,832
HTM securities	8	4,368,633	–	–	–	4,368,633
Loans and receivables	10	108,243	17,322	–	–	125,565
Reinsurance recoverable on reported claims	12	1,367,171	278,050	–	149,198	1,794,419
		<b>P14,516,896</b>	<b>P2,683,276</b>	<b>P1,029,569</b>	<b>P638,345</b>	<b>P18,868,086</b>

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.

- 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: financial assets at FVTPL, loans and receivables, HTM securities and AFS financial assets. 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 March 31, 2026 and December 31, 2025, the Company does not have any financial asset designated by management as financial instruments at FVTPL. The Company's HFT securities consist of Unit Investment Trust Fund (UITF), forward assets, and equity securities listed in the PSE.

(iii) *AFS Financial Assets*

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

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

(iv) *HTM securities*

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

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

*(b) Impairment of Financial Assets*

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

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

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

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

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

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

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

*Reclassification of AFS Financial Assets to HTM Securities*

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

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

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

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

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

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

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

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

(d) *Derecognition of Financial Assets*

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

(e) *Fair Value Measurement of Financial Assets*

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

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

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

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

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

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

The Company incurs costs in connection with acquiring new and renewal reinsurance business. Some of these costs, which consist primarily of commissions, are deferred as these are directly related to the successful acquisition of such business and amortized based on the type of contract. This is accounted as 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 and 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 21).

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 Note 6).

### ***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 claims reserves, loss adjustment expenses payable plus MfAD based on a certain percentage of the total outstanding claims 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 payable 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 contracts using the 24<sup>th</sup> method [see Note 2.13(a)].

### *Liability Adequacy Test*

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

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

Commissions earned from retrocession contracts are recognized as revenue over the coverage period of the contracts 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 (loss) 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 which are accounted for by the Company in accordance with PFRS 4 and PAS 39, respectively. The Company also earns other income from sale of non-financial assets, which is recognized as income once the Company transferred the goods. These are accounted for by the Company in accordance with relevant accounting standards.

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

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

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

Reinsurance premiums are recognized over the coverage period of the contracts using the 24<sup>th</sup> method. The 24<sup>th</sup> method assumes that the average date of issue of all contracts written during any one month is the middle of that month. Accordingly, 1/24<sup>th</sup> of the net premiums are considered earned in the month the reinsurance contracts are issued and 2/24<sup>th</sup> for every month thereafter (or 1/24<sup>th</sup> for every 15-day period after the issue month). While for specific agriculture treaty contracts where the underlying risk relates to the crops cultivated within India, the Company recognize the earned premium during the harvest period. The portion of the gross reinsurance premiums that relates to the unexpired periods of the

contracts at the end of the reporting period is accounted for as Premium reserves (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 creditable withholding taxes (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 commissions.
- (d) *Other underwriting income (expense)* – pertains to the net benefits received or costs incurred from a certain group life treaty participating in a pool arrangement.

**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 recognized 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) 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 retrocessionaire 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 related claims are incurred.

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

##### *(b) Acquisition Costs*

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

##### *(c) General and Administrative Expenses*

Costs and expenses are recognized in the statements of income upon utilization of goods or services at the date 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 period 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 21).

### ***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 on 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 24.2).

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

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

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

## ***2.20 Segment Reporting***

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

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

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

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

## **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of the Company's financial statements in accordance with PFRS 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 below and 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 the decline in fair value of certain AFS financial assets amounting to P17.19 million and P4.75 million are considered impairment in value as at March 31, 2026 and December 31, 2025 (see Note 7). 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 March 31, 2026 and December 31, 2025, the Company has recognized allowance for impairment loss amounting to P638.35 million and P634.13 million, respectively (see Notes 5 and 12).

*(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 March 31, 2026 and December 31, 2025, 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 28.

### **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 values of HTM securities and loans and receivables are shown in Notes 8 and 10, 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 7.

(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 remeasured if it might result to derecognition where the expected tax law to be enacted has a possible risk on the realization.

As at March 31, 2026 and December 31, 2025 the Company recognized net deferred tax assets amounting to P648.78 million and P677.21 million, respectively, 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 P709.99 million and P561.20 million as at March 31, 2026 and December 31, 2025, respectively.

(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's accrued reinsurance premiums were recognized 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's accrued retroceded premiums were recognized 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 accounts 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 claim experience and claim 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 claim development is influenced by the different factors, for example, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix and policy conditions. Judgment is further used to assess the extent to which external factors such as juridical decisions and government legislation affect the estimates.

As at March 31, 2026 and December 31, 2025, the carrying value of provision for claims reported and IBNR claims are recognized as Claims and claims reserves accounts in the statements of financial position (see Note 18).









#### 4. CASH AND CASH EQUIVALENTS

This account consists of:

	<b>March 31, 2026</b>	December 31, 2025
Cash on hand and in banks	<b>P344,140</b>	P122,390
Short-term placements	<b>673,605</b>	364,321
	<b>P1,017,745</b>	P486,711

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 P4.36 million and P4.35 million for the three months ended March 31, 2026 and 2025, respectively, is presented as part of the Investment and other income and expenses – net account in the statements of income (see Note 21).

Peso short-term placements earn annual interest ranging from 3.25% to 4.75% in 2026 and 3.20% to 5.75% in 2025, while U.S. dollar short-term placements earn annual interest ranging from 2.96% to 4.30% in 2026 and 3.03% to 4.83% in 2025 and the Euro short-term placements earn annual interest ranging from 1.00% to 2.50% in 2026 0.90% to 2.50% in 2025.

The Cash and cash equivalents account includes cash and short-term placements denominated in U.S. dollar amounting to \$7.00 million (P425.23 million) and \$1.55 million (P91.18 million) as at March 31, 2026 and December 31, 2025, respectively and cash and short-term placements denominated in Euro amounting to €1.05 million (P73.44 million) and €1.30 million (P89.71 million) as at March 31, 2026 and December 31, 2025, respectively.

#### 5. REINSURANCE BALANCES RECEIVABLE – NET

The details of this account are as follows:

	<b>March 31, 2026</b>	December 31, 2025
Due from ceding companies	<b>P5,631,203</b>	P5,676,122
Reinsurance recoverable on paid claims	<b>359,083</b>	384,128
Funds held by ceding companies	<b>219,402</b>	229,744
Due from reinsurers	<b>46,204</b>	89,291
	<b>6,255,892</b>	6,379,285
Allowance for impairment	<b>(489,147)</b>	(484,931)
	<b>P5,766,745</b>	P5,894,354

The movements in these accounts are as follows:

	<i>Notes</i>	March 31, 2026				Total
		Due from ceding companies	Reinsurance recoverable on paid claims	Funds held by ceding companies	Due from reinsurers	
Balance at beginning of period		P5,676,122	P384,128	P229,744	P89,291	P6,379,285
Claims recoveries during the period	12, 22.1	–	4,342	–	–	4,342
Premiums written net of funds held during the period		1,191,142	–	–	–	1,191,142
Funds held during the period		–	–	7,720	–	7,720
Reclassification		439,858	1,581	(17,605)	(43,087)	380,747
Collections during the period		(1,684,794)	(35,554)	–	–	(1,720,348)
Foreign exchange revaluation		8,875	4,586	(457)	–	13,004
		5,631,203	359,083	219,402	46,204	6,255,892
Allowance for impairment		(148,664)	(339,398)	(25)	(1,060)	(489,147)
Balance at end of period		P5,482,539	P19,685	P219,377	P45,144	P5,766,745

	<i>Notes</i>	December 31, 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	12, 22.1	–	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

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 receivables 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 March 31, 2026 and December 31, 2025 is as follows.

	March 31, 2026				
	Due from ceding companies	Reinsurance recoverable on paid claims	Funds held by ceding companies	Due from reinsurers	Total
Balance at beginning of period	P148,647	P335,199	P25	P1,060	P484,931
Revaluation	17	4,199	–	–	4,216
Balance at end of period	P148,664	P339,398	P25	P1,060	P489,147

	December 31, 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

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

## 6. HELD-FOR-TRADING SECURITIES

This account is composed of the following:

	March 31, 2026	December 31, 2025
UITF	<b>P514,522</b>	P537,195
Equity securities	<b>316,281</b>	316,419
Forward asset	<b>266</b>	1,111
	<b>P831,069</b>	P854,725

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.

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

Forward asset pertains to the balances receivable from forward contract entered into by the Company. Outstanding forward contracts as at March 31, 2026 and December 31, 2025 are as follows:

### **March 31, 2026**

		<i>in thousands</i>	
Transaction date	Settlement date	Receivable	Payable
January 26, 2026	April 8, 2026	INR 150,000	\$1,629
January 28, 2026	April 10, 2026	CNY 6,500	\$938
January 30, 2026	April 10, 2026	CNY 6,500	\$938
January 30, 2026	April 8, 2026	INR 135,000	\$1,461
February 6, 2026	April 10, 2026	PHP 29,324	\$500
February 6, 2026	April 10, 2026	PHP 29,325	\$500
February 6, 2026	April 10, 2026	PHP 29,345	\$500
February 9, 2026	April 10, 2026	PHP 29,250	\$500
February 10, 2026	April 10, 2026	PHP 29,298	\$500
February 11, 2026	April 10, 2026	PHP 29,190	\$500

**December 31, 2025**

*in thousands*

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

As at March 31, 2026 and December 31, 2025, the Company recognized the following forward asset and liability from the forward contracts discussed above:

	<b>March 31, 2026</b>	December 31, 2025
Forward asset	<b>P266</b>	P1,111
Forward liability	<b>10,761</b>	1,761

The net fair value losses amounted to P13.85 million and P0.83 million for the three months ended March 31, 2026 and 2025 on forward contracts, respectively, is recognized under Investment and other income and expenses – net in statements of income (see Note 21).

The details of the HFT securities are as follows:

	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period	<b>P854,725</b>	P447,958
Acquisitions	<b>311,078</b>	2,744,100
Disposals	<b>(310,174)</b>	(2,414,719)
Changes in fair value	<b>(36,635)</b>	66,726
Unrealized foreign currency gains (losses)	<b>12,075</b>	10,660
Balance at end of period	<b>P831,069</b>	P854,725

Dividend income earned from equities classified as HFT securities amounted to P6.30 million and P2.29 million in 2025 for the three months ended March 31, 2026 and 2025, respectively (see Note 21).

**7. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

This account is composed of the following:

	<b>March 31, 2026</b>	December 31, 2025
Debt securities	<b>P5,305,832</b>	P5,442,333
Equity securities - net	<b>169,819</b>	174,825
Investment in ARC shares	<b>44,506</b>	43,071
	<b>P5,520,157</b>	P5,660,229

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 2026 and 1.38% to 8.63% in 2025. Interest income amounting to P79.88 million and P69.77 million for the three months ended March 31, 2026 and 2025, respectively, is presented as part of Investment and other income and expenses – net account in the statements of income (see Note 21).

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

	<b>March 31, 2026</b>	December 31, 2025
Due within one year	<b>P595,936</b>	P330,227
Due after one year through five years	<b>4,318,028</b>	4,418,785
Due after five years through ten years	<b>387,076</b>	677,048
Due after ten years	<b>4,792</b>	16,273
	<b>P5,305,832</b>	P5,442,333

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

	<b>March 31, 2026</b>	December 31, 2025
Cost:		
Quoted in the stock exchange	<b>P144,401</b>	P162,920
Not quoted in the stock exchange	<b>10,834</b>	10,835
	<b>155,235</b>	173,755
Unrealized foreign currency gains	<b>2,596</b>	2,106
Fair value gains:		
Quoted in the stock exchange	<b>8,882</b>	(1,842)
Not quoted in the stock exchange	<b>3,106</b>	806
	<b>11,988</b>	(1,036)
	<b>P169,819</b>	P174,825

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

Dividend income from these equity securities amounting to P3.75 million and P5.75 million for the three months ended March 31, 2026 and 2025, respectively, is presented under the Investment and other income and expenses – net account in the statements of income (see Note 21).

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 P44.51 million and P43.07 million as at March 31, 2026 and December 31, 2025, respectively.

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

	<i>Notes</i>	<b>March 31, 2026</b>	December 31, 2025
<b>Cost</b>			
Balance at beginning of period		<b>P5,600,078</b>	P5,248,772
Acquisitions		<b>517,812</b>	2,481,886
Disposals/maturities		<b>(592,228)</b>	(2,118,445)
Amortization		<b>13,111</b>	(11,152)
Impairment losses	<i>3, 21</i>	<b>(17,185)</b>	(4,753)
Unrealized foreign currency gains (losses)		<b>11,276</b>	3,770
		<b>5,532,864</b>	5,600,078
<b>Fair value adjustment</b>			
Balance at beginning of period		<b>60,151</b>	30,969
Changes in fair value		<b>(92,766)</b>	52,595
Fair value (gains) losses on disposal	<i>21</i>	<b>2,723</b>	(28,166)
Impairment losses	<i>3, 21</i>	<b>17,185</b>	4,753
		<b>(12,707)</b>	60,151
Balance at end of period		<b>P5,520,157</b>	P5,660,229

Fair value losses recognized in the statements of comprehensive income amounted to P92.77 million for the three months ended March 31, 2026 and fair value gains recognized in the statements of comprehensive income amounted to P14.08 million for the three months ended March 31, 2025.

In 2017 and 2018, the Company reclassified certain investments classified under AFS financial assets to HTM securities amounting to P1.56 billion (see Note 8) and to Other assets amounting to P0.88 million.

The Company recognized an impairment loss amounting to P17.19 million and nil for the three months ended March 31, 2026 and 2025, 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 21) 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 P0.59 billion and P0.32 billion for the three (3) months ended March 31, 2026 and 2025, respectively.

Accordingly, the Company recognized loss on sale of AFS financial assets amounting to P2.72 million in 2026 and gain on sale of AFS financial assets amounting to P0.54 million in 2025. These are presented as part of Investment and other income and expenses – net account in the statements of income (see Note 21).

Fair value losses of P19.91 million and fair value gains of P0.54 million, as presented in the statements of comprehensive income, were reclassified to profit or loss in 2026 and 2025, respectively (see Note 21).

The fair value of majority of the AFS financial assets has been determined directly by reference to published prices in active market (see Note 30.2).

## 8. HELD-TO-MATURITY SECURITIES

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

	March 31, 2026	December 31, 2025
Due within one year	P535,811	P500,419
Due after one year through five years	1,363,281	1,630,218
Due after five years through ten years	2,045,485	1,103,497
More than ten years	424,056	1,048,862
	<b>P4,368,633</b>	P4,282,996

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

	March 31, 2026	December 31, 2025
Balance at beginning of period	P4,282,996	P4,024,499
Additions	103,653	1,362,260
Maturities	(25,001)	(1,108,381)
Amortization	(2,998)	739
Unrealized foreign currency gains	9,983	3,879
Balance at end of period	<b>P4,368,633</b>	P4,282,996

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 7). 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.

The carrying amount of the reclassified debt securities amounted to nil as at March 31, 2026 and December 31, 2025.

The Company recognized interest income on HTM securities amounting to P63.98 million and P53.80 million, for the three months ended March 31, 2026 and 2025, respectively (see Note 21).

## 9. OTHER INVESTMENTS

As at March 31, 2026 and December 31, 2025, the Company's Other investments account amounted to nil and P112.05 million, respectively. This includes time deposits denominated in U.S. dollar amounting to \$1.91 million (P112.05 million) as at December 31, 2025.

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

No interest income was recognized from other investments for the three-month periods ended March 31, 2026 and 2025.

U.S. dollar short-term placements earn annual interest ranging from 4.25% to 4.30% in 2025.

## 10. LOANS AND RECEIVABLES

This account is comprised of the following:

	March 31, 2026	December 31, 2025
Current:		
Loans and notes receivable	P14,375	P11,727
Dividend and interest receivable	106,779	110,877
	<b>121,154</b>	122,604
Non-current:		
Loans and notes receivable	4,411	3,980
	<b>P125,565</b>	P126,584

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 P0.14 million and P0.18 million for the three months ended March 31, 2026 and 2025, respectively, is presented as part of Investment and other income and expenses – net account in the statements of income (see Note 21).

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 recorded for loans and receivables in 2026 and 2025.

## 11. PROPERTY AND EQUIPMENT – NET

A reconciliation of the carrying amount at the beginning and end of March 31, 2026 and December 31, 2025 of property and equipment is shown below.

		March 31, 2026					
	Note	Condominium Unit	Office Improvements	Transportation Equipment	EDP Equipment	Office Furniture and Equipment	Total
<b>Cost</b>							
Balance at beginning of period		P101,310	P25,432	P12,104	P23,784	P11,350	P173,980
Additions		–	–	2,072	–	67	2,139
Balance at end of period		101,310	25,432	14,176	23,784	11,417	176,119
<b>Accumulated Depreciation</b>							
Balance at beginning of period		88,365	20,331	6,224	18,521	11,196	144,637
Depreciation	23	844	634	648	517	8	2,651
Balance at end of period		89,209	20,965	6,872	19,038	11,204	147,288
<b>Net Book Value</b>		<b>P12,101</b>	<b>P4,467</b>	<b>P7,304</b>	<b>P4,746</b>	<b>P213</b>	<b>P28,831</b>

		December 31, 2025					
	Note	Condominium Unit	Office Improvements	Transportation Equipment	EDP Equipment	Office Furniture and Equipment	Total
<b>Cost</b>							
Balance at beginning of year		P101,310	P25,285	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
<b>Accumulated Depreciation</b>							
Balance at beginning of year		84,988	17,809	4,574	16,548	11,176	135,095
Depreciation		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
<b>Net Book Value</b>		<b>P12,945</b>	<b>P5,101</b>	<b>P5,880</b>	<b>P5,263</b>	<b>P154</b>	<b>P29,343</b>

The original cost of fully depreciated property and equipment that are still in use amounted to P25.58 million as at March 31, 2026 and December 31, 2025, respectively.

ROU assets capitalized are recognized as part of Electronic Data Processing (EDP) Equipment. As at March 31, 2026 and December 31, 2025, ROU assets and Lease liabilities amounted to P0.07 million and P0.12 million, respectively.

Depreciation associated with ROU assets amounted to P0.04 million in March 2026 and 2025.

**12. REINSURANCE RECOVERABLE ON REPORTED CLAIMS AND CLAIMS RESERVES – NET**

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

	March 31, 2026	December 31, 2025
Reinsurance recoverable on reported claims	<b>P1,938,201</b>	P1,842,751
Reinsurance recoverable on claims reserves	<b>906,662</b>	932,151
<b>Balance at end of period</b>	<b>P2,844,863</b>	P2,774,902

The movement in the accounts are as follows:

	<i>Notes</i>	Reinsurance recoverable on reported claims	Reinsurance recoverable on claims reserves
March 31, 2026			
Balance at beginning of period		<b>P1,991,949</b>	<b>P932,151</b>
Claims reported during the period	22.1	<b>107,781</b>	–
Transferred to reinsurance recovered on paid claims	5, 22.1	<b>(4,342)</b>	–
Claims incurred but not reported, net of adjustments	22.2	–	<b>(25,489)</b>
Reclassification		<b>(9,003)</b>	–
Foreign exchange revaluation		<b>1,014</b>	–
		<b>2,087,399</b>	<b>906,662</b>
Allowance for impairment		<b>(149,198)</b>	–
<b>Balance at end of period</b>		<b>P1,938,201</b>	<b>P906,662</b>

	<i>Note</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		411,181	–
Transferred to reinsurance recovered on paid claims	5	(602,819)	–
Claims incurred but not reported, net of adjustments		–	92,848
Reclassification		14,044	–
Foreign exchange revaluation		(915)	–
		1,991,949	932,151
Allowance for impairment		(149,198)	–
<b>Balance at end of year</b>		<b>P1,842,751</b>	<b>P932,151</b>

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

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

	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period	<b>P149,198</b>	P162,309
Additions (reversals)	–	(13,111)
Balance at end of period	<b>P149,198</b>	P149,198

### 13. DEFERRED ACQUISITION COSTS

The movements in this account are as follows:

	<i>Note</i>	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period		<b>P1,145,676</b>	P1,096,624
Cost deferred during the period		<b>78,346</b>	811,544
Cost recognized during the period	<i>22.3</i>	<b>(205,025)</b>	(762,492)
Balance at end of period		<b>P1,018,997</b>	P1,145,676

The amortization of deferred acquisition costs for the period is presented as part of Commissions – net under Underwriting deductions in the statements of income (see Note 22.3).

### 14. DEFERRED REINSURANCE PREMIUMS

The movements in this account are as follows:

	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period	<b>P623,632</b>	P647,670
Premiums retroceded during the period	<b>362,258</b>	1,218,912
Premiums amortized during the period	<b>(412,279)</b>	(1,242,950)
Balance at end of period	<b>P573,611</b>	P623,632

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

15. **OTHER ASSETS – NET**

This account is composed of the following:

	<b>March 31, 2026</b>	December 31, 2025
Input Value Added Tax (VAT)	<b>P196,223</b>	P195,947
Intangible assets – net	<b>55,366</b>	55,366
Receivable from BIR	<b>53,065</b>	53,065
Prepayments	<b>18,508</b>	9,753
Deferred creditable tax	<b>10,229</b>	10,228
Deferred withholding VAT	<b>9,203</b>	9,203
Investment properties – net	<b>3,705</b>	3,705
Deposit	<b>700</b>	700
Security fund	<b>644</b>	644
Prepaid income tax	<b>91</b>	–
Deferred input VAT	<b>16</b>	26
Others	<b>138</b>	137
	<b>347,888</b>	338,774
Allowance for impairment	<b>(209,633)</b>	(209,633)
	<b>P138,255</b>	P129,141

As at March 31, 2026 and December 31, 2025, 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 Bureau of Internal Revenue (BIR).

*Intangible Assets*

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 March 31, 2026 and December 31, 2025 are as follows:

	<b>March 31, 2026</b>	December 31, 2025
Cost	<b>P218,655</b>	P218,655
Accumulated amortization	<b>(163,289)</b>	(163,289)
Balance at end of period	<b>P55,366</b>	P55,366

A reconciliation of the carrying amount at the beginning and end of March 31, 2026 and December 31, 2025 of intangible assets is shown below.

	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period, net of accumulated amortization	<b>P55,366</b>	P34,021
Additions	-	21,345
Balance at end of period, net of accumulated amortization	<b>P55,366</b>	P55,366

The Company recognized no amortization for the periods ended March 31, 2026 and December 31, 2025.

*Receivable from BIR*

Receivable from BIR account pertains to the amount collected by the BIR on April 20, 2022 in relation to the Final Decision on Disputed Assessment (FDDA) for VAT deficiency issued for the taxable year 2016.

*Prepayments*

Prepayments pertain to software licenses and support maintenance costs and prepaid health and group life insurance premiums of the Company.

*Creditable withholding tax*

CWT mainly arises from taxes withheld by the ceding companies upon payment of reinsurance premiums to the Company.

It can either be used to offset against future income tax liabilities or be claimed as tax refund from the BIR.

*Investment Properties – net*

Investment properties consist of land which are owned for capital appreciation. The carrying amount of investment properties as at March 31, 2026 and December 31, 2025 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 as at March 31, 2026 and December 31, 2025 (see Note 30.4).

*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.

16. REINSURANCE BALANCES PAYABLE

The details of this account are as follows:

	March 31, 2026	December 31, 2025
Due to retrocessionaires	P2,358,096	P1,792,061
Due to cedant	92,928	347,744
Funds held for retrocessionaires	23,585	24,865
	<b>P2,474,609</b>	<b>P2,164,670</b>

*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.

	March 31, 2026			
	Due to retrocessionaires	Due to cedant	Funds held for retrocessionaires	Total
Balance at beginning of period	P1,792,061	P347,744	P24,865	P2,164,670
Retroceded premiums net of funds held during the period	355,591	-	-	355,591
Funds held during the period	-	-	6,667	6,667
Funds released during the period	827	-	(827)	-
Reclassification	407,213	(254,656)	(7,120)	145,437
Payments made during the period	(202,553)	-	-	(202,553)
Foreign exchange revaluation	4,957	(160)	-	4,797
Balance at end of period	<b>P2,358,096</b>	<b>P92,928</b>	<b>P23,585</b>	<b>P2,474,609</b>

	December 31, 2025			
	Due to retrocessionaires	Due to cedant	Funds held for retrocessionaires	Total
Balance at beginning of year	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

**17. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

This account includes the following:

	<i>Note</i>	<b>March 31, 2026</b>	December 31, 2025
Income tax payable		<b>P186,106</b>	187,088
Accounts payable and accrued expenses		<b>170,909</b>	P157,329
Deferred output VAT		<b>26,010</b>	25,970
Deposit liability		<b>18,152</b>	19,324
Defined benefit liability		<b>16,589</b>	12,530
Withholding taxes payable		<b>5,214</b>	5,556
Dividends payable	<i>24.3</i>	<b>1,662</b>	1,662
		<b>P424,642</b>	P409,459

Income tax payable 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 end of period. 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 were 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 21). As at March 31, 2026 and December 31, 2025, the statutory reserves amounted to P18.15 million and P19.32 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.

## 18. 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 consists of:

	<b>March 31, 2026</b>	December 31, 2025
Claims	<b>P5,063,059</b>	P5,901,510
Claims reserves	<b>5,204,767</b>	4,610,328
Balance at end of period	<b>P10,267,826</b>	P10,511,838

<b>March 31, 2026</b>	<i>Notes</i>	<b>Claims</b>	<b>Claims reserves</b>
Balance at beginning of period		<b>P5,901,510</b>	<b>P4,610,328</b>
Claims incurred during the period – net	22.1	<b>(17,392)</b>	–
Claims incurred but not reported, net of adjustments	22.2	–	<b>594,439</b>
Reclassification		<b>226,307</b>	–
Claims paid during the period	22.1	<b>(1,075,272)</b>	–
Foreign exchange revaluation		<b>27,906</b>	–
Balance at end of period		<b>P5,063,059</b>	<b>P5,204,767</b>

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

## 19. PREMIUM RESERVES

The movements in Premium reserves are as follows:

	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period	<b>P1,965,134</b>	P1,860,645
Premium written during the period	<b>1,198,862</b>	5,727,411
Premiums earned during the period	<b>(1,304,658)</b>	(5,622,922)
Balance at end of period	<b>P1,859,338</b>	P1,965,134

The movements in premium reserves for the period are presented as part of Movement in premium reserves – net account in the statements of income.

**20. DEFERRED REINSURANCE COMMISSIONS**

The movements in Deferred reinsurance commissions are as follows:

	<i>Note</i>	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period		<b>P11,604</b>	P2,321
Income deferred during the period		<b>9,097</b>	38,648
Income recognized during the period	<i>22.3</i>	<b>(8,339)</b>	(29,365)
Balance at end of period		<b>P12,362</b>	P11,604

The amortization of deferred reinsurance commissions for the period is presented as part of Commissions – net under Underwriting deductions in the statements of income (see Note 22.3).

**21. INVESTMENT AND OTHER INCOME AND EXPENSES – NET**

The details of this account are as follows:

	<i>Notes</i>	<b>March 31, 2026</b>	March 31, 2025
Interest income (expense):			
Cash and cash equivalents	<i>4</i>	<b>P4,359</b>	P4,348
AFS financial assets	<i>7</i>	<b>79,875</b>	69,768
HTM securities	<i>8</i>	<b>63,978</b>	53,799
Loans and receivables	<i>10</i>	<b>135</b>	183
Others		<b>121</b>	154
Foreign currency gains (losses)		<b>30,854</b>	(19,797)
Dividend income	<i>6, 7</i>	<b>10,050</b>	8,039
Gain (loss) on sale of HFT securities		<b>7,846</b>	(847)
Movement in deposit liability	<i>17</i>	<b>(116)</b>	(255)
(Loss) gain on sale of AFS	<i>7</i>	<b>(2,723)</b>	540
Fair value (losses) from forward contract	<i>6</i>	<b>(13,847)</b>	(829)
Impairment loss on AFS financial assets	<i>7</i>	<b>(17,185)</b>	–
Fair value (losses) gains on HFT securities		<b>(35,790)</b>	4,510
Other charges		<b>(2,720)</b>	(2,105)
		<b>P124,837</b>	P117,508

## 22. UNDERWRITING DEDUCTIONS

The Claims and claims reserves – net account consists of:

	<i>Notes</i>	<b>March 31, 2026</b>	March 31, 2025
Change in reported claims – net	22.1	<b>(P125,173)</b>	P275,044
Change in claims reserves – net	22.2	<b>619,928</b>	308,056
		<b>P494,755</b>	P583,100

### 22.1 Change in Reported Claims – Net

	<i>Notes</i>	<b>March 31, 2026</b>	March 31, 2025
Gross claims paid	18	<b>P1,075,272</b>	P464,503
Retrocessionaires' share in claims paid	5, 12	<b>(4,342)</b>	(130,417)
Gross change in reported claims	18	<b>(1,092,664)</b>	6,546
Retrocessionaires' share in change in reported claims	12	<b>(103,439)</b>	(65,588)
		<b>(P125,173)</b>	P275,044

### 22.2 Change in Claims Reserves – Net

	<i>Notes</i>	<b>March 31, 2026</b>	March 31, 2025
Gross change in provision for IBNR	18	<b>P594,439</b>	P300,553
Retrocessionaires' share in change in provision for IBNR	12	<b>25,489</b>	7,503
		<b>P619,928</b>	P308,056

### 22.3 Commissions – Net

This account consists of the following:

	<i>Notes</i>	<b>March 31, 2026</b>	March 31, 2025
Commission expense	13	<b>P205,025</b>	P174,755
Commission income	20	<b>(8,339)</b>	(4,107)
		<b>P196,686</b>	P170,648

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 period of the fees charged by the Company related to reinsurance premiums retroceded under retrocession agreements.

## 23. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	<i>Notes</i>	<b>March 31, 2026</b>	March 31, 2025
Salaries and employee benefits	23.1	<b>P55,986</b>	P55,234
Professional fees		<b>9,559</b>	4,244
Data, licenses and subscriptions		<b>7,192</b>	6,990
Repairs and maintenance		<b>6,614</b>	4,955
Depreciation and amortization	11, 15	<b>2,651</b>	2,644
Outsourced functions		<b>2,088</b>	1,693
Dues and fees		<b>1,168</b>	1,187
Taxes, licenses and fees		<b>1,119</b>	2,246
Advertising and publicity		<b>956</b>	332
Insurance		<b>629</b>	659
Communication and postages		<b>617</b>	603
Meetings, conferences and conventions		<b>460</b>	591
Light and water		<b>379</b>	332
Printing and office supplies		<b>194</b>	91
Rentals	28.1	<b>145</b>	128
Representation and entertainment		<b>108</b>	47
Miscellaneous		<b>3,663</b>	2,188
		<b>P93,528</b>	P84,164

### 23.1 Salaries and Employee Benefit Expense

The details of salaries and employee benefits are presented below.

	<b>March 31, 2026</b>	March 31, 2025
Short-term employee benefits	<b>P52,121</b>	P51,103
Post-employment defined benefits	<b>3,865</b>	4,131
	<b>P55,986</b>	P55,234

#### *Professional Fees*

Professional fees are the expenses charged for external services engaged such as consultancy, external audit, legal and actuarial services.

#### *Data, Licenses and Subscriptions*

Data, licenses and subscriptions are the amortized portion of subscriptions paid for the use of various computer licensed software.

#### *Taxes, Licenses and Fees*

Taxes, licenses and fees consists of payments made for the local and national taxes, business permits and licenses.

## 24. EQUITY

The Company's equity is composed of the following:

	<i>Note</i>	<b>March 31, 2026</b>	December 31, 2025
Capital stocks		<b>P2,181,955</b>	P2,181,955
Additional paid-in capital		<b>3,019,218</b>	3,019,218
Treasury shares	<i>24.1</i>	<b>(100,525)</b>	(100,525)
Revaluation reserves		<b>(79,093)</b>	(6,121)
Retained earnings		<b>2,812,162</b>	2,638,562
		<b>P7,833,717</b>	P7,733,089

### ***24.1 Capital Stock***

As at March 31, 2026 and December 31, 2025, 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 March 31, 2026 and December 31, 2025, there are 270 and 271 holders of the listed shares, respectively. Such listed shares closed at P0.72 and P0.77 per share as at those dates, respectively.

As at March 31, 2026 and December 31, 2025, total treasury shares amounted to P100.53 million representing 58,349,000 shares. There were no treasury stock transactions in 2026 and 2025.

### ***24.2 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 periods ended March 31, 2026, and December 31, 2025, the Company appropriated nil and P82.95 million, respectively, for special reserve.

### ***24.3 Retained Earnings***

There was no declaration of cash dividends in 2026 and 2025. The total outstanding dividends payable amounted to P1.66 million as at March 31, 2026 and December 31, 2025, respectively. These are presented as Dividends payable under Accounts payable and accrued expenses account in the statements of financial position (see Note 17).

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.

## 25. 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.

### 25.1 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:

	March 31, 2026		March 31, 2025	
	Stockholders	Related Parties Under Common Ownership	Stockholders	Related Parties Under Common Ownership
Premiums	P-	P54,478	P-	P27,093
Commission expense	-	2,557	-	1,278
Claims incurred (reversal)	705	6,562	4,283	-
Loss recoveries (reversal)	470	-	-	-

The outstanding balance of the Reinsurance balances receivable from and payable to related parties as at March 31, 2026 and December 31, 2025 are presented as follows:

	March 31, 2026		December 31, 2025	
	Stockholders	Related Parties Under Common Ownership	Stockholders	Related Parties Under Common Ownership
Due from ceding companies	P-	P268,961	P-	P230,485
Funds held by ceding companies	-	7,345	-	6,296
Funds held for retrocessionaires	1	-	1	-
Reinsurance recoverable on reported claims	1,996	-	1,996	-
Claims payable	151,664	638,370	150,959	627,415
Due to retrocessionaires	197	27,661	197	13,606

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 payable and claim 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 P65.19 million and P65.23 million as at March 31, 2026 and December 31, 2025, respectively.

The reversed allowance for impairment from related parties under Reinsurance recoverable on paid claims amounted to nil and P0.45 million as at March 31, 2026 and December 31, 2025, respectively.

## 25.2 Other Transactions

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

		March 31, 2026		December 31, 2025	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
<b>Stockholder:</b>					
Cash and cash equivalents	(a)	(P5,825)	P4,957	(P7,566)	P10,782
HFT securities	(b)	262	78,271	36,874	78,009
AFS financial assets	(b)	(1,014)	6,250	(27,680)	7,264
HTM investments	(b)	25,000	25,000	–	–
Accrued interest receivables	(b)	144	144	–	–
Interest income – cash and cash equivalents	(a)	2	–	16	–
Interest income – bonds	(b)	180	–	–	–
Dividend income – HFT securities	(b)	–	–	696	–
Dividend income – AFS financial assets	(b)	–	–	359	–
Other expenses	(c)	84	–	81	–
<b>Related Party Under Common Ownership:</b>					
Cash and cash equivalents	(a)	262,180	530,261	(88,677)	268,081
HFT securities	(b)	(12,664)	54,125	8,003	66,789
AFS financial assets	(b)	2,018	49,432	(19,663)	47,415
HTM securities	(b)	(25,391)	380,711	(151,414)	406,102
Accrued interest receivables	(b)	3,233	3,233	–	–
Interest income – cash and cash equivalents	(a)	214	–	14,368	–
Interest income – bonds	(b)	5,012	–	22,127	–
Dividend income – HFT financial assets	(b)	1,231	–	–	–
Dividend income – AFS financial assets	(b)	369	–	–	–
Other expenses	(c)	1,718	–	6,829	–

### (a) Cash and Cash Equivalents

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 21).

### (b) Investments

The Company has investment in shares of stock with 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 (losses) on HFT securities, and Fair value gains (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 21), while accrued interest on HTM securities is presented as part of Loans and receivables in the statements of financial position (see Note 10).

(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 21).

**25.3 Investment Management of Retirement Fund**

The Company has existing “Retirement Fund Investment Management Agreement” with related parties under common ownership for the management of the investments of the Company’s retirement funds subject to the terms and conditions in the said agreement. The retirement fund does not hold any security issued by the Company as at March 31, 2026 and December 31, 2025.

**25.4 Key Management Personnel Compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including director, whether executive or otherwise, of the Company.

The compensation of key management personnel is presented as follows:

	<b>March 31, 2026</b>	March 31, 2025
Short-term benefits	<b>P15,199</b>	P15,762
Post-employment defined benefit	<b>1,335</b>	2,136
	<b>P16,534</b>	P17,898

**26. 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.

## 27. EARNINGS PER SHARE

The earnings per share are presented as follows:

	March 31, 2026	March 31, 2025
Net profit available to common shareholders	<b>P173,600</b>	P194,547
Divided by the average number of outstanding common shares (in thousands)	<b>2,123,606</b>	2,123,606
	<b>P0.082</b>	P0.092

Diluted earnings per share is not determined since the Company does not have dilutive shares as at March 31, 2026 and December 31, 2025.

## 28. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Company:

### ***28.1 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 March 31, 2026 and December 31, 2025 is P0.86 million and P1.14 million, respectively, which is payable not later than one year.

Rental expense recognized amounted to P0.15 million and P0.13 million in 2026 and 2025, respectively, and is presented in the statements of income as Rentals under General and administrative expenses (see Note 23).

### ***28.2 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 March 31, 2026 and December 31, 2025 will not have a material adverse effect on the Company's financial position.

### ***28.3 Deficiency Tax Assessments***

The Company received the Final Decision on Disputed Assessment (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 March 31, 2026 and December 31, 2025, 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.

### ***28.4 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 March 31, 2026 and December 31, 2025, if any, that may arise from these commitments and contingencies will not have any material effect on the financial statements.

## 29. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

### 29.1 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	March 31, 2026		December 31, 2025	
		Carrying Values	Fair Values	Carrying Values	Fair Values
<b>Financial assets:</b>					
Loans and receivables:					
Cash and cash equivalents	4	P1,017,745	P1,017,745	P486,711	P486,711
Reinsurance balances receivable - net	5	5,766,745	5,766,745	5,894,354	5,894,354
Loans and receivables	10	125,565	125,565	126,584	126,584
Reinsurance recoverable on reported claims and claims reserves - net	12	1,645,221	1,645,221	1,564,532	1,564,532
		<b>P8,555,276</b>	<b>P8,555,276</b>	P8,072,181	P8,072,181
<b>HFT securities:</b>					
UITF		P514,522	P514,522	P537,195	P537,195
Forward asset		266	266	1,111	1,111
Equity securities		316,281	316,281	316,419	316,419
	6	<b>P831,069</b>	<b>P831,069</b>	P854,725	P854,725
<b>AFS financial assets:</b>					
Debt securities		P5,305,832	P5,305,832	P5,442,333	P5,442,333
Equity securities – net		169,819	169,819	174,825	174,825
Investment in ARC shares		44,506	44,506	43,071	43,071
	7	<b>P5,520,157</b>	<b>P5,520,157</b>	P5,660,229	P5,660,229
HTM securities	8	<b>P4,368,633</b>	<b>P4,253,383</b>	P4,282,996	P4,278,863
Other investments	9	<b>P–</b>	<b>P–</b>	P112,054	P112,054
<b>Financial liabilities:</b>					
Reinsurance balances payable	16	<b>P2,474,609</b>	<b>P2,474,609</b>	P2,164,670	P2,164,670
Forward liability	6	10,761	10,761	1,761	1,761
Accounts payable and other accrued expenses*	17	190,723	190,723	178,315	178,315
Claims and claims reserves	18	4,511,056	4,511,056	5,295,455	5,295,455
		<b>P7,187,149</b>	<b>P7,187,149</b>	P7,640,201	P7,640,201

\* 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.

### 29.2 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.

### 30. FAIR VALUE MEASUREMENT AND DISCLOSURES

#### 30.1 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.

#### 30.2 Financial Instruments Measured at Fair Value

The table below shows the fair value hierarchy of the Company's financial assets measured at fair value in the statements of financial position on a recurring basis (amounts in thousands).

	<i>Notes</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>March 31, 2026</b>					
HFT securities	6	<b>P830,803</b>	<b>P266</b>	<b>P-</b>	<b>P831,069</b>
AFS financial assets	7	<b>5,461,711</b>	<b>8,050</b>	<b>50,396</b>	<b>5,520,157</b>
Forward liability	6	<b>-</b>	<b>10,761</b>	<b>-</b>	<b>10,761</b>
December 31, 2025					
HFT securities	6	P853,614	P1,111	P-	P854,725
AFS financial assets	7	5,605,518	5,750	48,961	5,660,229
Other Investments	9	112,054	-	-	112,054
Forward liability	6	-	1,761	-	1,761

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

	<b>March 31, 2026</b>	December 31, 2025
Balance at beginning of period	<b>P48,961</b>	P44,418
Fair value gains	<b>44,506</b>	4,155
Disposals	<b>(44,050)</b>	–
Foreign currency gains (losses)	<b>979</b>	388
Balance at end of period	<b>P50,396</b>	P48,961

There has been no transfer between levels in 2026 and 2025.

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 March 31, 2026 and December 31, 2025, 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.

### 30.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The tables below summarize 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.

	<u>Notes</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>March 31, 2026</b>					
<b>Financial assets:</b>					
Cash and cash equivalents	4	P1,017,745	P-	P-	P1,017,745
Reinsurance balances receivable - net	5	-	-	5,766,745	P5,766,745
HTM securities	8	4,253,383	-	-	4,253,383
Other investments	9	-	-	-	-
Loans and receivables	10	-	-	125,565	125,565
Reinsurance recoverable on reported claims and claims reserves - net	12	-	-	1,645,221	1,645,221
		<b>P5,271,128</b>	<b>P-</b>	<b>P7,537,531</b>	<b>P12,808,659</b>
<b>Financial liabilities:</b>					
Reinsurance balances payable	16	P-	P-	P2,474,609	P2,474,609
Accounts payable and other accrued expenses*	17	-	-	190,723	190,723
Claims and claims reserves	18	-	-	4,511,056	4,511,056
		<b>P-</b>	<b>P-</b>	<b>P7,176,388</b>	<b>P7,176,388</b>

\* Excluding taxes payable and defined benefit liability

	<u>Notes</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>December 31, 2025</b>					
<b>Financial assets:</b>					
Cash and cash equivalents	4	P486,711	P-	P-	P486,711
Reinsurance balances receivable - net	5	-	-	5,894,354	5,894,354
HTM securities	8	4,278,863	-	-	4,278,863
Other investments	9	112,054	-	-	112,054
Loans and receivables	10	-	-	126,584	126,584
Reinsurance recoverable on reported claims and claims reserves - net	12	-	-	1,564,532	1,564,532
		<b>P4,877,628</b>	<b>P-</b>	<b>P7,585,470</b>	<b>P12,463,098</b>
<b>Financial liabilities:</b>					
Reinsurance balances payable	16	P-	P-	P2,164,670	P2,164,670
Accounts payable and other accrued expenses*	17	-	-	178,315	178,315
Claims and claims reserves	18	-	-	5,295,455	5,295,455
		<b>P-</b>	<b>P-</b>	<b>P7,638,440</b>	<b>P7,638,440</b>

\* 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.

### ***30.4 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 March 31, 2026 and December 31, 2025, the fair value of the investment properties is P35.41 million classified under Level 3 of the fair value hierarchy (see Note 15). 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.

## **31. 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:

### ***31.1 Minimum Capitalization***

Under Section 289 of the Republic Act (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.

The IC issued Circular Letter (CL) No. 2015-02-A dated January 13, 2015, to clarify the minimum capitalization requirements under Sections 194, 197, 200 and 289 of RA No. 10607. Under the said CL, all existing reinsurance companies authorized to transact solely reinsurance business must have a net worth of at least P2.5 billion by December 31, 2019 and shall increase to P3.0 billion by December 31, 2022. The minimum net worth of the said companies shall remain unimpaired at all times.

As at March 31, 2026 and December 31, 2025, the Company has complied with the minimum capital requirements.

### ***31.2 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 held appropriately to the risks an insurance company is exposed to.

As at March 31, 2026 and December 31, 2025, the Company has complied with the risk-based capital requirements.

### ***31.3 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.

**32. SELECTED FINANCIAL PERFORMANCE INDICATORS**

The following basic ratios measure the financial performance of the Company:

	<b>March 31, 2026</b>	December 31, 2025
Asset-to-equity	<b>2.92 : 1.00</b>	2.95 : 1.00
Liability-to-equity	<b>1.92 : 1.00</b>	1.95 : 1.00

### 33. OTHER SEC REQUIREMENTS

The following information, as a minimum, should be disclosed in the notes to financial statements, if material and if not disclosed elsewhere in the interim financial report:

<ul style="list-style-type: none"> <li>Explanatory comments about the seasonality or cyclicity of interim operations</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report.</li> </ul>
<ul style="list-style-type: none"> <li>The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report.</li> </ul>
<ul style="list-style-type: none"> <li>The nature and amount of changes in estimates of amounts reported in prior interim years of the current fiscal year or changes in estimates of amounts reported prior financial years, if those changes have a material effect in the current interim year</li> </ul>	<ul style="list-style-type: none"> <li>Refer to Note 3 for the development of claims liabilities.</li> </ul>
<ul style="list-style-type: none"> <li>Issuances, repurchases, and repayments of debt and equity securities</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report.</li> </ul>
<ul style="list-style-type: none"> <li>Dividends paid (aggregate or per share) separately for ordinary shares and other shares</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report.</li> </ul>
<ul style="list-style-type: none"> <li>Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting. (This shall be provided only if the issuer is required to disclose segment information in its annual financial statements)</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report.</li> </ul>
<ul style="list-style-type: none"> <li>Material events subsequent to the end of the interim year that have not been reflected in the financial statements for the interim year</li> </ul>	<ul style="list-style-type: none"> <li>On April 8, 2026, BIR served a Warrant of Garnishment (WG) to a local bank where the Company maintain an account sufficient to cover the disputed 2017 VAT deficiency amounting to P78.19 million. Subsequently, BIR enforced the collection of the alleged deficiency tax assessment and has effectively garnished the same from the Company's bank account.</li> </ul>
<ul style="list-style-type: none"> <li>The effect of changes in the composition of the issuer during the interim year, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations</li> </ul>	<ul style="list-style-type: none"> <li>Nothing to report.</li> </ul>

<ul style="list-style-type: none"><li>• Changes in contingent liabilities or contingent assets since the last annual balance sheet date</li></ul>	<ul style="list-style-type: none"><li>• Nothing to report.</li></ul>
<ul style="list-style-type: none"><li>• Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim year.</li></ul>	<ul style="list-style-type: none"><li>• Nothing to report.</li></ul>

**AGING OF REINSURANCE BALANCES RECEIVABLE**

As at March 31, 2026

(In million pesos)

	Total	Below 360 days	Over 360 days	Not due
Due from ceding companies	P5,632	P601	P307	P4,724
Reinsurance recoverable on paid claims	359	2	344	13
Funds held by ceding companies	219	219	-	-
Due from reinsurers	46	45	1	-
	<u>P6,256</u>	<u>P867</u>	<u>P652</u>	<u>P4,737</u>
Allowance for impairment*	<u>(489)</u>			
	<u><u>P5,767</u></u>			

\*The Company's policy on providing allowance for impairment is primarily based on specific identification of accounts, which are deemed uncollectible after taking into consideration the result of collection efforts, age of receivables and company status or perceived degree of financial capacity.